

ADITYA BIRLA



MONEY

ADITYA BIRLA MONEY LIMITED

CIN-L65993GJ1995PLC064810

Registered Office : Indian Rayon Compound, Veraval - 362 266, Gujarat.

Email: abm.care@adityabirla.com Website: www.adityabirlamoney.com Ph: 044-39190002/3, Fax: 044-28290835

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Eighteenth** Annual General Meeting of the shareholders of **ADITYA BIRLA MONEY LIMITED** will be held on Tuesday, the 9th September, 2014 at 11.00 A.M. at the Registered Office of the Company at Indian Rayon Compound, Veraval - 362 266, Gujarat to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date, the Report of the Directors and the Auditors thereon.
2. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No.301003E), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period and reimbursement of actual out-of-pocket expenses, as may be incurred in the performance of their duties."

SPECIAL BUSINESS

3. To appoint Mr. P. Sudhir Rao (DIN 00018213) as an Independent Director and in this regard to consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. P. Sudhir Rao (DIN 00018213), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years from the date of this Annual General Meeting till 8th September, 2019."

4. To appoint Mr. G.Vijayaraghavan (DIN 00894134) as an Independent Director and in this regard to consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. G.Vijayaraghavan (DIN 00894134), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years from the date of this Annual General Meeting till 8th September, 2019."

5. To appoint Mr. Shriram Jagetiya (DIN 01638250) as a Director liable to retire by rotation and in this regard to consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Shriram Jagetiya (DIN 01638250) who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 and Article No.103 of the Articles of Association of the Company with effect from March 25, 2014 and who holds the office upto the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Shriram Jagetiya for the office of Director be and is hereby appointed as a Director of the Company liable to retirement by rotation."

6. To appoint Mr. Gopi Krishna Tulsian (DIN 00017786) as a Director liable to retire by rotation and in this regard to consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Gopi Krishna Tulsian (DIN 00017786) who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 and Article No.103 of the Articles of Association of the Company with effect from March 25, 2014 and who holds the office upto the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Gopi Krishna Tulsian for the office of Director be and is hereby appointed as a Director of the Company liable to retirement by rotation."

7. To appoint Mr. Sudhakar Ramasubramanian (DIN: 02584713) as the Managing Director of the Company and in this regard to consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the Company be and is hereby accorded to the re-appointment of Mr. Sudhakar Ramasubramanian (DIN: 02584713) as the Managing Director of the Company with effect from February 1, 2014 for a period of three years, without remuneration, and shall not be subject to retirement by rotation, so long as Mr. Sudhakar Ramasubramanian functions as the Managing Director of the Company.

RESOLVED FURTHER THAT in case any remuneration is paid by the Company to Mr. Sudhakar Ramasubramanian as Managing Director, such remuneration shall be in accordance with provisions of Sections 197, 198 read with Schedule V of the Companies Act, 2013 and in the event the Company having a loss or inadequacy of profits, such remuneration shall be paid in accordance with the conditions and the limits specified in Part II, Schedule V of the Companies Act, 2013 and all applicable circulars / notifications issued by the Central Government from time to time in this behalf or subject to the approval of Central Government as the case may be.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to alter the terms and conditions of appointment including payment of remuneration if any, and do all such other acts, deeds and things as may be deemed necessary or desirable and permissible under the applicable law in connection with or incidental to the re-appointment of Mr. Sudhakar Ramasubramanian, as the Managing Director of the Company."

8. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this Meeting duly initialed by the Company Secretary be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

9. To consider, and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT supplemental to the Ordinary Resolution passed under Section 293(1)(d) of the Companies Act, 1956, at the Annual General Meeting held on 15th July, 2009 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act) (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Articles of Association of the Company (hereinafter referred to as the "Articles"), consent of the Company be and is hereby granted to the Board of Directors of the Company, to borrow for and on behalf of the Company, from time to time as they may consider fit, any sum or sums of money, in any manner and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits or otherwise in Indian Rupees or any other foreign currency, from any bank(s) or financial institution(s), other person or persons and whether the same be unsecured or secured, and if secured, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, on, or in respect of all or any of the Company's assets and properties including uncalled capital, stock in trade notwithstanding that the monies so borrowed together with the monies, already borrowed, if any, by the Company (apart from temporary loans and credits obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid up capital and free reserves i.e. reserves not set apart for any specific purpose, provided that the total amount so borrowed and outstanding at any time shall not exceed Rs.300 Crore (Rupees Three Hundred Crore) only over and above the aggregate of the paid up capital and free reserves."

10. To consider, and if thought fit, to pass with or without modification(s), as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 62 of the Companies Act, 2013 ("Act") (including any statutory modification or re-enactment thereof for the time being in force), read with Companies (Share Capital and Debentures) Rules, 2014, and other applicable rules, if any, of the Act, the Memorandum and Article of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time ("SEBI Guidelines"), other concerned and relevant authorities, and other applicable laws, if any and subject to such approvals, permissions, conditions and modifications as may be prescribed or imposed by any regulatory authorities and subject to the such conditions and modifications as may be prescribed or imposed while granting such approvals, consents which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall deemed to include the Nomination and Remuneration Committee / Compensation Committee), consent of the Company be accorded to the Board to introduce and implement the 'Aditya Birla Money Limited - Employee's Stock Option Scheme -2014' (hereinafter referred to as 'the Scheme') the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time or for the benefit of such person (s) who are in permanent employment of the Company whether working in India or out of India, Directors of the Company and such other persons as permissible under SEBI Guidelines (hereinafter referred to as 'Employee' or Employees'), under the Scheme, in one or more tranches, upto 27,70,000 new equity shares of Re.1/- each of the company, in the form of options (hereinafter referred to as "Securities") at such price and on such terms and conditions as may be determined by the Board in accordance with the Scheme, the Guidelines and other provisions of the law as may be prevailing at that time.

RESOLVED FURTHER THAT the Board thereof is authorized to exercise all such authorities, powers and functions as may be necessary or required for the purpose of formulation and/or implementation of Scheme, including the terms and conditions for grant, issue, vesting and exercise of Options, and/ or concerning issue of shares, and lock in, if any, and to do all such acts and deeds as may be necessary to give effect to this resolution and to settle any question or doubt that may arise in relation thereto.

RESOLVED FURTHER THAT the said Securities may be allotted in accordance with the Scheme either directly or through a trust, which may also envisage for providing any financial assistance to the trust to enable the trust/ employees to acquire, purchase or subscribe to the said Securities of the Company.

RESOLVED FURTHER THAT the new equity shares to be issued and allotted in the manner aforesaid shall rank pari passu in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotment and listing of securities and / or for the purpose of complying with any guideline or regulations that may be issued from time to time by any appropriate authority, the Board be authorised on behalf of the Company to make any modifications, changes variation alterations or revisions in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time, provide such variations, modifications, alterations or revisions are not detrimental to the interest of employees.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts and execute all such documents as it may in its absolute discretion deem necessary including taking all the necessary steps for listing of the equity shares allotted under the Stock Option Scheme, on the Stock Exchange(s) as per the terms and conditions of the listing agreement entered into with the concerned Stock Exchange(s)."

By Order of the Board
for Aditya Birla Money Limited

Date : July 28, 2014

Place : Chennai

S. Balaji

Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 18th ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 2nd September, 2014 to 9th September, 2014 (both days inclusive).
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Item Nos.3 to 10 of the Notice set out above is annexed hereto.
4. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members, the facility to exercise their right to vote at the 18th Annual General Meeting by electronic means. The Board of Directors has appointed Ms. B.Chandra, Practising Company Secretary, as the Scrutinizer for this purpose. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 02, 2014 (9.00 am) and ends on September 04, 2014 (6.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 01, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. (Sequence number has been provided as Serial Number (SL NO.) in the Address Label</p> <p>* In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat Details account or folio.</p> <p>* Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "ADITYA BIRLA MONEY LIMITED" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No.3 & 4

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges appointed Mr. P. Sudhir Rao and Mr. G. Vijayaraghavan as Independent Directors of the Company, in compliance with the requirements of the said Clause.

The Company has received notices in writing proposing the candidatures of Mr. P. Sudhir Rao and Mr. G. Vijayaraghavan for the office of Directors of the Company pursuant to Section 160 of Companies Act, 2013. The Company has also received declarations from Mr. P. Sudhir Rao and Mr. G. Vijayaraghavan that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

Brief resume of Mr. P. Sudhir Rao and Mr. G. Vijayaraghavan, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships /chairmanships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed to this Notice.

Copy of the draft letters for the respective appointments of Mr. P. Sudhir Rao and Mr. G. Vijayaraghavan as Independent Directors setting out the terms and conditions of their appointment are available for inspection by the members at the Registered Office of the Company during normal business working hours on any working day, except Saturdays.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. Mr. P. Sudhir Rao and Mr. G. Vijayaraghavan are interested in the Resolutions set out respectively at Item Nos. 3 & 4 of the Notice with regard to their respective appointments.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives, is, in any way, concerned or interested, financially or otherwise, in these Resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 3 & 4 of the Notice for approval by the shareholders.

Item No.5 & 6

The Board of Directors appointed Mr. Gopi Krishna Tulsian and Mr. Shriram Jagetiya as Additional Directors of the Company with effect from March 25, 2014 and they hold office upto the date of the ensuing Annual General Meeting.

Under Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing the candidatures of Mr. Gopi Krishna Tulsian and Mr. Shriram Jagetiya for the office of Director. Accordingly, the Board recommends their appointment as Director of the Company liable to retire by rotation.

Brief resume of Mr. Gopi Krishna Tulsian and Mr. Shriram Jagetiya, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships /chairmanships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed to this Notice.

Mr. Shriram Jagetiya and Mr. Gopi Krishna Tulsian are interested in the Resolutions set out respectively at Item Nos. 5 and 6 of the Notice with regard to their respective appointments.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these Resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 5 & 6 of the Notice for approval by the shareholders.

Item No.7

Mr. Sudhakar Ramasubramanian was appointed as Managing Director of the Company for a period of 3 years w.e.f. February 1, 2011. The Board of Directors, in accordance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956, had re-appointed Mr. Sudhakar Ramasubramanian as Managing Director of the Company with effect from February 1, 2014 for a further period of 3 years, without remuneration, and shall not be subject to retirement by rotation, so long as Mr. Sudhakar Ramasubramanian functions as the Managing Director of the Company. However, in case any remuneration is paid by the Company to Mr. Sudhakar Ramasubramanian as a Managing Director, such remuneration shall be in accordance with provisions of Sections 196, 197 of the Companies Act, 2013 read with Schedule V and in the event the Company having a loss or inadequacy of profits, such remuneration shall be paid in accordance with the conditions and the limits specified in Schedule V of the Companies Act, 2013 and all applicable circulars / notifications issued by the Central Government from time to time in this behalf or subject to the approval of Central Government as the case may be.

Mr. Sudhakar Ramasubramanian is on the Board of the Company since March 6, 2009 and is also a Designated Director for compliance with stock broking regulations. Mr. Sudhakar Ramasubramanian is a graduate in Commerce from Madras University, Cost Accountant and holds a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. Mr. Sudhakar Ramasubramanian has over 24 years of experience in the various roles in the Financial Services, Insurance and Corporate Strategy function and was responsible for developing business and executing strategic initiatives for all the Group's businesses.

Considering the background, experience and the future plans of the Company, the Board of Directors recommend the resolution set out at Item No.7 for the approval of the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Sudhakar Ramasubramanian since it relates to his appointment are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.7 of the Notice.

Item No.8

The existing Articles of Association (AoA) of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 (the Act).

With the coming into force of the Act, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model Articles of Association for a company limited by shares.

The proposed new draft AoA are being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

The Board commends the Special Resolution set out at Item No.8 of the Notice for approval by the members.

Item No.9

The members of the Company at the Annual General Meeting held on 15th July, 2009 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.300 Crore (Rupees Three Hundred Crore) only over and above of the aggregate of the paid-up capital of the Company and its free reserves.

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the members accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) and other applicable provisions of the Companies Act, 2013, as set out at Item No.9 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money up to Rs.300 Crore (Rupees Three Hundred Crore) only in excess of the aggregate of the paid-up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 9.

Item No.10

Stock options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent, Stock Options also provide a company with an opportunity to optimize its personnel cost. This also provides an opportunity to employee to participate in the growth of the Company, besides creating long term wealth in their hands.

Keeping in line with this trend, Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration / Compensation Committee constituted by the Board to exercise the powers including powers conferred by this resolution) is considering to reward the permanent employees of the Company, its Directors and such other eligible persons, (hereinafter collectively referred to as the "Employees"), as it may decide from time to time, through Aditya Birla Money Limited - Employee's Stock Option Scheme - 2014 in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines') issued by SEBI and other applicable laws.

The Scheme will be operated and administered under the superintendence of the Company's Nomination and Remuneration / Compensation Committee, the majority of whose members are Independent Directors. The Nomination and Remuneration / Compensation Committee of the Board of Directors, will formulate the detailed terms and conditions of the Scheme.

The salient features of the Scheme are as follows:

1) Total number of Options to be granted

The Options to be granted under the Scheme shall not translate into new equity shares exceeding 27,70,000 equity shares of the Company.

2) Identification of classes of Employees entitled to participate in the Scheme

All bonafide Permanent employees, including Directors, of the Company and such other eligible persons as per SEBI Guidelines, as may be decided by the Nomination and Remuneration Committee / Compensation Committee, from time to time, will be eligible to participate in the Scheme.

The class of Employees eligible for participating in the Scheme shall be determined based on the grade, number of years services, performance and such other parameters as maybe decided by the Nomination and Remuneration Committee / Compensation Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

3) Vesting and period of Vesting

Vesting of options may commence after a period of not less than one (1) year from the date of grant. The Vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as may be stipulated by the Nomination and Remuneration Committee / Compensation Committee in its sole discretion and as mentioned in the Scheme.

4) Maximum period within which the Options shall be vested

The Options granted shall vest within a maximum period of 5 years from the date of grant of options.

5) Exercise price or the pricing formula

Exercise Price means the price at which the employee is entitled to acquire the equity shares pursuant to the options granted and vested in him or her under the Scheme.

In any case, the Exercise price per equity share shall not be less than the face value of shares in accordance with the recommendations of the Nomination and Remuneration Committee / Compensation Committee

6) Exercise Period and process of Exercise

The exercise price may commence from the date of vesting and will expire not later than 5 years from the date of vesting or such other period as may be decided by the Nomination and Remuneration Committee / Compensation Committee.

The options will be exercisable by the Employees by a written application to the Company in such manner and execution of such documents as may be prescribed in the Scheme.

The options will lapse if not exercised within the specified period. The options may also lapse under certain circumstances even before the expiry of the specified exercise period.

7) Appraisal process for determining the eligibility of employees to participate in the Scheme

The Company has a formal performance appraisal system established whereby performance of the employees is assessed each year on the basis of various functional and managerial parameters. The appraisal process is revised at regular intervals in line with the market practices.

The Employees would be granted options based on performance linked parameters such as work performance, technical knowledge, period of service, designation and such other parameters as may be decided by the Nomination and Remuneration Committee / Compensation Committee from time to time.

The Nomination and Remuneration Committee / Compensation Committee may at its discretion extend the benefits of the Scheme to a new entrant.

8) Maximum number of Options to be granted per Employee and in aggregate

Options to be granted to a single employee shall not exceeding 1% of the outstanding share capital of the Company in a financial year. Further, the aggregate of all such options granted shall not exceed 27,70,000 equity share of Re.1/- each under the Scheme.

9) Disclosure and accounting policies

The Company shall conform to the accounting policies specified under SEBI Guidelines, as amended from time to time.

10) Method of Valuation

The Company shall use the market value method for valuation of the options.

11) Other Terms

The Board or the Nomination and Remuneration Committee / Compensation Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the Regulations and guidelines as prescribed by SEBI or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification is detrimental to the interest of employees.

The Securities shall be allotted directly to the employees by the Company or through Trust in accordance with the Scheme. The Directors who would be eligible or would qualify to join the Scheme may be deemed to be concerned or interested in the item of business to the extent of the options that may be offered to them under the Scheme.

In terms of provisions of Section 62 and SEBI Guidelines, for further issue of any securities, an approval of the shareholders by way of special resolution is required to be obtained. Further, as per the SEBI Guidelines, a separate special resolution is required to be passed if the benefits of the scheme are to be extended to employees of the holding or subsidiary companies.

The options to be granted under the Scheme shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

The Board commends the Special Resolutions set out at item No.10 for approval of Members.

None of the Directors of the Company is, in any way, concerned or interested in the resolutions, except to the extent of the Options that may be offered to them under the Scheme.

By Order of the Board
For Aditya Birla Money Limited

Date : July 28, 2014
Place : Chennai

S. Balaji
Company Secretary

Details of Directors seeking Appointment / Re-appointment at the Annual General Meeting

Name of the Director	P. SUDHIR RAO	GOPI KRISHNA TULSIAN	SHRIRAM JAGETIYA
Date of Birth	15 th April, 1961	2 nd February, 1937	21 st April, 1969
Date of Appointment	6 th March, 2009	25 th March, 2014	25 th March, 2014
Qualification	CA, CMA.	F.C.A.	CAI, ICWA.
Expertise in specific functional area	Mr. Sudhir Rao is an Enterprise Development Advisor compassionately investing time in catalyzing entities to institutionalize sustainable purposes envisioned and managed by people with passion, patience and effortlessness in execution. He was also the founder director of Karvy Investor Services Ltd. & Karvy Securities Ltd.	Mr. G.K. Tulsian has work experience of more than 50 years. He has handled several manufacturing and service industry businesses in his career. He has been associated with Aditya Birla Group since 1977 and currently he is chairing the position of Executive President in Grasim Industries Limited (Chemical Division). He is also on the Board of various Indian and International companies of the Group.	Mr. Shriram is working with Aditya Birla Group for more than 21 years. He has held various positions in the Group and is currently serving in the capacity of Joint President in Aditya Birla Nuvo Ltd. and heading Finance and Treasury function of the Company.
Directorships held in other companies	<ol style="list-style-type: none"> 1. AxSys Healthtech Ltd. 2. Aditya Birla Commodities Ltd. 3. IndusAge Advisors Ltd. 4. IndusAge Management Services Pvt. Ltd. 5. Market Simplified India Ltd. 6. Radhakrishna Foodlands Pvt. Ltd. 7. SA Airworks India Pvt. Ltd. 8. The Ratnakar Bank Ltd. 9. Art Links Learning Pvt. Ltd. 10. MusicUniv India Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Aditya Birla Natural Resources Ltd. 2. Aditya Birla Insurance Brokers Ltd. 3. ABG Realty and Infrastructure Co. Pvt. Ltd. 4. Aditya Birla Retail Ltd. 5. Applause Entertainments Pvt. Ltd. 6. Applause Bhansali Films Pvt. Ltd. 7. Applause Entertainment AT Pvt. Ltd. 8. Aditya Birla Power Company Ltd. 9. Aditya Birla Commodities Broking Ltd. 10. B.G.H. Properties Pvt. Ltd. 11. BGH Exim Ltd. 12. Birla TMT Holdings Pvt. Ltd. 13. Fabmall (India) Pvt. Ltd. 14. Green Acre Agro Services Pvt. Ltd. 15. Industry House Ltd. 16. IGH Holdings Pvt. Ltd. 17. Infocyber India Pvt. Ltd. 18. Naman Finance And Investment Pvt. Ltd. 19. Osiris E-Infratech Pvt. Ltd. 20. Osiris Info Services Pvt. Ltd. 21. Osiris Corporate Services Pvt. Ltd. 22. PIC Properties Ltd. 23. SKI Carbon Black (India) Pvt. Ltd. 24. Sun God Trading and Investments Ltd. 25. Samruddhi Swastik Trading and Investments Pvt. Ltd. 26. Sunbeam Trading and Investments Pvt. Ltd. 27. TGS Investments And Trade Pvt. Ltd. 28. Trinethra Super Retail Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Aditya Birla Customer Services Pvt. Ltd. 2. Aditya Birla Commodities Broking Ltd. 3. Aditya Birla Financial Services Pvt. Ltd. 4. Aditya Birla Trustee Company Pvt. Ltd. 5. Aditya Birla Housing Finance Ltd. 6. Aditya Birla Minacs BPO Pvt. Ltd. 7. ABG Realty And Infrastructure Co. Pvt. Ltd. 8. ABCAP Trustee Company Pvt. Ltd. 9. ABNL IT & ITES Ltd. 10. Birla Family Investments Pvt. Ltd. 11. Indigold Trade and Services Ltd. 12. RKN Retail Pvt. Ltd. 13. Shaktiman Mega Food Park Pvt. Ltd. 14. Swiss Singapore India Pvt. Ltd.
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	1. Axsys Healthtech Limited - Member, Audit & Remuneration Committee	-	-
Number of Shares held in Company	Nil	Nil	Nil

Details of Directors seeking Appointment / Re-appointment at the Annual General Meeting

Name of the Director	SUDHAKAR RAMASUBRAMANIAN	G. VIJAYARAGHAVAN
Date of Birth	17 th March, 1968	11 th July, 1953
Date of Appointment	6 th March, 2009	6 th March, 2009
Qualification	PGDM - IIMA, ICWA.	B.E., B.Tech., PGDM.
Expertise in specific functional area	Mr. Sudhakar has over 24 years of experience in various roles in the Financial Services, Insurance and Corporate Strategy functions. He has been with Aditya Birla Group since 1996 and was responsible for developing business and executing strategic initiatives for all Group's businesses.	Mr. Vijayaraghavan has work experience of over 35 years in various sectors like Oil & Gas, Manufacturing, Management, Consulting, Agro inputs, Investment Banking and ITES. He has worked in ONGC, Alfa Laval, A.F. Ferguson & Co. and Standard Chartered Bank. He ventured on his own in 1999.
Directorships held in other companies	1. Aditya Birla Commodities Broking Limited 2. Aditya Birla Money Insurance Advisory Services Limited	1. Centum Corporate Advisory Pvt. Ltd.
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	–	–
Number of Shares held in Company	Nil	Nil



ADITYA BIRLA MONEY LIMITED

CIN-L65993GJ1995PLC064810

Registered Office : Indian Rayon Compound, Veraval - 362 266, Gujarat.

Email: abm.care@adityabirla.com Website: www.adityabirlamoney.com Ph: 044-39190002/3, Fax: 044-28290835

ATTENDANCE SLIP

Name of the Member(s) :
 Registered Address :
 Folio No./DP ID / Client ID :
 No. of Shares held :

I/We hereby record my/our presence at the Eighteenth Annual General Meeting held at the Registered Office at Indian Rayon Compound, Veraval - 362 266, Gujarat on Tuesday, the 9th day of September 2014 at 11.00 A.M.

Member's Folio No./DP ID & Client ID

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

- Note : 1. Please complete the Folio/DP ID & Client ID and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the Entrance of the Meeting Hall .
 2. Members holding shares in physical form are requested to advise the change in their address, if any, to M/s. Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai 600002, quoting their Folio Number(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s).

ADITYA BIRLA MONEY LIMITED

CIN-L65993GJ1995PLC064810

Registered Office : Indian Rayon Compound, Veraval - 362 266, Gujarat.

Email: abm.care@adityabirla.com Website: www.adityabirlamoney.com Ph: 044-39190002/3, Fax: 044-28290835

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :
 Registered Address :
 E-mail ID :
 Folio No./DP ID / Client ID :

I/We, being the member (s) holding shares of the above named company, hereby appoint :

- (1) Name Address
 Email ID: Signature or falling him/her;
 (2) Name Address
 Email ID: Signature or falling him/her;
 (3) Name Address
 Email ID: Signature or falling him/her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the Company, to be held on Tuesday, September 9, 2014 at 11.00 a.m. at the Registered Office at Indian Rayon Compound, Veraval - 362 266, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions	Vote (Optional) *	
		For	Against
1.	Adoption of Financial Statements and Directors' Report for the year ended March 31, 2014		
2.	Appointment of M/s. S.R. Batliboi & Co. LLP as auditors and fixing their remuneration		
3.	Appointment of Mr. P. Sudhir Rao as an Independent Director		
4.	Appointment of Mr. G. Vijayaraghavan as an Independent Director		
5.	Appointment of Mr. Shriram Jagetiya as Director liable to retirement by rotation		
6.	Appointment of Mr. Gopi Krishna Tulsian as Director liable to retirement by rotation		
7.	Re-appointment of Mr. Sudhakar Ramasubramanian as Managing Director		
8.	Adoption of new Articles of Association		
9.	Approval to the Board to borrow money upto Rs.300 crores		
10.	Approval of Employee's Stock Option Scheme -2014		

Signed this day of, 2014

Signature of Shareholder(s) Signature of Proxy holder(s)

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
 * 2. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to Vote in the manner as he/she thinks appropriate.

Affix
 Revenue
 Stamp
 Re.1/-

STAYING FOCUSED DELIVERING PERFORMANCE

ADITYA BIRLA



MONEY

ANNUAL REPORT
2013 - 2014

Aditya Birla Money Limited

LETTER FROM THE MANAGING DIRECTOR

Dear Shareholders,

During the last Financial Year, the economy continued to remain weak with GDP expected at less than 5 percent. Industrial Production saw de-growth at -0.11 per cent (Apr-Feb FY14) against 0.89 per cent for the same period in the last financial year, reflecting low levels of activity in industry and manufacturing. CPI inflation continued to remain above 8 per cent. Several other indications except for Trade Deficit showed poor numbers.

The RBI monetary policy in August 2013 resulted in reversal of the interest rate cycle causing significant turbulence for markets in August 2013. The second half of the year witnessed improvement in the markets. FII's started investing into equities after September with hopes of a stable government after General Elections and gradually improving macro economic data. FII's pulled out USD 4.6 bn from the debt markets and invested USD 13.4 bn into equities in FY 2013-14 thereby helping domestic markets to move to lifetime highs in the last quarter of the year.

Your Company continued its focus on cost reduction and productivity enhancement initiatives and achieved considerable gains. Further, we enhanced our product offerings and reached out to specific profitable segments successfully. Given the success with this strategy, we were able to expand our operations further by adding new branches and business partners and increasing capacity in existing locations.

These initiatives helped in reducing our losses considerably throughout the year. The net loss for FY14 stood at Rs.8.2 Cr. as compared to net loss of Rs.12.67 Cr. in FY13. And the market share in retail derivatives segment, which was the focus area for the year, more than doubled from 0.87 per cent in March FY13 to 2.2 per cent in March FY14.

Reflecting the difficult business conditions and the falling retail volumes, your Company posted income from operations to the tune of Rs.65.09 Cr in FY14 on a consolidated basis, marginally lower than the previous year.

Given the underlying potential of Indian markets in the long run, we continue to be positive on the long term potential in India and expect retail investors to return to markets. Your Company will continue to work towards creating enduring value for its stakeholders and customers by converting the difficult times into opportunities.

Yours Sincerely,



Sudhakar Ramasubramanian

ADITYA BIRLA MONEY LIMITED

BOARD OF DIRECTORS

Mr. Sudhakar Ramasubramanian - Managing Director
Mr. P. Sudhir Rao
Mr. G. Vijayaraghavan
Mr. Gopi Krishna Tulsian
Mr. Shriram Jageitya

COMPANY SECRETARY

Mr. S. Balaji

AUDITORS

M/s. S. R. Batliboi & Co. LLP
Chartered Accountants, Mumbai.

BANKERS

HDFC Bank Limited – Anna Salai Branch, Chennai
Bank of India – Anna Nagar Branch, Chennai
State Bank of India – Thousand Lights Branch, Chennai
Allahabad Bank – Thousand Lights Branch, Chennai
Axis Bank Limited – Mylapore Branch, Chennai
ICICI Bank Limited – Nugambakkam Branch, Chennai
Standard Chartered Bank – Rajaji Salai Branch, Chennai

REGISTERED OFFICE

Indian Rayon Compound
Veraval - 362 266, Gujarat.

CORPORATE OFFICE

Ali Centre,
No.53, Greams Road,
Chennai - 600 006.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

MACRO ECONOMIC SCENARIO

THE INDIAN ECONOMY & MARKETS

During the last Financial Year, the economy continued to remain weak with GDP expected at less than 5 percent. Industrial Production saw de-growth at -0.11 per cent (Apr-Feb FY14) against 0.89 per cent for the same period in the last financial year, reflecting low levels of activity in industry and manufacturing. Inflation as measured by Wholesale Price Index and Consumer Price Index softened to lower levels towards the end of the year. This was mainly due to the moderation in food prices and prices of fruits and vegetables. However, CPI inflation at above 8 percent mark remained a concern for the monetary authorities and RBI is looking for more sustained gains in inflation before any rate action could be initiated. The current account deficit improved significantly during FY14 and expected at 2 percent of GDP compared to 4.8 percent in FY13. This is mainly because of the consistent rise in exports and fall in imports particularly gold imports due to restrictions imposed by the RBI. The Rupee depreciated around 26 percent before stabilizing in the range of Rs 60-63 at USD levels after RBI introduced a separate swap window for OMCs and allowed banks to raise funds through FCNR deposits and overseas bond issuances.

FII's flows dropped to around USD 8.9 bn in FY14 compared to USD 31 bn in FY13 in capital markets. In the first half of the year, FIIs were pulling out of Indian markets and with more marked outflows in debt. But they started investing into equities after September with hopes of a strong and stable government after general election and gradually improving macro economic data. FIIs pulled out USD 4.6 bn from the debt markets and invested USD 13.4 bn into equities which helped the domestic markets to move to lifetime high in the last quarter of the year.

Equity markets were up 17.9 per cent in FY14 compared to 7.3 per cent in FY13.

Global Developments

US Fed, finally, in the month of November, 2013, announced the reduction in their monthly bond purchases of treasury and mortgage bonds but in a phased manner. The monthly purchase of US\$ 85 bn worth of bonds was originally introduced to support recovery in the US economy through adequate provision of liquidity. The quantum of monthly purchases has been reduced by US\$ 30 bn so far over a four month period bringing down the monthly purchases to US\$ 55 bn. If Fed continues at the current pace in all probability, the tapering may end by October / November, 2014. However, it is felt that Fed may most likely adjust the pace, as an aggressive tapering may lead to higher interest rates in the US and that may derail the economic recovery. Revival in US economic growth has been due to improvement in housing starts, domestic demand and unemployment rate falling to a six year low of 6.7% as both corporates and private sector continued to add jobs. There is tangible and visible economic recovery happening in Europe which can be seen from improvement in PMI numbers, retail sales data, manufacturing sector and drop in unemployment numbers. But recovery and economic optimism is more pronounced in the core economies like Germany, France, UK and Italy. But the ECB is likely to continue the soft money policy for some more time as recovery is yet to stabilize in the peripheral countries like Spain, Portugal etc. China however witnessed its slowest economic growth in the last decade in 2013 at 6.7 %, a sharp contrast to the double digit growth which they were used to. And the government has been taking steps to implement reforms with a focus on improving domestic economy rather than relying on exports to drive the economy.

INDUSTRY STRUCTURE AND DEVELOPMENTS

During 1HFY14, capital market volume continued its downward trajectory, however recovered a bit in the 2HFY14. Retail investor participation continued to remain low while FII's dominated the market place. Product mix continued to favor low yielding derivative segment. Daily cash volumes declined to Rs.134 bn in FY14, a fall by 5.17% compared to FY12 of Rs.142 bn and with a much lower participation from Individual traders and Investors. As a result, the daily volumes in the cash segment stood at merely 8% of the total market volume in FY14, which was down from 9.98% in FY12. This continuing trend also indicates speculative activity taking precedence over investment led activity in the capital market. The structural shift (from high yield cash delivery to low yield derivatives market) is resulting in prolonged earnings pressure on the broking industry. Difficult economic conditions led to fewer public issuances which in turn meant that distribution income remained weak. This environment put huge pressure on profitability and only strong players with service orientation, strong focus, clear value added research focus and strong distribution network have been able to sustain their business.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Market Volumes Data

Period	Average Daily Turnover in Rs. Crores (Cash)	Average Daily Turnover in Rs. Crores (Derivatives)	Average Daily Turnover in Rs. Crores
Apr'13 - Jun'13	12,655	156,439	169,094
Apr'12 - Jun'12	12,026	121,720	133,746
Jul'13 - Sep'13	13,713	166,017	179,730
Jul'12 - Sep'12	12,767	121,032	133,799
Oct'13 - Dec'13	13,318	145,994	159,312
Oct'12 - Dec'12	14,136	130,594	144,730
Jan'14 - Mar'14	13,995	149,009	163,004
Jan'13 - Mar'13	14,009	140,553	154,562

FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS

Your Company recorded an Income from Operations of Rs.65.09 Cr for the year under review. This was marginally lower than the previous year. The total income for the year under review stood at Rs.69.91 Cr., down by Rs.1.66 Cr as compared to the previous year of Rs.71.57 Cr.

Revenues from equity broking during the year increased by 2.31% to Rs.53.12 Crores.

The Net Loss for the year stood at Rs.8.20 Cr as compared to a Net Loss of Rs.12.67 Cr in the previous year reflecting slowdown in capital market activity. Derivative market share in retail segment improved from 0.94% in March, 2013 to 1.37% in March, 2014. Equity (Cash) market share in retail segment registered at 1.43% in March, 2014 comparison to 1.50% in March, 2013. Commodity Derivative market share in retail segment improved from 0.48% in March, 2013 to 0.54% in March, 2014.

ECONOMY

The latest weather forecasts point towards the likelihood of less than normal rainfall this year. This may be a reason for concern. However, its impact may be felt only after a year as India has a good buffer stock of grains and essentials.

The key contributors to the economy are the outcome of General election results and the steps to be taken by the new government, the speed and direction of the economic reform process, the initiatives to rekindle the confidence levels and sentiments of the industry. The economy definitely needs a major push in terms of spends on infrastructure and improvements in connectivity.

Macro-economic indicators like the core sector growth, Index of Industrial Production, capital spends etc. had slumped in the last two years. But there are signs that the economy is probably bottoming out. This process along with more pro active governmental support and clarity in direction will help the economy come out of the trough faster.

MANAGEMENT'S DISCUSSION AND ANALYSIS

It is also hoped that as CPI Inflation is indicating a sustainable moderation in core inflation, RBI could move into a more benign interest rate management. Lower inflation expectations and lower interest rates would definitely add strength to the recovery process.

INDUSTRY

For the Broking industry, structural challenge remains. Weak micro and macro environment, higher competition, growing cost pressures and falling yields have made it tough for the broking industry. During the last year, SEBI capped brokerage commission fees at 12 bps for cash and 5 bps for futures segment for the Mutual Fund industry. This along with increased penetration of Direct Market Access [DMAs] had an impact on Institutional broking. Given the high volatility and bad economic scenario, broad based retail participation in the equity markets has been absent. Since it became a high cost low margin business broking industry witnessed a good amount of consolidation.

Yield on Options and Commodity has been on a decline and would continue to remain in pressure due to competitive pressures and constrained margins. NSEL fiasco gave jitters to investors especially HNI's and impacted commodity market volumes as some products had to be withdrawn completely.

The overall growth in the market size in short to medium term will be dependent on the stability of the government which comes into power and the overall global macro scenario which is showing some signs of stabilization. Both these factors will primarily determine the direction of the market and instill confidence in equities as an asset class. Overall business performance will be largely dependent on the revival of primary market and pick up in cash volume.

Currency market is growing at a steady pace and has a long way to go. While for commodities, introduction of Commodities Transaction Tax [CTT] on non-agricultural commodities future and NSEL fiasco will have negative impact on the overall volume in the short to medium term. Institutional participation and trading in commodities options awaits parliamentary approval. As and when approved, the commodities market will stand to benefit from increased depth and wider participation.

Market outlook will be more dependent on the election outcome and quantum of foreign portfolio flows which in turn are dependent on the global liquidity and the continuation of "Risk Off". On the positive front, hopes of stable government coming to power have revived the overall volumes especially cash volumes and the revenue pool seem to be stabilizing. As economy revives and macro environment improves, it will instill confidence in the markets and secondary markets will be back on track. Thus in a nutshell, industry has gone through the worst phase and seems to have hit the trough and stabilizing.

OPPORTUNITIES AND THREAT

Historically, Elections have always been a trigger for the market and this year will be no exception. Green shoots of economic recovery are visible which will add to the sentiment. The under penetrated Indian securities market provides ample opportunity for growth in the medium to long run.

Intense competition to get a higher market share will continue to pose a challenge in the short term. However consolidation in the industry, hopes of stable government, stable currency and revival in the capex cycle all augur well for the economy. It will bring back retail participation in the market and equities are likely to be back in flavor. Your Company is aware of the same and making conscious efforts to increase investor participation. It has plans to increase its overall market share by targeting select profitable segments and efficient use of technology to become a cost efficient player in the market.

Your Company will continue to focus on technology (internet trading), drive client acquisition, increase its business partner network, cost rationalization and provide efficient trading tools and value added research advice to its clients. The overall strategic focus is to create product and service differentiators across all segments.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RISK AND CONCERNS

The very nature of the Company's business makes it susceptible to various kinds of risks. The Company encounters market risk, credit risk and operational risks in its daily business operations. The Company has framed a comprehensive Risk Management Manual which inter-alia lays down detailed process and policies in the various facets of risk management function. The risk management review framework operates both at the Company as well as the Aditya Birla Group level thus providing complete oversight to various risk management practices and process. The framework and assessment remains dynamic and aligns with the continuing requirements and demands of the market condition. The Company has also implemented surveillance mechanism to deal with various trades related risks and adopted a surveillance policy in line with the regulatory requirements.

INTERNAL CONTROL AND ADEQUACY

The Company has adequate internal control systems appropriate for the business process having regard to efficiency of operations - both systems, finance and for compliance with applicable laws. The controls are reviewed periodically and strengthened in view of changed processes, systems and regulations. In addition, the Company goes through periodic internal audits both through its internal team and external auditors, which includes branch and franchisee audits as well as all operations control. All the audit and inspection reports are placed at the Audit Committee meetings. Key issues are specifically brought to the attention of the Audit Committee and deliberated in detail along with the action plan for closure.

HUMAN RESOURCES

One of the key pillars of the Company's business is its people. The Company's HR policies and practices are built on Aditya Birla Group [ABG] core values of *Integrity, Passion, Speed, Commitment and Seamlessness*. The Company's focus is on recruitment of good talent and retention of the talent pool. The Company is hopeful and confident of achieving the same to be able to deliver results and value for our shareholders. As on March 31, 2014, the total employees on the Company's rolls stood at 896.

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.

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

Your Board of Directors presents the 18th Annual Report, along with the audited annual standalone and consolidated accounts of Aditya Birla Money Limited ("the Company") for the year ended March 31, 2014.

1. Financial Performance Summary

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

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Income from Operations	65.09	65.89	75.18	84.08
Other Income	4.82	5.68	6.13	9.76
Less : Expenditure	69.60	72.12	84.17	96.33
Profit before Interest, Depreciation and Taxation	0.31	(0.55)	(2.85)	(2.49)
Less : Interest	2.39	4.57	2.42	4.71
Profit before Depreciation and Taxation	(2.08)	(5.12)	(5.27)	(7.20)
Less : Depreciation	6.12	7.55	6.46	8.11
Profit / (Loss) Before Taxation	(8.20)	(12.67)	(11.74)	(15.31)
Less : Provision for Tax including Deferred Tax	—	—	—	—
Profit / (Loss) After Tax	(8.20)	(12.67)	(11.74)	(15.31)
Profit / (Loss) brought forward from previous year	(17.33)	(4.66)	(16.96)	(1.65)
Balance carried to Balance Sheet	(25.53)	(17.33)	(28.70)	(16.96)

2. Business Performance

On a Standalone basis, the Company's total Income stood at Rs.69.91 Crore compared to Rs.71.57 Crore during the previous year. The Income from Operations was Rs.65.09 Crore compared to Rs.65.89 Crore during the previous year. The Company focussed on cost rationalisation, as a result the Loss before Depreciation and Taxation was reduced to Rs.2.08 Crore compared to Rs.5.12 Crore in the previous year. Interest Cost was down at Rs.2.39 Crore as compared to Rs.4.57 Crore in the previous year. The Company's Net Loss was also down to Rs.8.20 Crore as compared to Net Loss of Rs.12.67 Crore in the previous year.

On a Consolidated basis, the Company's Income from Operations was Rs.75.18 Crore, compared to Rs.84.08 Crore in the previous year. The Consolidated Net Loss was down to Rs.11.74 Crore compared to Rs.15.31 Crore in the previous year.

3. Reserves

Reserves & Surplus of the Company as on March 31, 2014 stood at Rs.21.76 Crore. During the year, no amount is proposed to be transferred to Reserves.

4. Dividend

In view of losses for the year, your Directors do not recommend any dividend for the year under review.

5. Credit Rating

During the year, CRISIL Limited re-affirmed A1+ rating for the short term debt programme.

6. Share Capital

The Authorised Share Capital of the Company is Rs.25 Crore. The Paid up Capital, Issued and Subscribed Capital of the Company was Rs.15.54 Crore as on March 31, 2014 consisting of 55,400,000 Equity shares of Re.1/- each and 1,000,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of

DIRECTORS' REPORT TO THE MEMBERS

Rs.100/- each. During the year, the Company issued 200,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.100/- each to Aditya Birla Financial Services Pvt. Ltd., the Holding Company.

7. Management Discussion and Analysis

The Management Discussion and Analysis Report on the operations of the Company is provided in a separate section and forms part of the Annual Report.

8. Corporate Governance

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

9. Subsidiary

The Company has a wholly owned subsidiary viz. Aditya Birla Commodities Broking Limited ("ABCBL"), which is engaged in the business of commodity broking.

ABCBL posted total Income of Rs.11.68 Crore compared to Rs.22.34 Crore during previous year. The Net Loss was at Rs.3.53 Crore compared to Rs.2.65 Crore in the previous year. The increase in Net Loss was largely due to fall in yields and lower participation of clients.

The Consolidated financial statements pursuant to Clause 41 of the Listing Agreement and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India forms part of the Annual Report. In terms of general exemption granted by the Ministry of Corporate Affairs vide its Circular No.2/2011 dated February 8, 2011 and in compliance with the conditions enlisted therein, the reports and annual accounts of the subsidiary company for the financial year ended March 31, 2014 have not been attached to the Balance Sheet of the Company. As required under the circular, statutory information pertaining to the subsidiary company forms part of the Annual Report. Further, the annual accounts and other related information of the subsidiary company are available to you and the shareholders of subsidiary company at any point of time. Any shareholder / investor of the Holding Company or Subsidiary Company desirous of obtaining a copy of the said documents may send request in writing to the Company at the Registered Office. The annual accounts of subsidiary company shall also be kept for inspection at the Registered Office of the Company and of the Subsidiary Company.

10. Public Deposits

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

11. Particulars as per Section 217 of the Companies Act, 1956

The information relating to the Conservation of Energy and Technology Absorption required under Section 217(1)(e) of the Companies Act, 1956 ("the Act"), are not applicable to the Company due to the very nature of the industry in which it operates. During the year under review, there were no foreign exchange earnings (previous year Nil) and outgo (previous year Nil), respectively. In accordance with the provisions of Section 217(2A) read with the Companies (Particulars of Employees) Rules 1975, the names and other particulars of employees are to be set out in the Directors' Report as an addendum thereto. However, in terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and accounts, as therein set out, are being sent to all the members of the company excluding the information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Company at the Registered Office of the Company.

12. Directors

As on March 31, 2014, your Board of Directors comprises of 5 Directors including 2 Independent Directors. During the year under review, Mr. Pankaj Razdan & Mr. Manoj Kedia have resigned from the office of Director effective March 25, 2014.

Mr. Gopi Krishna Tulsian & Mr. Shriram Jagetiya were appointed as Additional Directors of the Company effective March 25, 2014 and hold office upto the date of ensuing Annual General Meeting. The Board recommends the appointment of Mr. Gopi Krishna Tulsian & Mr. Shriram Jagetiya as Directors of the Company, liable to retire by rotation. Mr. Sudhakar Ramasubramanian was re-appointed as the Managing Director of the Company with effect from February 1, 2014 subject to confirmation of members in general meeting.

The Board proposes to appoint Mr. G. Vijayaraghavan and Mr. P. Sudhir Rao, as Independent Directors, in terms of provisions of Section 149 of the Companies Act, 2013 for a term of 5 consecutive years from the date of this Annual General Meeting.

DIRECTORS' REPORT TO THE MEMBERS

The Board recommends their re-appointment.

The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 2013 and other applicable statutes.

13. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), your Directors confirm that, to the best of their knowledge and belief:

- in the preparation of the annual accounts, the applicable standards have been followed along with proper explanation relating to material departures, if any;
- appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the loss of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the attached Statement of Accounts for the period ended March 31, 2014 have been prepared on a "going concern basis";
- proper systems are in place to ensure compliance of all laws applicable to the Company; and
- all related party transactions are disclosed in notes to accounts at Note.30 in terms of Accounting Standard 18.

14. Auditors and Auditors' Report

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai, (Registration No. 301003E), hold office as the Statutory Auditors of the Company upto the ensuing AGM and have offered themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013. The Auditors have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI. The Board proposes the re-appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company, on the recommendation of the Audit Committee.

The observations, if any, made by the Auditors of the Company in their report read with relevant notes to the Accounts are self-explanatory and, therefore do not call for any further comments. The observations reported under Emphasis of Matter by the Auditors of the Company in their report with relevant notes to the Accounts are self explanatory and do not call for any further explanation / comments. In respect of observation/remark made at point (ix)(a) in the annexure to the Auditors' Report, there was a process gap in the calculation and remittance of Professional Tax which has been addressed now. In one instance there was a short deduction of TDS due to computation error which was subsequently remitted. Management of your Company has taken suitable corrective measures and improved the corresponding controls to avoid any such instances in future.

15. Appreciation

Your Directors wish to place their sincere appreciation for the valuable advice, guidance and support provided by the regulators and statutory authorities from time to time. Your Directors express their gratitude to the clients, bankers and all business associates for their continuous support and patronage to the Company. Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the exemplary commitment and contribution made by employees at all levels. Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board

Date : April 29, 2014
Place : Mumbai

Shriram Jagetiya
Director

Sudhakar Ramasubramanian
Managing Director

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is fully committed to the adoption of best governance practices and its adherence. Your Company aligns itself with Aditya Birla Group values and governance norms and strive for excellence through adoption of good Corporate and disclosure practices. The Company's philosophy on Corporate Governance is to practice transparency, accountability and maintain professional approach in dealing with all its stakeholders. Your Company believes in fair dealing, strengthening the disclosure practices, timely and appropriate compliance of the applicable regulations, strategic guidance and monitoring by the Board.

2. BOARD OF DIRECTORS

Composition, Category, Size of the Board

The Board of Directors of the Company is a balanced Board, comprising of a Managing Director and Non-Executive Directors which includes independent professionals. The Company has five Directors on the Board, out of which two are Independent, two are Non-Executive and one is a Managing Director. The Company does not have an appointed Chairman and the same is appointed for each Board Meeting.

None of the Directors of the Board are members of more than 10 Committees or a Chairman of more than 5 Committees (as specified under Clause 49) across all Companies in which he is a Director. All Directors have made necessary disclosures regarding their Directorship and Committee positions occupied by them in other Companies.

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	2	NA	NA	No
Mr. Manoj Kedia*	Non-Executive Director	4	-	NA	NA	No
Mr. Sudhakar Ramasubramanian	Managing Director	4	4	2	-	Yes
Mr. P. Sudhir Rao	Independent Director	4	4	5	1	Yes
Mr. G. Vijayaraghavan	Independent Director	4	4	-	-	No
Mr. Gopi Krishna Tulsian**	Non-Executive Director	-	-	9	-	NA
Mr. Shriram Jagetiya**	Non-Executive Director	-	-	5	-	NA

* Resigned as Director w.e.f. 25.03.214

** Appointed as Additional Director w.e.f. 25.03.2014

^ Includes only membership of Audit Committees and Shareholders' Grievance Committee as per Clause 49 of the Listing Agreement.

Does not include Private, Foreign and Section 25 Companies of Companies Act, 1956.

Number of Board Meetings

The Board of Directors met four times during the year ended March 31, 2014 i.e. on April 29, 2013, July 26, 2013, October 30, 2013 and January 29, 2014. The maximum gap between the two Board Meetings was not more than four months.

Selection of Agenda Items and Information supplied to the Board

Agenda of Board/Committee meetings are prepared in consultation with key functions so as to include relevant items for Board review and discussion. Detailed agenda notes are sent to each Director well in advance before the Board and Committee meetings. The Company Secretary co-ordinates with the all departments concerned well in advance, particularly matters requiring discussion / approval / decision in the Board / Committee meetings. The agenda items inter-alia include approval of minutes of the previous Board & Committee meetings, noting of minutes of the subsidiary company, review of important issues impacting

CORPORATE GOVERNANCE REPORT

business, review of quarterly compliance reports & compliance certificate, internal audit reports and regulatory audit/inspection reports and other secretarial & legal compliance matters, business matters and financial reporting. A business review presentation is made at each Board Meeting to apprise the Directors and the Senior Management team about the performance of the Company. The Board provides strategic direction and strategy in improving the performance of the Company. Business plans, annual operating and capital expenditure budgets, are also placed and reviewed by the Board along with the senior management team of the Company. Independent Directors are briefed about the important agenda items and complete explanations and information are provided to them well in advance to ensure effective and informative participation and decision making process. The quarterly, half yearly and annual financial results are first placed before the Audit Committee for their review and thereafter the same are placed before the Board of Directors for their approval. At each Board Meeting, apart from financial results, the Board reviews the reports submitted to stock exchanges under the listing agreement, compliance submissions / status report as a stock broker and depository participant and also the financial results of the subsidiary company. A structured process has been put in place for post meeting follow up, review and reporting for action item / decisions taken at the Board / Committee meetings. The Company Secretary liaisons with the respective department / functions, Internal audit team and status update report on the follow up action items are presented at each Board / Committee meeting.

Code of Conduct

The Board of Directors of the Company has laid Code of Conduct for the Directors and Senior Management Personnel of the Company. The Code has been posted on the Company's website - www.adityabirlamoney.com. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2014. A declaration to this effect signed by the Managing Director forms part of this report.

Compliance Structure

The Board also periodically reviews status of compliance of all laws applicable to the Company and also the initiatives taken to improve the standards of compliance adherence. A Compliance Certificate / Status Report / Status update report with respect to regulations as applicable to each of the department concerned is collected duly certified by the respective functional head and based on the compliance status report from departments a consolidated compliance certificate / report is placed both before the Board / Audit Committee at each quarterly meeting for its review and perusal. Audit Committee of the Board is also updated on regulatory inspection and audits which are undertaken pursuant to Stock Broking and Depositories Regulations.

3. BOARD COMMITTEES

A. AUDIT

In Compliance of the provisions of Section 177 of the Companies Act, 2013 and in accordance with the provisions of Clause 49 of the Listing Agreement, the Company has a qualified and independent Audit Committee at the Board level. All the members of the Audit Committee are financially literate having accounting and related financial management expertise. 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 March 25, 2014 and the following is the composition of the Committee.

1. Mr. P. Sudhir Rao - Chairman
2. Mr. G. Vijayaraghavan - Member
3. Mr. Shriram Jagetiya - Member

CORPORATE GOVERNANCE REPORT

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. The Company Secretary acts as Secretary to the Committee

Terms of Reference

The terms of reference for the Audit Committee basically follows and covers all the areas as stipulated under Clause 49 of the Listing Agreement. This inter-alia includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors, if any.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement in the Board's report
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings, if any
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report, if any
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Review the functioning of the Whistle Blower mechanism.
12. Approval of appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background etc., of the candidate.
13. To review risk management system of the Company.
14. To review Compliance certificates received from Departments.

CORPORATE GOVERNANCE REPORT

15. To review CEO/CFO certifications.

16. To review Fraud and Suspicious Transaction Reports.

Meetings and Attendance

During the year under review, the Audit Committee met four times i.e. on April 29, 2013, July 26, 2013, October 25, 2013 and January 29, 2014. The details of the attendance of the Committee members are as follows:

Sl. No.	Name of the Member	Category / Status	No. of Meetings Held	No. of Meetings Attended
1.	Mr. P. Sudhir Rao	Chairman – Independent	4	4
2.	Mr. G. Vijayaraghavan	Member – Independent	4	4
3.	Mr. Manoj Kedia*	Member – Non Executive	4	—
4.	Mr. Shriram Jagetiya**	Member – Non Executive	—	—

* Resigned w.e.f. March 25, 2014

** Appointed w.e.f. March 25, 2014

At every Audit Committee Meeting, Statutory Auditors and Internal Auditors attend and provide their presentation on the financial statements and internal audit reports respectively. The Audit Committee reviews the financial results and recommends the same to the Board for approval. At each meeting, the audit committee also reviews the statement of related party transactions as well as the financial results of the subsidiary company. The audit committee extensively deliberates on various audit reports and the action plan as well as key risk issues and areas. These are put on a follow up tracker and monitored closely and status update report is placed before each Audit Committee meeting until the action is closed / implemented. The Chief Financial Officer and other functional heads are present at the meeting. Respective department functional head is also invited to attend the Audit Committee meeting to respond to queries and observations pertaining to their department, arising out of the audit report.

B. REMUNERATION COMMITTEE

Composition

The Company has a Remuneration Committee consisting of following three non-executive Directors, two third of whom are Independent Directors, including the Chairman. During the year, the Remuneration Committee was reconstituted on March 25, 2014 and the following is the composition of the Committee.

- | | | |
|--------------------------|---|----------|
| 1. Mr. P. Sudhir Rao | — | Chairman |
| 2. Mr. G. Vijayaraghavan | — | Member |
| 3. Mr. Shriram Jagetiya | — | 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 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

Remuneration to Directors

The Independent Directors are paid sitting fees of Rs.20,000/- for each meeting of the Board and the Committee thereof. No sitting fee is paid to the Managing Director and other Non-Executive Directors. The details of sitting fees paid to the Independent Directors during financial year 2013-14 are as under:

Name of Director	Category	Sitting Fees Paid
Mr. P. Sudhir Rao	Independent Director	Rs.2,00,000/-
Mr. G. Vijayaraghavan	Independent Director	Rs.2,00,000/-

No other fees or compensation has been paid to non-executive Directors. The Managing Director has been appointed without any remuneration; hence does not draw any remuneration from the Company. The Non-Executive Directors of the Company do not hold any shares in the Company. No stock options as on date have been granted to the Directors of the Company.

C. SHAREHOLDERS' AND CUSTOMERS GRIEVANCE REDRESSAL COMMITTEE

The Company has a specific Committee to consider matters relating to Shareholders' / Investors' grievances.

Composition

During the year, the Shareholders' and Customers Grievance Redressal Committee was reconstituted on March 25, 2014 and the following is the composition of the Committee.

1. Mr. P. Sudhir Rao — Chairman
2. Mr. Gopi Krishna Tulsian — Member
3. Mr. Sudhakar Ramasubramanian — Member

The Company Secretary of the Company acts as the Secretary to the Committee as well as Compliance Officer for matters relating to Investor's Grievance as stipulated under the Listing Agreement.

Roles & Responsibilities

1. To review the redressal of Investors' complaints like transfer / transmission of shares, non-receipt of annual report and non-receipt of declared dividend, delays in transfer of shares, dematerialisation/ rematerialisation of shares etc.
2. To act on behalf of the Board, in the matters connected with allotment of shares, issuance of duplicate share certificates, split and consolidation of shares etc.
3. To oversee performance of the Registrar and Transfer Agents of the Company and recommend measures for overall improvement in the quality of investor services.
4. To review, analyse, recommend and monitor plan of action & activities and put in place proper procedures, policies and effective mechanism to address complaints and grievances arising out of the service issues as a broker / trading member / depository participant including litigation and arbitration matters.
5. To review issues arising out of alleged fraud / forgery / misappropriation / mis-selling / breach / deviations from standard processes and procedures.
6. To frame policies and procedures to protect the interest of Clients / Customers and for ensuring compliances under the applicable statutory framework.

CORPORATE GOVERNANCE REPORT

7. To look into other issues including systems and procedures followed to track Investor / Customer / Client complaints and suggest measures for improvement from time to time.
8. To monitor implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.
9. To review the process of complaint and grievance handling mechanism at periodic intervals.
10. Ensure adequacy of disclosure of "material information" to the investors / customers / clients.
11. Review the status of complaints / grievances / litigations / arbitration cases at periodic intervals.
12. To invite the external experts to attend the meetings of the Committee, without the right to vote, whenever it deems necessary.
13. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s)
14. To undertake such other matters as deemed fit and proper for effective discharge of the above responsibilities.

The Shareholders and Customers Grievance Redressal Committee shall have meetings periodically. In case the Committee is not be able to meet specifically, the respective items like Complaints / Litigation update etc. are placed before the Board. During the year under review, Shareholders' and Customers Grievance Redressal Committee met once on March 26, 2014.

Investor Grievance Redressal

During the year, one complaint was received and resolved by the Company. As on March 31, 2014, no complaint was outstanding.

D. FINANCE COMMITTEE

The Company has constituted a finance committee of Directors to review and provide approvals and authorisations arising out of day-to-day business operations and financial matters of the Company.

The role of the Committee includes approving matters relating to opening / closing of Bank Accounts, approves signatories for the operation of bank accounts, appointment of service providers and other Agencies, availing overdraft facility from Banks, borrowing within the limits approved by the Board and other routine operational matters.

Composition

During the year, the Finance Committee was reconstituted on March 25, 2014 and at present consists of following directors as its members :

1. Mr. Gopi Krishna Tulsian
2. Mr. Shriram Jagetiya
3. Mr. Sudhakar Ramasubramanian

Meetings

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 one time during the year ended March 31, 2014 on April 29, 2013.

E. RISK GOVERNANCE COMMITTEE

The Board of Directors has constituted a Risk Governance Committee, to review, develop and approve appropriate policies, procedure and systems for improving Company's Risk Management framework.

CORPORATE GOVERNANCE REPORT

Composition

The Risk Governance Committee consists of the following three Directors as its members. During the year, the Risk Governance Committee was reconstituted on March 25, 2014 and at present consists of following directors as its members :

1. Mr. P. Sudhir Rao
2. Mr. Gopi Krishna Tulsian
3. Mr. Sudhakar Ramasubramanian

The terms of reference of the Committee is as under :-

- i. Reviewing and approving the risk management policy.
- ii. Approving the product approval process and reviewing the product risk assessment over and above the threshold limit
- iii. Evaluating significant risk exposure of the Company and assessing Management's action to mitigate the exposure in timely manner
- iv. Review the risk mitigation plan and assess its effectiveness at a periodic level
- v. Approving the implementation of the Enterprise Risk Management Framework for the Company
- vi. Review Product and Operational risk management strategies and meeting risk/reward objectives.

During the year under review, Risk Governance Committee met once on January 29, 2014.

F. PREFERENCE SHARES ALLOTMENT COMMITTEE

The Preference Shares Allotment Committee was reconstituted by the Board on March 25, 2014 and at present consists of following directors as its members :

1. Mr. Gopi Krishna Tulsian
2. Mr. Sudhakar Ramasubramanian
3. Mr. G. Vijayaraghavan

During the year, Preference Share Allotment Committee met twice on September 30, 2013 and March 29, 2014.

4. CEO / CFO CERTIFICATION

As required under the provisions of the Clause 49 of the Listing Agreement, the Managing Director & Chief Finance Officer of the Company have provided necessary certification to the Board regarding the financial statements of the Company. The said certificate was placed before each board meeting approving the financial results which was taken on record by the Board of Directors of the Company. The CEO / CFO certification for the annual financial results for the year ended March 31, 2014 was also placed before the Board of Directors at its meeting held on April 29, 2014.

5. SUBSIDIARY COMPANY

The Company has a wholly owned subsidiary company - Aditya Birla Commodities Broking Limited ("ABCBL"). The Audit Committee reviews the financial statements of ABCBL as part of the process of approval of annual financial statements of the Company. The minutes of the Board meeting of ABCBL as well as statements of all significant transactions and arrangements of the unlisted subsidiary companies are placed in the Board meeting.

CORPORATE GOVERNANCE REPORT

6. DISCLOSURES

- i. The details of Related party transactions during the year have been disclosed in Note No.30 of the Notes forming part of Annual Accounts as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. There were no materially significant related party transactions with Directors /Promoters / Management, which has a potential conflict with the interest of public at large.
- ii. The Company has implemented a whistle blower policy and every employee including ex-employee of the Company has the right to report to the Grievances Redressal Committee (GRC) unethical behaviours, malpractices, wrongful conduct, fraud, violation of the Company's policies & values, violation of law without anyfear of retaliation. The GRC submits periodic report to the Audit Committee of the Board of Directors on the issues reported to it, if any, from time to time for its review & perusal.
- iii. The Company is engaged in the business of Equity Broking and Depository Services. No penalties / strictures were imposed on the company by Stock Exchange or SEBI or any statutory authority relating to Capital Markets, except penalties aggregating to Rs.233,000/- which were paid in respect of the observations made during the course of regular inspections and internal audit reports relating to routine broking and depositories operations, during the last three financial years, as a trading member and depository participant.
- iv. The Company has complied with mandatory requirements of Clause 49.
- v. The Company has also complied with the following non mandatory requirements as prescribed in Annexure 1D to Clause 49 of the Listing Agreement.
 - a. Constitution of the Remuneration Committee.
 - b. There were no qualifications on the financial statements of the Company during the period under review.
 - c. The quarterly results of the Company are published in one English and one Gujarati newspaper havingwide circulation. The results are also posted on the website of the Company. In view of the above, the half-yearly declaration of financial performance are not sent to the shareholders individually.

DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed the applicable guidelines of Accounting Standards laid down by The Institute of Chartered Accountants of India in preparation of its financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis Report in terms of Clause 49 of the Listing Agreement forms part of the annual report.

RISK MANAGEMENT FRAMEWORK

The Company has a well-defined risk management framework, policies and procedure in place. The details are included in the Management Discussion and Analysis Report. The Company has also constituted Risk Governance Committee to oversee the Risk management programme of the Company, if any in addition to oversight by the Audit Committee.

SHAREHOLDERS - Re-appointment of Director

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

CORPORATE GOVERNANCE REPORT

7. GENERAL BODY MEETINGS

Details of General Meetings

Location and time, where Annual General Meetings (AGMs) were held in the last three years:

Year	Day & Date	Venue	Time
2010 – 2011*	Friday, September 23, 2011	Indian Rayon Compound, Veraval - 362 266, Gujarat	11.30 A.M.
2011 – 2012	Friday, August 03, 2012	Indian Rayon Compound, Veraval – 362 266, Gujarat	10.30 A.M.
2012 – 2013	Saturday, August 10, 2013	Indian Rayon Compound, Veraval – 362 266, Gujarat	10.30 A.M.

*A Special resolution was passed by the shareholders in the AGM held on September 23, 2011 for approving the appointment of Mr. Sudhakar Ramasubramanian as Managing Director of the Company.

No special resolution was passed through postal ballot during the Financial Year 2013 - 2014

COMPLIANCE

A certificate from Practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges forms part of this Annual Report.

MEANS OF COMMUNICATION

The unaudited quarterly, half yearly and audited annual financial results are sent to the Stock Exchanges where the shares of the Company are listed. The results were also published in all editions of "Business Line", national daily and "Jai Hind", regional language newspaper circulating in the district where Company's registered office is situated.

The unaudited quarterly, half yearly and audited annual results were also posted in the company's website www.adityabirlamoney.com.

8. GENERAL SHAREHOLDER'S INFORMATION

AGM date, time and venue : As per notice to the AGM

Financial Calendar

Financial reporting for the quarter ending June 30, 2014	July / August, 2014
Financial reporting for the quarter ending September 30, 2014	October / November, 2014
Financial reporting for the quarter ending December 31, 2014	January / February, 2015
Financial reporting for the quarter ending March 31, 2015	April / May, 2015

Date of Book Closure	:	Refer Notice to the AGM
Dividend Payment Date	:	N.A.
Registered Office	:	Indian Rayon Compound, Veraval - 362 266, Gujarat.
Website	:	www.adityabirlamoney.com

CORPORATE GOVERNANCE REPORT

Listing on Stock Exchanges

National Stock Exchange of India Limited, (NSE) "Exchange Plaza", C-1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	Bombay Stock Exchange Limited, (BSE) PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400001
Tel No: (022) 26598100	Tel No: (022) 22721233 / 4
Fax No:(022) 26598120	Fax No:(022) 22721919
Stock Code – BIRLAMONEY	Stock Code – 532974 / ABML

ISIN for Equity Shares (NSDL & CDSL) - INE865C01022

Note : Listing fees for the year 2014-15 have been paid to NSE & BSE within the due dates.

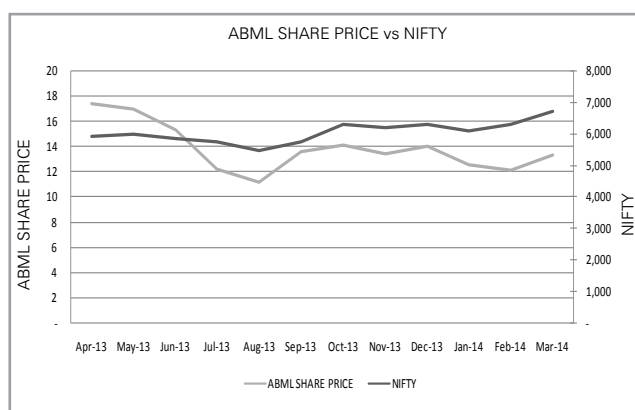
Stock Price Data : Monthly High & Low during FY 2013-14 in BSE & NSE

(Rs.)

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April 2013	22.70	16.00	22.45	15.50
May 2013	19.60	15.45	20.00	15.50
June 2013	18.00	15.00	18.20	15.00
July 2013	16.95	12.10	17.45	12.10
August 2013	13.30	10.70	14.45	10.50
September 2013	17.00	10.60	15.85	10.60
October 2013	14.60	12.65	14.50	12.65
November 2013	14.40	12.52	14.50	12.50
December 2013	15.10	12.43	14.95	12.20
January 2014	14.75	11.80	14.55	11.55
February 2014	13.74	11.19	14.00	11.25
March 2014	14.90	11.50	14.85	11.60

Registrar and Share Transfer Agent

Cameo Corporate Services Limited
SEBI Registration No.INR000003753
Subramanian Building,
No.1, Club House Road,
Chennai – 600 002.
Phone : 044-28460390 (5 Lines)
Fax : 044-28460129
Email : investor@cameoindia.com



CORPORATE GOVERNANCE REPORT

Share Transfer System

The Company's shares are compulsorily traded in dematerialised form. Transfer of shares in physical form, which are lodged at the Registered / Corporate Office or Registrar & Share Transfer Agent's Office, are processed within a period of 15 days from the date of receipt.

Investor Services

Details of Shareholders queries / complaints and other correspondence received and replied during 2013 - 2014:

Nature of Queries	No. of Queries
Pending Queries as on 01.04.2013	Nil
Queries received during the year relating to issue of duplicate sharecertificate / new share certificate / change of address / transmission of shares etc.	4
Queries redressed	4
Pending Queries as on 31.03.2014	Nil

During the year, one complaint was received & resolved.

History of Paid-up Equity Share Capital of the Company

Date of Allotment	No. of Shares	Face Value (Rs.)	Cumulative No. of Shares
04-07-1995	700	10/-	700
07-08-1995	10,09,300	10/-	10,10,000
30-11-2000	12,60,000	10/-	22,70,000
03-06-2001	5,00,000	10/-	27,70,000
26-07-2006	27,70,000 [@]	10/-	55,40,000
18-07-2008 [#]	—	1/-	5,54,00,000

[@] Allotment on Issue of Bonus Shares in the ratio of 1:1

[#] Split of face value of 55,40,000 shares from Rs.10/- to Re.1/- each

Details of Paid-up Preference Share Capital of the Company

Date of Allotment	No. of Shares	Face Value (Rs.)	Cumulative No. of Shares
28-03-2005	200,000 [*]	100/-	200,000 [*]
31-03-2011	800,000 ⁺⁺	100/-	800,000
30-09-2013	100,000 ⁺⁺	100/-	900,000
29-03-2014	100,000 ⁺⁺	100/-	1,000,000

^{*} Preference Shares were redeemed on 26.07.2006.

⁺⁺ The preference shares are in the nature of Redeemable Non Convertible Non Cumulative and are not intended for listing and were issued on a private placement basis to Aditya Birla Financial Services Private Ltd. (Holding Company)

CORPORATE GOVERNANCE REPORT

Distribution of Shareholdings as on March 31, 2014

Equity Shares	Shares				Shareholders			
	Physical		Electronic		Physical		Electronic	
	Nos.	%	Nos.	%	Nos.	%	Nos.	%
1 – 5000	829540	82.16	3507770	6.45	1345	98.83	7579	7.66
5001 – 10000	70460	6.98	801860	1.47	9	0.66	109	1.40
10001 – 20000	86904	8.60	434854	0.80	6	0.44	30	0.39
20001 – 30000	22800	2.26	379242	0.70	1	0.07	15	0.19
30001 – 40000	—	—	221762	0.41	—	—	6	0.08
40001 – 50000	—	—	87618	0.16	—	—	2	0.03
50001 – 100000	—	—	615048	1.13	—	—	10	0.13
100001 & above	—	—	48342142	88.88	—	—	9	0.12
Total	1009704	100.00	54390296	100.00	1361	100.00	7760	100.00
Grand Total	55400000				9121			

Shareholding Pattern of the Company as on March 31, 2014

Category	No. of Shares	%
Promoter / Promoter Group	41,550,000	75.00 %
Bodies Corporate	4,369,318	7.89%
Individuals - holding up to Rs.1 Lakh	5,847,740	10.55%
Individuals - holding excess of Rs.1 Lakh	3,150,435	5.69%
Clearing Members	18,297	0.03%
HUF	175,954	0.32%
NRI's	288,256	0.52%
TOTAL	55,400,000	100.00%

Dematerialization of Shares and Liquidity

As on March 31, 2014, 98.17% of the Company's Paid-up Equity Share Capital was held in dematerialized form. The shares of the Company are frequently traded on BSE / NSE.

CORPORATE GOVERNANCE REPORT

Useful Information for Shareholders

Unclaimed Dividend

1. Pursuant to Section 205A & 205C of the Companies Act, 1956 dividend upto the financial year 2006-2007 (Interim Dividend) has been transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government.
2. Unclaimed dividend for the financial year 2006-2007 (Final Dividend) onwards, wherever declared, and which remains 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 dividends for the year 2006-2007 (Final Dividend), 2007-2008 (First Interim) & 2007-2008 (Second Interim) are due for transfer to IEPF in August, 2014, November, 2014 and January, 2015 respectively.

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. Section 72 of the Companies Act, 2013 extends the nomination facility to individuals holding shares in the physical mode. Shareholders, in particular, those holding shares in single name may avail the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form, which can be obtained from the Company / RTA by sending a written request.

Address for Correspondence

Ali Centre, No. 53, Greams Road,
Chennai - 600 006.

Ph No. : 044 - 3919 0002/3

Fax No. : 044 - 2829 0835

E-mail : abml.investorgrievance@adityabirla.com

Registered Office

Indian Rayon Compound,
Veraval - 362 266, Gujarat

Ph No. : 02876-245711

Fax No. : 02876-243257

Website : www.adityabirlamoney.com

DECLARATION ON CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchange(s), I hereby declare that the Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2014.

Date : April 29, 2014

Place : Mumbai

Sudhakar Ramasubramanian
Managing Director

CORPORATE GOVERNANCE REPORT

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To: The Members of Aditya Birla Money Limited

We have examined the compliance of conditions of Corporate Governance by Aditya Birla Money Limited, for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The objective of our examination is to give our opinion on whether the company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing Agreement entered into by the company with the listed Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : April 29, 2014

Place : Chennai

B CHANDRA
PRACTISING COMPANY SECRETARY
Membership No. 7859

INDEPENDENT AUDITORS' REPORT

To
The Members of Aditya Birla Money Limited

Report on the Financial Statements : We have audited the accompanying financial statements of Aditya Birla Money Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements : Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion : In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter : We draw attention to Note 21 to the financial statements with regard to the recoverability of assets in the nature of trade receivables, advances, other assets etc. aggregating to Rs.145,779,681 grouped under Advances recoverable in cash or kind under Note 11B of the Financial statement. These assets are subject matter of claim under a share purchase agreement entered into between the Company's ultimate parent company and its Erstwhile Promoters, which is currently under arbitration. The Company's ultimate parent company has committed to transfer any funds received on settlement of the claim to the Company. Based on legal opinion received in the previous year, management is of the opinion that the claims made are tenable and expect a favourable outcome in this matter. Pending the final disposition of the matter no adjustments have been made to the financial statements in respect of these assets.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Shrawan Jalan
Partner
Membership Number: 102102
Date: April 29, 2014
Place of Signature: Mumbai

INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Aditya Birla Money Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) The Company is a stock broker and therefore does not have any inventories. Accordingly, Clause (ii) of the Companies (Auditors' Report) Order 2003 (as amended) is not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Clause 4(iii) (e) and (g) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase and sale of inventories. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, investor education and protection fund, cess and other material statutory dues applicable to it *except for slight delays in remittance of tax deducted at source payable and professional tax*. The provisions relating to customs duty and excise duty are not applicable to the Company.

INDEPENDENT AUDITORS' REPORT

- (b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, investor education and protection fund, cess and other statutory dues which were outstanding, at the year-end for a period of more than six months from the date they became payable.

As more fully discussed in Note 22 to the financial statements, stamp duties collected by the Company in respect of States wherein the manner of payment has not been notified from July 2011 onwards and remaining unpaid as of March 31, 2014 is Rs.47.4 Lakhs. As the manner of payment of the same has not been notified, we are not in a position to comment if any portion of the stamp duties collected has become due and outstanding for more than six months as at the Balance Sheet date.

- (c) According to the information and explanations given to us, there are no dues outstanding of excise duty, wealth-tax, customs duty, income-tax and cess on account of any dispute. Dues outstanding in respect of sales-tax, provident fund and service tax on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax	7,283,390	April 2004 - June 2008	Commissioner of Service tax
Finance Act, 1994	Service tax	376,714	October 2004 - March 2009	Commissioner of Service tax
Finance Act, 1994	Service tax	1,116,339*	December 2008 - November 2009	Commissioner of Service tax
Finance Act, 1994	Service tax	21,821	November 2009 - March 2010	Commissioner of Service tax
Finance Act, 1994	Service tax	26,966	April 2010 to September 2010	Commissioner of Service tax
Karnataka Stamp Act, 1957	Stamp Duty	9,060,000	2003 - 2008	Chief Revenue Controlling Authority, Karnataka
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	14,036,578*	April 2009 to May 2011	Regional Provident Fund Commissioner, Chennai
Income Tax Act 1961	Income Tax	8,773,360	April 2010 - Mar 2011	Commissioner of Income tax (Appeals), Chennai

* Includes payment of Rs.4,625,484 under protest.

INDEPENDENT AUDITORS' REPORT

- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth *but it has incurred cash losses in the current and immediately preceding financial year.*
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. There are no dues to a financial institution or to debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues and accordingly, the provisions of Clause 4(xx) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

per Shrawan Jalan
Partner
Membership No.: 102102

Date : April 29, 2014
Place : Mumbai

BALANCE SHEET AS AT MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	3		
Equity Preference		55,400,000	55,400,000
Reserves and Surplus	4	100,000,000	80,000,000
		217,641,059	219,682,910
Sub-Total (A)		373,041,059	355,082,910
(B) Non-Current Liabilities			
Other Long-term Liabilities	5A	4,099,624	5,305,327
Sub-Total (B)		4,099,624	5,305,327
(C) Current Liabilities			
Short-term Borrowings	6	98,723,887	508,356,123
Trade Payables	7	57,615,969	61,057,810
Other Current Liabilities	5B	1,416,992,511	649,347,548
Short-term Provisions	8	11,530,544	11,201,301
Sub-Total (C)		1,584,862,911	1,229,962,782
TOTAL	(A)+(B)+(C)	1,962,003,594	1,590,351,019
ASSETS			
(D) Non-Current Assets			
Fixed Assets			
Tangible Assets	9A	163,446,694	212,457,821
Intangible Assets	9B	41,652,792	58,243,958
Intangible Assets under Development		—	2,145,000
		205,099,486	272,846,779
Non-Current Investments	10	50,066,000	20,066,000
Long - Term Loans and Advances	11A	49,759,907	58,713,070
Sub-Total (D)		304,925,393	351,625,849
(E) Current Assets			
Trade Receivables	12	883,774,302	506,275,699
Cash and Bank Balances	13	403,175,425	492,927,232
Short-term Loans and Advances	11B	339,049,369	204,071,189
Other Current Assets	14	31,079,105	35,451,050
Sub-Total (E)		1,657,078,201	1,238,725,170
TOTAL	(D)+(E)	1,962,003,594	1,590,351,019

Summary of Significant Accounting Policies 2

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date
For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner
Membership No.: 102102

Sudhakar Ramasubramanian
Managing Director

Shriram Jagetiya
Director

Manoj Kumar Gandhi
Chief Finance and Operations Officer

S Balaji
Company Secretary

Date : April 29, 2014
Place : Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>Note No.</u>	<u>Year Ended March 31, 2014</u>	<u>Year Ended March 31, 2013</u>
Revenue			
Revenue from Operations	15	650,870,391	658,896,820
Other Income	16	48,205,810	56,848,501
Total Revenue		<u><u>699,076,201</u></u>	<u><u>715,745,321</u></u>
Expenses			
Employee Benefits Expenses	17	316,501,359	299,987,927
Finance Cost	18	23,930,697	45,731,611
Depreciation and Amortization Expenses	19	61,169,746	75,440,300
Business Partners Payout		173,983,322	180,194,495
Other Expenses	20	205,532,928	241,046,892
Total Expenses		<u><u>781,118,052</u></u>	<u><u>842,401,225</u></u>
Profit/(Loss) for the Year		<u><u>(82,041,851)</u></u>	<u><u>(126,655,904)</u></u>
Earnings / (Loss) Per Share (Basic and Diluted) } (Face Value of Re. 1/- each)	27	(1.48)	(2.29)
Significant Accounting Policies	2		

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

Sudhakar Ramasubramanian
Managing Director

Shriram Jagetiya
Director

per Shrawan Jalan
Partner
Membership No.: 102102

Manoj Kumar Gandhi
Chief Finance and Operations Officer

S Balaji
Company Secretary

Date : April 29, 2014
Place : Mumbai

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

NOTE: 1. Basis of preparation

The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Companies Accounting Standards Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the ministry of corporate affairs, in respect of Section 133 of the Companies Act, 2013.

NOTE: 2. Statement of Significant Accounting Policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible and Intangible Assets and Capital Work-in-Progress

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

Intangible assets are recorded at the consideration paid for acquisition. The computer software costs are capitalized and recognized as intangible assets in terms of Accounting Standard 26 - Intangible Assets based on materiality, accounting prudence and significant economic benefit expected there from to flow over a period longer than one year. Capitalized costs include direct costs of implementation and expenses directly attributable to the development of the software. All other expenses on existing intangible assets, including day-to-day maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Depreciation

Depreciation is provided using the straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956, which is management's estimate of the useful lives of the assets except as follows:

Nature of Asset	Rate of Depreciation Followed
Batteries (included under Office Equipment's)	25% (rates are higher than XIV)
Furniture and Fixtures (fitted to the premises)	Rate based on the lease period, taking into account the secondary lease period

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

The company has entered into lease/license agreements in respect of immovable properties with different parties with average lease period of 4 years to 5 years.

Computer software cost capitalized is amortized over the estimated useful life of 6 years on a straight line basis.

Additions to tangible assets are depreciated from the date of addition and deletions are depreciated upto the date of sale, on pro-rata basis.

Fixed assets individually costing Rs.5,000 or less are fully depreciated in the year of purchase.

d) Impairment

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

e) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

f) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g) Revenues

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Brokerage Income and transaction charges are recognized on the trade date of the transaction upon confirmation of the transactions by the exchanges.

Income from depository services and interest and finance charges are recognized on the basis of agreements entered into with clients and when the right to receive the income is established.

Other interest incomes are recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest. The same is included under the head 'other income' in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

h) Employee Benefits

- i. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.
- ii. Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have unconditional right to defer its settlement for 12 months after the reporting date.
- iv. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

i) Income Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

j) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

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

k) Contingent Liability and Provisions

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

l) Segment Reporting

The Company is principally engaged in the business of Broking and related activities. The operations are entirely in India. There is only one business segment and one geographical segment and hence segment information is not required to be disclosed as per explanation to para 38 of AS 17.

m) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

n) Sharing of Costs

The Company shares certain costs / service charges with other companies in the Group. These costs have been allocated on a reasonable and consistent basis between the Companies as mutually agreed to.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
NOTE: 3		
SHARE CAPITAL		
Authorised:		
150,000,000 (Previous year : 150,000,000) Equity Shares of Re. 1/-each	150,000,000	150,000,000
1,000,000 (Previous Year : 1,000,000) 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 100/- each	<u>100,000,000</u>	<u>100,000,000</u>
	<u><u>250,000,000</u></u>	<u><u>250,000,000</u></u>
Issued, Subscribed and Paid-up:		
EQUITY SHARE CAPITAL		
55,400,000 (Previous Year : 55,400,000) Equity Shares of Re. 1/-each Fully paid	<u>55,400,000</u>	<u>55,400,000</u>
	<u><u>55,400,000</u></u>	<u><u>55,400,000</u></u>
PREFERENCE SHARE CAPITAL		
1,000,000 (Previous Year : 800,000) 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 100/- each Fully paid	<u>100,000,000</u>	<u>80,000,000</u>
	<u><u>100,000,000</u></u>	<u><u>80,000,000</u></u>

1A Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the period

Sl.No.	Description	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
1	At the beginning of the year	55,400,000	55,400,000	55,400,000	55,400,000
2	Issued during the year	—	—	—	—
3	Outstanding at the end of the year	55,400,000	55,400,000	55,400,000	55,400,000

1B Reconciliation of the number of Preference shares outstanding at the beginning and at the end of the period

Sl.No.	Description	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
1	At the beginning of the year	800,000	80,000,000	800,000	80,000,000
2	Issued during the year	200,000	20,000,000	—	—
3	Outstanding at the end of the year	1,000,000	100,000,000	800,000	80,000,000

2 Term / right attached to Equity Shares

The Company has only one class of equity shares having a par value of Re. 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

3 Term / right attached to Preference Shares

Preference shares carry non cumulative dividend of 8% per annum. The company declares and pays dividends in Indian rupees.

In the year ended 31st March, 2011, the Company had allotted 800,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 100/- each, fully paid up at a premium of Rs. 150/- per share to Aditya Birla Financial Services Private Limited, the holding Company. These Preference Shares are redeemable at the end of 5 years from the date of issue at a price of Rs. 320/- per share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

In the year ended 31st March, 2014, the Company had allotted 200,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 100/- each, fully paid up at a premium of Rs. 400/- per share to Aditya Birla Financial Services Private Limited, the holding Company. These Preference Shares are redeemable at the end of 5 years from the date of issue at a price of Rs. 725/- per share.

4 Shares held by Holding Company

41,550,000 (Previous Year : 41,550,000) equity shares of Re. 1/- each fully paid and 1,000,000 (Previous Year : 800,000) 8% Redeemable Non Convertible Non Cumulative Preference Shares Rs. 100/- each fully paid are held by Aditya Birla Financial Services Private Limited, the Holding Company.

5 Shares in the Company held by each shareholder holding more than 5 percent shares and the number of shares held are as under :

i) Equity Shares Capital

Sl. No.	Name of Share Holder	As at March 31, 2014		As at March 31, 2013	
		No. of Shares held	% of total paid-up equity share capital	No. of Shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Private Limited	41,550,000	75.00	41,550,000	75.00
2	PCR Investments Ltd	3,385,320	6.11	3,385,320	6.11

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

ii) Preference Share Capital

Sl. No.	Name of Share Holder	As at March 31, 2014		As at March 31, 2013	
		No. of Shares held	% of total paid-up preference share capital	No. of Shares held	% of total paid-up preference share capital
1	Aditya Birla Financial Services Private Limited	1,000,000	100	800,000	100

NOTE: 4

RESERVES AND SURPLUS

1) Capital Reserves	11,538,863	11,538,863
2) Securities Premium Account		
Balance as per last audited Financial Statement	120,000,000	120,000,000
Addition: Security premium on preference share issued during the year	80,000,000	—
	<u>200,000,000</u>	<u>120,000,000</u>
3) General Reserve	261,376,777	261,376,777
4) Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per last audited Financial Statement	(173,232,730)	(46,576,826)
Addition: Profit / (Loss) of the Year	(82,041,851)	(126,655,904)
	<u>(255,274,581)</u>	<u>(173,232,730)</u>
	<u>217,641,059</u>	<u>219,682,910</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
NOTE: 5A		
OTHER LONG-TERM LIABILITIES		
Rent Equalization Liabilities	<u>4,099,624</u>	<u>5,305,327</u>
	<u>4,099,624</u>	<u>5,305,327</u>
NOTE: 5B		
OTHER CURRENT LIABILITIES		
Interest Accrued but not due on Borrowings	—	369,732
Income Received in Advance	288,294	533,357
Investors' Education and Protection Fund to be credited as and when due		
Unpaid Dividend	670,077	594,141
Unpaid Matured Deposits and Interest Accrued thereon	185,182	185,182
Other Payables		
Payable to customers	904,889,441	497,451,291
Payable to exchanges	452,157,896	93,118,555
Book Overdraft	6,155,953	10,402,506
Statutory Dues	13,096,910	12,698,494
Deposits	38,795,944	33,635,401
Rent Equalization Liabilities	752,814	358,889
	<u>1,416,992,511</u>	<u>649,347,548</u>
NOTE: 6		
SHORT-TERM BORROWINGS		
SECURED		
Loan Repayable on Demand		
Banks #	—	17,500,000
	—	17,500,000
UNSECURED		
Commercial Papers*^	<u>98,723,887</u>	<u>490,856,123</u>
	<u>98,723,887</u>	<u>490,856,123</u>
	<u>98,723,887</u>	<u>508,356,123</u>
* Maximum balance outstanding during the year	494,832,259	500,000,000

The bank borrowing is secured against pledge of fixed deposits. The borrowing carries an interest Nil.

(Previous year : 10.60% per annum)

^ Repayable in 60 to 90 days from the date of draw down. The interest on this loan ranges from 9.80% to 10.50%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	As at <u>March 31, 2014</u>	As at <u>March 31, 2013</u>
NOTE: 7		
TRADE PAYABLES		
Salaries, wages, bonus and other employee benefits payable	24,086,863	17,596,850
Trade Payables (Others)	<u>33,529,106</u>	<u>43,460,960</u>
	<u>57,615,969</u>	<u>61,057,810</u>

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE: 8

SHORT-TERM PROVISIONS

Provisions for Employee Benefits:

Leave Encashment	6,817,601	5,970,380
Others (Deferred Compensation)	1,800,000	2,317,978
Taxation [Net of Advance Tax Rs.45,587,057/- (Previous Year: Rs.45,587,057/-)]	<u>2,912,943</u>	<u>2,912,943</u>
	<u>11,530,544</u>	<u>11,201,301</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

NOTE: 9A - TANGIBLE ASSETS				NOTE: 9B - INTANGIBLE ASSETS					
	Freehold Land *	V SAT Equipments	Furniture & Fixtures	Office Equipment	Computers	Vehicles	TOTAL	Computer Software	
Gross Block								Gross Block	
As at 1 st April 2012	1,500,000	95,445,027	105,422,876	77,131,689	215,108,499	2,245,810	496,853,901	As at 1 st April 2012	199,908,068
Additions	—	—	1,333,086	819,373	3,387,507	—	5,989,965	Additions	3,758,510
Deletions	—	—	17,742,079	4,169,025	5,437,546	—	27,348,650	Deletions	496,126
As at 31st March 2013	1,500,000	95,445,027	89,013,883	73,782,036	213,508,460	2,245,810	475,495,216	As at 31st March 2013	203,170,452
Cost								Cost	
At 1 st April 2013	1,500,000	95,445,027	89,013,883	73,782,036	213,508,460	2,245,810	475,495,216	At 1 st April 2013	203,170,452
Additions	—	—	1,012,346	769,308	416,668	—	2,198,322	Additions	4,746,170
Deletions	—	—	21,005,166	5,489,742	2,346,413	1,030,413	29,871,734	Deletions/Adjustment	—
As at 31st March 2014	1,500,000	95,445,027	69,021,063	69,061,602	211,578,715	1,215,397	447,821,805	As at 31st March 2014	207,916,622
Accumulated Depreciation								Accumulated Amortization	
As at 1 st April 2012	—	38,144,021	43,244,959	25,411,463	125,208,714	435,292	232,444,449	As at 1 st April 2012	116,240,440
For the year	—	4,266,870	8,945,954	5,472,680	27,764,676	213,352	46,663,532	For the year	28,776,769
Deletions	—	—	9,345,827	1,927,976	4,796,784	—	16,070,586	Deletions	90,715
As at 31st March 2013	—	42,410,891	42,845,086	28,956,167	148,176,606	648,644	263,037,395	As at 31st March 2013	144,926,494
Depreciation								Amortization	
At 1 st April 2013	—	42,410,891	42,845,086	28,956,167	148,176,606	648,644	263,037,394	At 1 st April 2013	144,926,494
For the year	—	4,158,959	6,523,914	5,073,531	23,952,386	123,620	39,832,410	For the year	21,337,336
Deletions	—	—	12,377,702	3,534,884	2,243,005	339,103	18,494,694	Deletions/Adjustment	—
As at 31st March 2014	—	46,569,850	36,991,297	30,494,814	169,885,987	433,161	284,375,111	As at 31st March 2014	166,263,830
Net block as at 31st March 2013	1,500,000	53,034,136	46,168,797	44,825,867	65,331,855	1,597,166	212,457,821	Net block as at 31st March 2013	58,243,958
Net block as at 31st March 2014	1,500,000	48,875,177	32,029,766	38,566,787	41,692,728	782,236	163,446,694	Net block as at 31st March 2014	41,652,792

* Registration of land in favour of the Company is subject to resolution of disputes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
NOTE: 10		
INVESTMENTS : NON-CURRENT		
Non Trade Investments (Unquoted, as valued at cost less provision)		
Investments in Equity Shares		
6,600 (Previous year : 6,600) Equity Share of Rs. 10/- each fully paid in Apollo Sindhoori Hotels Limited.	184,523	184,523
Less: Provision for diminution in value of investment	(118,523)	(118,523)
In Subsidiary Company (Unquoted, at cost)		
5,000,000 (Previous year : 2,000,000) equity shares of Rs. 10/- each fully paid in subsidiary - Aditya Birla Commodities Broking Limited	50,000,000	20,000,000
	<u>50,066,000</u>	<u>20,066,000</u>
Note :		
1. Aggregate amount of unquoted investments	50,066,000	20,066,000
2. Aggregate amount of diminution in value of investment	118,523	118,523
NOTE: 11A		
LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits	29,477,569	28,435,993
Margins with Exchange	7,700,000	19,980,066
Other Loans and Advances		
Advance Tax (Net of Provision Rs. Nil)	12,243,710	9,876,529
Prepaid Expenses	338,628	420,482
	<u>49,759,907</u>	<u>58,713,070</u>
NOTE: 11B		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Advances recoverable in cash or in kind or for value to be received (Refer Note 21)		
Considered Good	117,493,822	120,147,165
Considered Doubtful	50,139,735	44,139,735
	<u>167,633,557</u>	<u>164,286,900</u>
Less : Provision for doubtful Advances	<u>(50,139,735)</u>	<u>(44,139,735)</u>
	117,493,822	120,147,165

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
Security Deposits	735,290	2,128,330
Gratuity Receivable	4,971,397	4,435,705
Margins with Exchange	191,178,001	12,619,936
Loans & Advances to Related Parties #	2,278,724	43,910,703
Balances with Government Authorities	5,994,157	6,530,049
Advances to Suppliers	3,137,083	276,600
Prepaid Expenses	11,275,360	11,947,292
Advances to Employees	1,985,535	2,075,409
	<u>339,049,369</u>	<u>204,071,189</u>

Also, refer note 30

NOTE: 12

TRADE RECEIVABLES ^

Outstanding for a period exceeding 6 months from the date they are due for payment

Secured, Considered Good	53,559,551	64,892,018
Unsecured, Considered Doubtful	19,091,234	24,678,615
Less: Provision for doubtful	(19,091,234)	(24,678,615)
Others		
Secured, Considered Good	770,651,289	403,322,744
Unsecured, Considered Good	59,563,462	38,060,937
Unsecured, Considered Doubtful	1,802,698	—
Less: Provision for doubtful	(1,802,698)	—
	<u>883,774,302</u>	<u>506,275,699</u>

^ Trade receivables include pass through amounts representing dues from clients towards transactions not fully settled as at the reporting date.

NOTE: 13

CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances with Banks

Current Accounts	91,013,124	41,638,282
Unpaid Dividend	670,077	594,141
Unclaimed Matured Deposits	185,182	185,182
Cash on Hand	16,607	20,608
	<u>91,884,990</u>	<u>42,438,213</u>

(A)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
Other Bank Balance		
Deposit Accounts (with original maturity more than 3 months)*	<u>311,290,435</u>	<u>450,489,019</u>
(B)	<u>311,290,435</u>	<u>450,489,019</u>
(A) + (B)	<u><u>403,175,425</u></u>	<u><u>492,927,232</u></u>

* Fixed deposits have been placed under lien towards bank guarantees Rs.114,954,435 (Previous year: Rs.146,333,832), as margins with exchange Rs. 196,336,000 (Previous year : Rs. 12,336,000) and loans Nil (Previous year : Rs.291,819,186).

NOTE: 14

OTHER CURRENT ASSET

(Unsecured, Considered Good except otherwise stated)

Accrued Income (from operations)	8,327,146	2,993,352
Interest Accrued on Deposits with Exchanges	—	198,515
Interest Accrued on Fixed Deposits	15,074,452	22,846,811
Insurance Claim Receivables *		
Considered Good	7,677,507	9,412,372
Considered Doubtful	1,232,419	969,419
	<u>8,909,926</u>	<u>10,381,791</u>
Less: Provision for Doubtful	<u>(1,232,419)</u>	<u>(969,419)</u>
	<u>7,677,507</u>	<u>9,412,372</u>
	<u><u>31,079,105</u></u>	<u><u>35,451,050</u></u>

* Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

NOTE: 15

REVENUE FROM OPERATIONS

A. Income from services

	<u>Year Ended March 31, 2014</u>	<u>Year Ended March 31, 2013</u>
Brokerage income	531,220,790	519,231,376
Income from transaction charges	803,082	535,652
Account opening charges	2,381,340	3,245,456
Income from depository services	39,978,425	44,907,277
	<u>574,383,637</u>	<u>567,919,761</u>

B. Other Operating Income

V-Sat Rent / other charges	1,650,715	1,931,594
Interest and Finance charges	74,836,039	89,045,465
	<u>76,486,754</u>	<u>90,977,059</u>
	<u><u>650,870,391</u></u>	<u><u>658,896,820</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>Year Ended March 31, 2014</u>	<u>Year Ended March 31, 2013</u>
NOTE : 16		
OTHER INCOME		
Interest Income		
Interest on bank deposits	28,083,884	42,224,544
Other interest income	2,624,411	3,485,535
Dividends Income on Investments		
Long-term	19,800	16,500
Net Gain on Sale of Investments	9,539,639	8,242,240
Provision for Doubtful Debts written back	3,784,683	—
Miscellaneous Income	4,153,393	2,879,682
	48,205,810	56,848,501
	48,205,810	56,848,501
NOTE : 17		
EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	295,170,294	274,878,243
Contribution to Provident and Other Funds (Refer Note 29)	14,362,867	18,161,699
Staff Welfare Expenses	6,968,198	6,947,985
	316,501,359	299,987,927
	316,501,359	299,987,927
NOTE : 18		
FINANCE COST		
Interest Expenses	23,917,483	45,680,558
Other Borrowing Costs	13,214	51,053
	23,930,697	45,731,611
	23,930,697	45,731,611
NOTE : 19		
DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation of Tangible Assets	39,832,410	46,663,532
Amortisation of Intangible Assets	21,337,336	28,776,768
	61,169,746	75,440,300
	61,169,746	75,440,300

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>Year Ended</u> <u>March 31, 2014</u>	<u>Year Ended</u> <u>March 31, 2013</u>
NOTE : 20		
OTHER EXPENSES		
Rent (Refer Note 28)	39,872,657	40,585,141
Repairs and Maintenance of:		
Buildings	1,162,675	809,918
Plant and Machinery	19,304	435,487
Others	21,674,026	25,076,546
Insurance	9,952,267	9,463,390
Rates and Taxes	6,245,943	4,574,075
Bandwidth Charges	13,580,351	21,495,949
Advertisement	1,758,465	3,067,622
Legal and Profession Expenses	14,627,855	18,431,713
Provision for Doubtful Debts	—	156,366
Provision for Doubtful Deposits and Advances	6,263,000	7,884,616
Printing and Stationery	5,107,733	6,939,980
Travelling and Conveyance	16,064,698	20,109,714
Communication Expenses	14,931,215	17,572,219
Loss on Sale / Discard of Fixed Assets (Net)	7,574,460	11,140,513
Bank Charges	1,148,361	1,810,270
Auditors' Remuneration*	1,771,236	1,972,808
Directors' Fees	400,000	360,000
Postage Expenses	2,719,442	3,685,696
Electricity Charges	9,626,150	12,975,847
Information Technology and Software Expenses	24,923,305	26,469,046
Miscellaneous Expenses	6,109,785	6,029,976
	205,532,928	241,046,892
	205,532,928	241,046,892

* Auditors' Remuneration includes payments to auditors as under:

As auditor:		
Audit fee	800,000	800,000
Limited Reviews	800,000	800,000
Tax audit fee	100,000	100,000
Certification fees	14,329	30,525
Reimbursement of expenses	56,907	242,283
	1,771,236	1,972,808
	1,771,236	1,972,808

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

21) Assets forming part of claims made by the Ultimate Parent Company

Pursuant to a Share Purchase agreement ('SPA') between Aditya Birla Nuvo Limited ('ABNL' or 'the Purchaser'), ultimate holding company and Mr. Prataph C Reddy and others ("Erstwhile Promoters") dated August 28, 2008, ABNL had agreed to acquire 31 million equity shares in Aditya Birla Money Limited ("the Company"). The transaction was completed on March 6, 2009.

As per the SPA, the Erstwhile Promoters had agreed to indemnify and hold harmless the Purchaser to the extent of any Losses, resulting from or consequent upon or relating to such breach of representations or warranties, covenants or agreement including but not limited to the recoveries of receivables and other assets in the books of the Company, contingencies on tax and related matters etc.

Subsequent to the completion of the above transaction, the Purchaser noted several breaches of representations and warranties including but not limited to non-recovery of debtors, irrecoverable advances, missing fixed assets etc. Accordingly, ABNL based on its internal assessment of the recoverability of receivables, fixed assets, other assets and matters relating to tax and other contingencies arrived at an amount of Rs.163,882,296 as Losses incurred on account of breach of representation / warranties in the SPA. Further, ABNL vide its letter dated March 5, 2011 made a separate claim of Rs.5,169,379 for amounts becoming due and payable on accounts of various cases initiated by the customers of the Company. ABNL invoked the arbitration mechanism and filed their Statement of Claim on February 26, 2011 with the Arbitration Tribunal.

Pending the final outcome of the arbitration proceedings, the Company has identified all such receivables, assets etc which are have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of accounts of the Company as at March 31, 2014 aggregating Rs.145,779,681 (previous year: Rs.145,779,681) and disclosed the same in Short Term Loans & Advances under Note 11B of the Balance Sheet, as these amounts would be paid directly to the Company by the Erstwhile Promoters at the direction of ABNL as and when the settlement happens.

Both parties completed filing of documents. On July 04, 2012, a hearing was held and Professional Accounting firm were asked to act as auditors by the Arbitrators with a mandate to submit a report on whether from an accounting perspective, including the accounting treatment that has been given to the items set out in the Statement of Claim, the amounts as claimed are correct as per accounting practice.

The arbitral tribunal then directed the Claimants and Respondents to file their objections if any to the audit report submitted by Professional Accounting firm and had also directed the Respondent to file their list of witnesses (if any) by the end of April 2013. The Respondents filed their objections to the audit report and ABNL had also filed its reply to the said objections.

Arguments in rebuttal by the Claimant was completed on October 25, 2013 and written submissions were filed by October 29, 2013. The tribunal has reserved the award.

Based on legal opinion received and internal assessment, ABNL is confident of recovering the entire dues through the arbitration process and passing the benefit thereof to the Company against which these loss assets can be set-off in the future. Accordingly, the Company is of strong view that these amounts are recoverable.

22) Stamp duty

Hitherto, the Company had been collecting and remitting stamp duties with respect to states wherein the manner of payment of the same has been prescribed by the respective state governments. From July 2011, the Company had started collecting stamp duty on contract notes for all states, including the states wherein the manner of payment has not yet been notified. The Company is evaluating various options of remitting the same, including remitting those amounts in the State of Tamil Nadu,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

as all the contract notes are executed at Tamil Nadu. Pending, the final determination of the manner of remittance, amount of Rs.4,741,664/- (Previous year: Rs.4,560,042/-) collected till March 31, 2014 has been disclosed under Statutory Dues under Other Current Liabilities.

23) Capital and other commitment

- a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for is NIL (Previous year: Rs.2,709,050).
- b) For commitments relating to lease arrangements, please refer Note 28.

24) Contingent Liabilities

Particulars	March 31, 2014	March 31, 2013
Disputed tax and other statutory liabilities not provided for:		
(a) Income tax & Interest on Tax - for various assessment years in respect of which Company has gone on appeal. (Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities).	45,545,425	45,158,745
(b) Service tax - for various assessment years in respect of which Company has gone on appeal. (Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities).	7,957,873	7,957,873
(c) Provident fund – for the period from March 2009 to May 2011 for non inclusion of certain components like allowances etc. while computing and remitting the employer and employees' contribution to provident fund. (Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities).	14,036,578	14,036,578
(d) Karnataka Stamp duty for the period from 2003-2008. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities	9,060,000	9,060,000

Contingent liability not provided for on account of:		
(a) Disputed claim of SEBI towards turnover fees contested by the Company at Ho'nble Supreme Court. The Company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for any liability has been made in these financial statements.	27,656,667	27,656,667
(b) Claims against the Company not acknowledged as debts*	38,865,918	35,883,562

* Represents claims made on the Company by various customers alleging unauthorized trades, loss of profits etc. The Company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for any liability has been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

25) Managerial Remuneration

During an earlier year the Company had made an application to the Central Government under Section 309 (5B) of the Companies Act, 1956 for seeking waiver of excess managerial remuneration amounting to Rs.3,094,634 (Previous year: Rs.3,094,634) (excluding statutory contribution to provident fund, gratuity and leave encashment which are exempted under Schedule VI) paid to Mr. P.B. Subramaniyan, the erstwhile whole time director ('Erstwhile Director') of the Company for the period from April 1, 2008 to March 6, 2009.

During the previous year, the Company has received an order from the Central Government (CG) whereby the CG has rejected excess remuneration of Rs.1,534,634 (Previous year: Rs.1,534,634) and directed the Company to collect the same from the Erstwhile Director.

The Company has commenced the process of recovery from the Erstwhile Director. Pending the recovery of the same, it has been shown as advances recoverable by the Company in the Balance Sheet. The Company is evaluating various alternative options including seeking a condonation / compounding if these amounts are not recoverable from the Erstwhile Director.

26) Loans and advances include:

Amounts receivable from:	Balance as at March 31, 2014	Balance as at March 31, 2013	Maximum amount outstanding at any time during the year ended March 31, 2014	Maximum amount outstanding at any time during the year ended March 31, 2013
Subsidiary				
Aditya Birla Commodities Broking Limited (Repayable on Demand)	(328,451)	27,487,756	37,159,549	27,487,756

27) Earnings Per Share

Particulars		March 31, 2014	March 31, 2013
Net profit / (loss) as per Statement of profit and loss	A	(82,041,851)	(126,655,904)
Weighted average number of equity shares - Basic and Diluted	B	55,400,000	55,400,000
Earnings / (Loss) per share - Basic and Diluted	A/B	(1.48)	(2.29)
Nominal value of Equity Share (in Rs.)		Re 1/-	Re 1/-

28) Lease disclosures

Operating leases for premises

Lease rentals in respect of premises taken on operating lease during the year ended March 31, 2014 amounts to Rs.35,078,962 (Previous Year: Rs.35,606,663).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2014 amounts to Rs.198,687,177/- (Previous Year: Rs.182,036,682). Details of Lease Rentals payable within one year and thereafter are as under:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	March 31, 2014	March 31, 2013
Within one year	36,311,842	41,866,877
Later than one year and not later than five years	126,613,148	109,719,176
Later than five years	35,762,187	30,450,629

The company has entered into lease / license agreements in respect of immovable properties with different parties. Some of the agreements contain escalation clause related to lease rentals / license fees from 5% to 15% p.a.

Operating Leases for Computers

The company has entered into commercial leases on computer desktops. These leases have an average life of three years with renewal option included in the contracts.

Lease rentals in respect of computers taken on operating lease during the year ended March 31, 2014 amounts to Rs.4,559,985 (Previous Year: Rs.4,559,985).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2014 amounts to Rs.2,112,280. Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2014	March 31, 2013
Within one year	2,112,280	4,559,985
Later than one year and not later than five years	-	2,112,280
Later than five years	-	-

29) Employment Benefit disclosures

The amounts charged to the Statement of profit and loss during the year for Provident fund contribution aggregates to Rs.12,530,378 (Previous year: Rs.13,497,945) and employees' state insurance contribution aggregates to Rs.1,249,568 (Previous year: Rs.2,511,222).

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Aditya Birla Nuvo Employee Gratuity Fund.

The following table summarises the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for gratuity plan.

Amounts recognized in the Balance sheet in respect of gratuity

Particulars	March 31, 2014	March 31, 2013
Present value of defined benefit obligation	12,763,006	12,471,889
Fair value of plan assets	17,734,403	16,907,594
Liability/(Asset) recognized in the balance sheet	(4,971,397)	(4,435,705)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

Amounts recognized in the Statement of profit and loss in respect of gratuity

Particulars	March 31, 2014	March 31, 2013
Current service cost	2,699,416	3,059,526
Interest cost on benefit obligation	1,028,931	862,803
Expected return on plan assets	(1,214,160)	(1,108,634)
Net actuarial (gain) / loss recognized in the year	(1,931,266)	(661,163)
Past service costs – vested benefits	-	-
Net gratuity cost	582,921	2,152,532

Actual return on plan assets

Particulars	March 31, 2014	March 31, 2013
Expected return on plan assets	1,214,160	1,108,634
Actuarial gains / (losses) on plan assets	(387,351)	641,682
Actual return on plan assets	826,809	1,750,316

Reconciliation of present value of the obligation and the fair value of plan assets

Particulars	March 31, 2014	March 31, 2013
Opening defined benefit obligation	12,471,889	10,150,627
Interest cost	1,028,931	862,803
Current service cost	2,699,416	3,059,526
Actuarial (gains)/ losses on obligation	(2,318,617)	(19,481)
Benefits paid	(1,118,613)	(1,581,586)
Closing defined benefit obligation	12,763,006	12,471,889

Change in fair value of plan assets

Particulars	March 31, 2014	March 31, 2013
Opening fair value of plan assets	16,907,594	15,157,278
Expected return	1,214,160	1,108,634
Actuarial gains/(losses) on plan assets	(387,351)	641,682
Contributions by employer	1,118,613	1,581,586
Benefits paid	(1,118,613)	(1,581,586)
Closing fair value of plan assets	17,734,403	16,907,594

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

Details of plan assets

The plan assets represent Company's proportionate share in the Aditya Birla Nuvo Gratuity Fund managed by the ultimate parent company for the employees of the Company. The details of plan assets are as under:

Particulars	March 31, 2014	March 31, 2013
Government of India Securities	21%	22%
Corporate Bonds	1%	1%
Insurer managed funds	58%	58%
Deposit Scheme	3%	4%
Others	17%	15%
	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Experience adjustments

Particulars	March 31, 2014	March 31, 2013
Experience adjustments (loss) / gain	(387,351)	641,862

Particulars	March 31, 2012	March 31, 2011	March 31, 2010
Experience adjustments (loss) / gain	2,584,420	3,041,066	(2,081,274)

The Company does not expect to contribute additional amount to the fund in the next year.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2014	March 31, 2013
Discount rate	8.25%	8.25%
Expected rate of return on assets	8.25%	8.25%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

30) Related Party Transactions

List of related parties

Ultimate holding Company	Aditya Birla Nuvo Limited
Holding Company	Aditya Birla Financial Services Pvt. Limited
Subsidiary Company	Aditya Birla Commodities Broking Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

Related parties with whom transactions have taken place during the year

Fellow subsidiary	Aditya Birla Finance Limited
	Aditya Birla Money Mart Limited
	Aditya Birla Financial Shared Services Limited
	Birla Sun Life Insurance Company Limited
	Aditya Birla Customer Services Pvt. Limited

Sl. No.	Particulars	Closing Balance as on March 31, 2014	Transactions 2013 - 2014	Closing Balance as on March 31, 2013	Transactions 2012 - 2013
I	Aditya Birla Financial Services Pvt. Ltd.				
1	Issue of Preference Share	-	100,000,000	-	-
II	Aditya Birla Finance Ltd.				
1	Recovery of Cost - Rent expenses	-	101,125	-	446,221
2	Sale of Assets	-	738,930	-	-
3	Inter corporate loan repaid	-	-	-	200,000,000
4	Interest on Inter corporate loan payable (Paid)	-	-	-	1,687,671
5	Syndication fee payable (Paid)	-	-	-	14,647
6	Outstanding Balances - Receivables	18,202	-	422,197	-
III	Aditya Birla Money Mart Ltd.				
1	Expenses – Commission/ Management Fees	-	54,237,208	-	57,296,408
2	Recovery of Cost - Rent, Electricity, Staff welfare and other expenses	-	14,947,934	-	12,940,582
3	Reimbursement of Cost - Rent, Electricity, Staff welfare and other expenses	-	3,475,299	-	-
4	Inter corporate loan given	-	10,000,000	-	-
5	Inter corporate loan receipt	-	10,000,000	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

Sl. No.	Particulars	Closing Balance as on March 31, 2014	Transactions 2013 - 2014	Closing Balance as on March 31, 2013	Transactions 2012 - 2013
6	Interest on Inter corporate loan receivable	-	374,932	-	-
7	Outstanding Balances - Receivables - Payables	2,092,555 -	- -	- (7,597,477)	- -
IV	Aditya Birla Financial Shared Services Ltd.				
1	Reimbursement of Cost - Manpower, Electricity, Staff welfare and other expenses	-	11,353,190	-	10,098,688
2	Outstanding Balances - Payables	(3,305,760)	-	(1,478,348)	-
V	Birla Sunlife Insurance Co Ltd.				
1	Brokerage Income	-	10,891,642	-	10,627,419
2	Reimbursement of Cost	-	-	-	11,819
3	Outstanding Balances - Payables	-	-	(10,637)	-
VI	Aditya Birla Insurance Brokers Ltd.				
1	Recovery of Cost - Rent expenses	-	488,766	-	-
2	Outstanding Balances - Receivables	92,124	-	-	-
VII	Aditya Birla Customer Services Pvt. Ltd.				
1	Recovery of Cost - IT Support expenses	-	842,700	-	-
2	Outstanding Balances - Receivables	75,843	-	-	-
VIII	Aditya Birla Commodities Broking Ltd.				
1	Recovery of Cost - Rent, Electricity, Staff welfare and other expenses	-	36,127,561	-	81,072,588
2	Inter corporate loan taken	-	37,500,000	-	30,000,000
3	Inter corporate loan repaid	-	37,500,000	-	30,000,000
4	Inter corporate loan given	-	681,087,570	-	218,000,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

Sl. No.	Particulars	Closing Balance as on March 31, 2014	Transactions 2013 - 2014	Closing Balance as on March 31, 2013	Transactions 2012 - 2013
5	Inter corporate loan receipt	-	697,087,570	16,000,000	202,000,000
6	Interest on Inter corporate loan payable	-	33,781	-	19,726
7	Interest on Inter corporate loan receivable	-	1,653,922	-	234,795
8	Interest receivable on running account	-	791,137	-	792,850
9	Interest payable on running account	-	14,854	-	-
10	Rental advances transfer to ABCBL	-	1,029,050	-	696,640
11	Outstanding Balances				
	- Payables	(328,451)	-	-	-
	- Receivables	-	-	27,487,756	-

31) Foreign currency transactions

The Company did not enter into any foreign currency transactions in the current year and previous year.

32) Additional information pursuant to provisions of paragraphs 5(ii)(a), 5(ii)(b) and paragraphs 5(viii) (a) and 5(viii) (c) Part II of the Revised Schedule VI to the Companies Act, 1956 has not been provided as these are not relevant having regard to the nature of the business of the Company.

33) Previous year figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

Sudhakar Ramasubramanian
Managing Director

Shriram Jagetiya
Director

per Shrawan Jalan

Partner

Membership No.: 102102

Manoj Kumar Gandhi
Chief Finance and Operations Officer

S Balaji
Company Secretary

Date : April 29, 2014

Place : Mumbai

CASH FLOW STATEMENT AS AT MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	March 31, 2014	March 31, 2013
Cash Flow from Operating Activities		
Profit / (Loss) Before tax	(82,041,851)	(126,655,904)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	61,169,746	75,440,300
Loss / (profit) on sale of fixed assets	7,574,460	11,140,513
Provision for doubtful debts made/(written back)	(3,784,683)	156,366
Provision for doubtful deposits and advances	6,263,000	7,884,616
Net (gain) / loss on sale of current investments	(9,539,639)	(8,242,240)
Interest expense	23,917,483	45,731,611
Interest (income)	(30,708,295)	(45,710,079)
Dividend (income)	(19,800)	(16,500)
Operating Profit Before Working Capital Changes	(27,169,579)	(40,271,317)
Movements in Working Capital :		
Increase / (Decrease) in Trade Payables	(3,113,390)	(74,754,824)
Increase / (Decrease) in Short-Term Provisions	329,243	164,657
Increase / (Decrease) in Other Current Liabilities	768,667,379	(67,619,305)
Increase / (Decrease) in Other Long-Term Liabilities	(1,205,703)	(1,115,155)
Decrease / (Increase) in Trade Receivables	(373,713,920)	189,937,697
Decrease / (Increase) in Other Bank Current Account Balance	(45,729,042)	(40,219,461)
Decrease / (Increase) in Long-Term Loans and Advances	8,953,163	22,782,719
Decrease / (Increase) in Short-Term Loans and Advances	(157,306,631)	115,727,771
Decrease / (Increase) in Other Current Assets	(3,861,929)	(13,753,990)
Cash Generated from / (used in) Operations	165,849,591	90,878,793
Direct Taxes paid (net of refunds)	—	—
Cash Flow before exceptional items	165,849,591	90,878,793
Exceptional Item	—	—
Net Cash from / (used in) Operating Activities (A)	165,849,591	90,878,793
Cash Flows from Investing Activities		
Purchase of fixed assets, including CWIP and capital advances	(4,799,492)	(10,653,974)
Proceeds from sale of fixed assets	3,149,896	1,034,593
Inter-corporate Deposit given to ABCBL	(681,087,570)	(198,000,000)
Inter-corporate Deposit repaid by ABCBL	697,087,570	182,000,000
Purchase of Mutual Fund	(25,999,950,000)	(17,142,397,559)
Proceeds from Sale of Mutual Fund	26,009,489,639	17,150,639,799
Investment in subsidiaries	(30,000,000)	—
Investments in bank deposits (having original maturity of more than three months) and lien deposits	(906,569,227)	(390,470,938)
Maturity of bank deposits (having original maturity of more than three months) and lien deposits	1,045,767,811	183,360,238
Interest received	38,679,169	45,710,079
Dividends received	19,800	16,500
Net Cash Flow from / (used in) Investing Activities (B)	171,787,596	(178,761,262)

CASH FLOW STATEMENT AS AT MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	March 31, 2014	March 31, 2013
Cash Flows from Financing Activities		
Proceeds from Short-term borrowings	474,000,000	747,050,000
Repayment of Short-term borrowings	(491,500,000)	(829,550,000)
Inter-corporate Loan taken from ABCBL	37,500,000	30,000,000
Inter-corporate Loan repaid to ABCBL	(37,500,000)	(30,000,000)
Proceeds from Issue of Preference share capital	100,000,000	—
Repayment of Inter Corporate deposits	—	(200,000,000)
Proceeds from Issue of Commercial Paper	750,000,000	1,944,994,418
Repayment of Commercial Paper	(1,150,000,000)	(1,657,836,580)
Interest paid	(16,419,451)	(45,731,611)
Net Cash Flow from / (Used in) in Financing Activities (C)	(333,919,451)	(41,073,773)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	3,717,736	(128,956,242)
Cash and Cash Equivalents at the beginning of the Year	2,218,752	131,174,994
Cash and Cash Equivalents at the Year ended	5,936,487	2,218,752
Components of Cash and Cash Equivalents		
Cash on Hand	16,607	20,608
With Banks - Current Account	5,064,621	1,418,821
- Unpaid Dividend Accounts*	670,077	594,141
- Unpaid Matured Deposits*	185,182	185,182
Total Cash and Cash Equivalents	5,936,487	2,218,752

* The company can utilize these balances only toward settlement of the respective unpaid dividend and unpaid matured deposits.

As per our report of even date

For and on behalf of the Board of Directors

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

Sudhakar Ramasubramanian
Managing Director

Shriram Jagetiya
Director

per Shrawan Jalan

Partner

Membership No.: 102102

Manoj Kumar Gandhi

Chief Finance and Operations Officer

S Balaji

Company Secretary

Date : April 29, 2014

Place : Mumbai.

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars of Subsidiary Company as required under General Circular No: 2/2011 dated 08/02/2011 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 2014.

Aditya Birla Commodities Broking Limited

	Particulars	March 31, 2014	March 31, 2013
a.	Capital	50,000,000	20,000,000
b.	Reserves	(31,761,193)	3,575,931
c.	Total Assets	204,486,877	472,611,604
d.	Total Liabilities	204,486,877	472,611,604
e.	Investments	NIL	NIL
f.	Total Income	116,762,212	223,401,485
g.	Profit/(Loss) Before Taxation	(35,337,124)	(26,468,688)
h.	Provision for Taxation	NIL	NIL
i.	Profit/(Loss) After Taxation	(35,337,124)	(26,468,688)
j.	Proposed Dividend	NIL	NIL

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Aditya Birla Money Limited

We have audited the accompanying consolidated financial statements of Aditya Birla Money Limited including its subsidiary Aditya Birla Commodities Broking Limited ("Aditya Birla Money Limited"), which comprise the consolidated Balance Sheet as at March 31, 2014 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 21 to the financial statements with regard to the recoverability of assets in the nature of trade receivables, advances, other assets etc. aggregating to Rs. 149,009,590 grouped under advances recoverable in cash or kind. These assets are subject matter of claim under a share purchase agreement entered into between the Company's ultimate parent company and its Erstwhile Promoters, which is currently under arbitration. The Company's ultimate parent company has committed to transfer any funds received on settlement of the claim to the Company. Based on legal opinion received in the previous year, management is of the opinion that the claims made are tenable and expect a favourable outcome in this matter. Pending the final disposition of the matter no adjustments have been made to the financial statements in respect of these assets.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Shrawan Jalan
Partner
Membership Number: 102102
Date: April 29, 2014
Place of Signature: Mumbai

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	Note No.	As at <u>March 31, 2014</u>	As at March 31, 2013
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	3		
Equity		55,400,000	55,400,000
Preference		100,000,000	80,000,000
Reserves and Surplus	4	185,879,866	223,258,842
	Sub total (A)	341,279,866	358,658,842
(B) Non-Current Liabilities			
Other Long-term Liabilities	5A	6,617,507	6,404,309
Long-term Provisions	6A	2,220,436	2,910,497
	Sub total (B)	8,837,943	9,314,806
(C) Current Liabilities			
Short-term Borrowings	7	98,723,887	544,356,123
Trade Payables	8	64,690,312	69,015,201
Other Current Liabilities	5B	1,589,250,047	1,004,186,052
Short-term Provisions	6B	13,379,965	13,943,843
	Sub total (C)	1,766,044,211	1,631,501,219
TOTAL	(A)+(B)+(C)	<u>2,116,162,020</u>	<u>1,999,474,867</u>
ASSETS			
(D) Non-Current Assets			
Fixed Assets			
Tangible Assets	9A	170,092,549	220,439,047
Intangible Assets	9B	41,652,792	60,357,181
Intangible Assets under Development		—	2,145,000
		211,745,341	282,941,228
Non-Current Investments	10	66,000	66,000
Long-term Loans and Advances	11A	74,370,223	82,138,920
	Sub total (D)	286,181,564	365,146,148
(E) Current Assets			
Trade Receivables	13	885,508,231	518,236,232
Cash and Bank Balances	14	488,488,362	878,712,690
Short-term Loans and Advances	11B	357,128,581	179,272,464
Other Current Assets	12	98,855,282	58,107,333
	Sub total (E)	1,829,980,456	1,634,328,719
TOTAL	(D) + (E)	<u>2,116,162,020</u>	<u>1,999,474,867</u>
Summary of Significant Accounting Policies	2		

The accompanying Notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

Sudhakar Ramasubramanian
Managing Director

Shriram Jagetiya
Director

per Shrawan Jalan

Partner

Membership No.: 102102

Manoj Kumar Gandhi
Chief Finance and Operations Officer

S Balaji
Company Secretary

Date : April 29, 2014

Place : Mumbai.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	Note No.	Year Ended March 31, 2014	Year Ended March 31, 2013
Revenue			
Revenue from Operations	15	751,757,769	840,792,331
Other Income	16	61,338,897	97,581,352
Total Revenue		813,096,666	938,373,683
Expenses			
Employee Benefits Expenses	17	376,137,470	406,561,230
Finance Cost	18	24,210,654	47,053,000
Depreciation and Amortisation Expenses	19	64,619,340	81,128,752
Business Partners Payout		212,356,282	249,287,168
Other Expenses	20	253,151,895	307,468,124
Total Expenses		930,475,641	1,091,498,274
Profit / (Loss) Before Tax		(117,378,975)	(153,124,591)
Tax Expenses		—	—
Profit / (Loss) for the Year		(117,378,975)	(153,124,591)
Earnings / (Loss) Per Share (Basic and Diluted) } (Face Value of Re. 1/- each)	27	(2.12)	(2.76)

Significant Accounting Policies

2

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date
For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E
per Shrawan Jalan
Partner
Membership No.: 102102
Date : April 29, 2014
Place : Mumbai

For and on behalf of the Board of Directors
Sudhakar Ramasubramanian
Managing Director
Manoj Kumar Gandhi
Chief Finance and Operations Officer
Shriram Jagetiya
Director
S Balaji
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

NOTE 1) Principles of consolidation

- i) The Consolidated Financial Statements ('CFS') relate to Aditya Birla Money Limited ('the Company') and its 100% (Previous year 100%) wholly owned subsidiary Aditya Birla Commodities Broking Limited ('ABCBL'). Aditya Birla Commodities Broking Limited is incorporated in India.
- ii) The financial statements of the subsidiary have been drawn for the same reporting period as that of the Company i.e. year ended March 31, 2014.
- iii) The financial statements of the Company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses and after eliminating intra-group balances, intra-group transactions and unrealized profits/losses.
- iv) There is no excess / shortage of cost to the Company of its investment in the subsidiary over its proportionate share in the equity as at the date of the investment. Accordingly no goodwill / capital reserve is recognized in the CFS.
- v) The CFS have been prepared using uniform accounting policies, except as stated otherwise, for like transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements.

NOTE 2) Statement of Significant Accounting Policies

a) Basis of preparation

The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Companies Accounting Standards Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the ministry of corporate affairs, in respect of Section 133 of the Companies Act, 2013. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. However, as these financial statements are not statutory financial statements, full compliance with the above Act are not required and so they may not reflect all the disclosure requirements of the Act. The financial statements have been prepared under the historical cost convention and on an accrual basis.

b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Fixed Assets, Intangible Assets and Capital Work-In-Progress

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

Intangible assets are recorded at the consideration paid for acquisition. The computer software costs are capitalized and recognized as intangible assets in terms of Accounting Standard 26 - Intangible Assets based on materiality, accounting prudence and significant economic benefit expected there from to flow over a period longer than one year. Capitalized costs include direct costs of implementation and expenses directly attributable to the development of the software. All other expenses on existing intangible assets, including day-to-day maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Depreciation

Depreciation is provided using the straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956, which is management's estimate of the useful lives of the assets except as follows:

Nature of Asset	Rate of Depreciation Followed
Batteries (included under Office Equipment)	25% (rates are higher than Schedule XIV)
Furniture and Fixtures (fitted to premises)	Rate based on the lease period, taking into account the secondary lease period

The company has entered into lease/license agreements in respect of immovable properties with different parties with average lease period of 4 years to 5 years.

Computer software cost capitalized is amortized over the estimated useful life of 6 years on straight line basis.

Additions to tangible assets are depreciated from the date of addition and deletions are depreciated upto the date of sale, onpro-rata basis.

Fixed assets individually costing Rs.5,000/- or less are fully depreciated in the year of purchase.

e) Impairment

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

f) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

h) Revenues

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Brokerage Income and transaction charges are recognized on the trade date of the transaction upon confirmation of the transactions by the exchanges.

Income from depository services, referral fee and interest and finance charges are recognised on the basis of agreements entered into with clients and when the right to receive the income is established.

Other interest incomes are recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest. The same is included under the head 'other income' in the statement of profit and loss.

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

i) Employee Benefits

i. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii. Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have unconditional right to defer its settlement for 12 months after the reporting date.

iv. Actuarial gains / losses are immediately taken to Statement of profit and loss and are not deferred.

j) Income Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

k) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

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

l) Contingent Liability and Provisions

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

m) Segment Reporting

The Company is principally engaged in the business of Broking and related activities. The operations are entirely in India. There is only one business segment and one geographical segment and hence segment information is not required to be disclosed as per explanation to para 38 of AS 17.

n) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

o) Sharing of costs

The Company shares certain costs / service charges with other companies in the Group. These costs have been allocated on a reasonable and consistent basis between the Companies as mutually agreed to.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2014	As at March 31, 2013
NOTE: 3		
SHARE CAPITAL		
Authorised:		
150,000,000 (Previous year :150,000,000) Equity Shares of Re.1/-each	150,000,000	150,000,000
1,000,000 (Previous Year : 1,000,000) 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 100/- each	100,000,000	100,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Paid-up:		
EQUITY SHARE CAPITAL		
55,400,000 (Previous Year : 55,400,000) Equity Shares of Re.1/-each fully paid	55,400,000	55,400,000
	<u>55,400,000</u>	<u>55,400,000</u>
PREFERENCE SHARE CAPITAL		
1,000,000 (Previous Year : 800,000) 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.100/- each fully paid	100,000,000	80,000,000
	<u>100,000,000</u>	<u>80,000,000</u>

1A Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the period

Sl.No.	Description	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
1	At the beginning of the period	55,400,000	55,400,000	55,400,000	55,400,000
2	Issued during the period	—	—	—	—
3	Outstanding at the end of the period	55,400,000	55,400,000	55,400,000	55,400,000

1B Reconciliation of the number of Preference shares outstanding at the beginning and at the end of the period

Sl.No.	Description	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
1	At the beginning of the period	800,000	80,000,000	800,000	80,000,000
2	Issued during the period	200,000	20,000,000	—	—
3	Outstanding at the end of the period	1,000,000	100,000,000	800,000	80,000,000

2. Term / right attached to Equity Shares

The Company has only one class of equity shares having a par value of Re.1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

3. Term / right attached to Preference Shares

Preference shares carry non cumulative dividend of 8% per annum. The company declares and pays dividends in Indian rupees.

In the year ended 31st March, 2011, the Company had allotted 800,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.100/- each, fully paid up at a premium of Rs.150/- per share to Aditya Birla Financial Services Private Limited, the holding Company. These Preference Shares are redeemable at the end of 5 years from the date of issue at a price of Rs.320/- per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

In the year ended 31st March, 2014, the Company had allotted 200,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.100/- each, fully paid up at a premium of Rs.400/- per share to Aditya Birla Financial Services Private Limited, the holding Company. These Preference Shares are redeemable at the end of 5 years from the date of issue at a price of Rs.725/- per share.

4. Shares held by Holding Company

41,550,000 (Previous Year : 41,550,000) Equity shares of Re.1/- each fully paid and 1,000,000 (Previous Year : 800,000) 8% Redeemable Non Convertible Non Cumulative Preference Shares Rs.100/- each fully paid are held by Aditya Birla Financial Services Private Limited, the Holding Company.

5 Shares in the Company held by each shareholder holding more than 5 percent shares and the number of shares held are as under :-

i) Equity Share Capital

Sl. No.	Name of Share Holder	As at March 31, 2014		As at March 31, 2013	
		No. of Shares held	% of total paid-up equity share capital	No. of Shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Private Limited	41,550,000	75.00	41,550,000	75.00
2	PCR Investments Limited	3,385,320	6.11	3,385,320	6.11

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

ii) Preference Share Capital

Sl. No.	Name of Share Holder	As at March 31, 2014		As at March 31, 2013	
		No. of Shares held	% of total paid-up preference share capital	No. of Shares held	% of total paid-up preference share capital
1	Aditya Birla Financial Services Private Limited	1,000,000	100	800,000	100

NOTE: 4	As at March 31, 2014	As at March 31, 2013
RESERVES AND SURPLUS		
1. Capital Reserves	11,538,863	11,538,863
2. Securities Premium Account		
Balance as per last audited Financial Statement	120,000,000	120,000,000
Addition: Security premium on preference share issued during the year	80,000,000	—
	<u>200,000,000</u>	<u>120,000,000</u>
3. General Reserve	261,376,777	261,376,777
4. Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per last audited Financial Statement	(169,656,798)	(16,532,207)
Addition: Profit / (Loss) of the Year	(117,378,975)	(153,124,591)
	<u>(287,035,773)</u>	<u>(169,656,798)</u>
	<u>185,879,866</u>	<u>223,258,842</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2014	As at March 31, 2013
NOTE: 5A		
OTHER LONG-TERM LIABILITIES		
Rent Equalization Liability	6,617,507	6,404,309
	6,617,507	6,404,309
NOTE: 5B		
OTHER CURRENT LIABILITIES		
Interest Accrued but not due on Borrowings	—	999,304
Income Received in Advance	288,294	533,357
Investors' Education and Protection Fund to be credited as and when due		
Unpaid Dividend	670,077	594,141
Unpaid Matured Deposits and Interest Accrued thereon	185,182	185,182
Other Payables		
Payable to Customers	1,066,317,846	783,117,196
Payable to exchanges	453,428,854	103,233,585
Book Overdraft	12,169,865	66,383,756
Statutory Dues	14,024,900	14,026,263
Deposits	40,436,710	34,754,379
Rent Equalization Liability	752,814	358,889
Others (due to Related Parties)	975,505	—
	1,589,250,047	1,004,186,052
NOTE: 6A		
LONG-TERM PROVISIONS		
Provisions for Employee Benefits		
Gratuity (Unfunded)	2,220,436	2,910,497
	2,220,436	2,910,497
NOTE: 6B		
SHORT-TERM PROVISIONS		
Provisions for Employee Benefits		
Leave Encashment	7,783,741	7,487,824
Gratuity (Unfunded)	43,391	51,695
Others (Deferred Compensation)	1,800,000	2,651,491
Taxation [Net of Advance Tax Rs. 61,647,167 (Previous Year: Rs.61,647,167)]	3,752,833	3,752,833
	13,379,965	13,943,843

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2014	As at March 31, 2013
NOTE: 7		
SHORT-TERM BORROWINGS		
SECURED		
Loan Repayable on Demand		
Banks #	—	53,500,000
	—	53,500,000
 UNSECURED		
Loan Repayable on Demand		
Commercial Papers* ^	98,723,887	490,856,123
	98,723,887	490,856,123
	98,723,887	544,356,123
	494,823,259	500,000,000

* Maximum balance outstanding during the year

The bank borrowing is secured against pledge of fixed deposits. The borrowing carries an interest Nil (Previous year : 10.60% per annum)

^ Repayable in 60 to 90 days from the date of draw down. The interest on this loan ranges from 9.80% to 10.50%

NOTE: 8 **TRADE PAYABLES**

Salaries, wages, bonus and other employee benefits payable	27,168,100	18,344,959
Trade Payables (Others)	37,522,212	50,670,242
	64,690,312	69,015,201
	64,690,312	69,015,201

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

NOTE: 9A - TANGIBLE ASSETS					NOTE: 9B - INTANGIBLE ASSETS				
	Freehold Land*	V SAT Equipments & Fixtures	Furniture Office Equipment	Computers	Vehicles	TOTAL		Computer Software	
Gross Block							Gross Block		
As at 1 st April 2012	1,500,000	95,729,009	115,914,516	77,654,325	215,233,489	508,277,149	As at 1 st April 2012		224,013,296
Additions	—	—	1,333,086	819,373	3,837,507	5,989,965	Additions		3,758,510
Deletions	—	—	17,742,079	4,169,025	5,437,546	27,348,650	Deletions		496,126
As at 31st March 2013	1,500,000	95,729,009	99,505,523	74,304,672	213,633,450	486,918,464	As at 31st March 2013	227,275,680	
Cost							Cost		
At 1 st April 2013	1,500,000	95,729,009	99,505,523	74,304,672	213,633,450	486,918,465	At 1 st April 2013		227,275,680
Additions	—	—	1,012,346	770,308	416,668	2,199,322	Additions		4,746,170
Deletions	—	—	21,005,166	5,489,742	2,346,413	29,871,734	Deletions		—
As at 31st March 2014	1,500,000	95,729,009	79,512,703	69,585,238	211,703,706	459,246,053	As at 31st March 2014	232,021,850	
Accumulated Depreciation							Accumulated Amortization		
As at 1 st April 2012	—	38,269,519	44,992,268	25,592,828	125,326,749	234,616,656	As at 1 st April 2012		133,813,810
For the year	—	4,280,360	10,139,615	5,528,390	27,771,630	47,933,347	For the year		33,195,405
Deletions	—	—	9,345,827	1,927,976	4,796,784	16,070,586	Deletions		90,715
As at 31st March 2013	—	42,549,879	45,786,056	29,193,243	148,301,595	266,479,417	As at 31st March 2013	166,918,500	
Depreciation							Amortization		
At 1 st April 2013	—	42,549,879	45,786,056	29,193,243	148,301,595	266,479,417	At 1 st April 2013		166,918,500
For the year	—	4,172,448	7,790,084	5,130,242	23,952,386	41,168,781	For the year		23,450,559
Deletions	—	—	12,377,702	3,534,884	2,243,005	18,494,694	Deletions		—
As at 31st March 2014	—	46,722,327	41,198,438	30,788,601	170,010,976	289,153,504	As at 31st March 2014	190,369,059	
Net block as at 31 st March 2013	1,500,000	53,179,130	53,719,467	45,111,429	65,331,855	220,439,047	Net block as at 31 st March 2013		60,357,181
Net block as at 31st March 2014	1,500,000	49,006,681	38,314,265	38,796,637	41,692,730	170,092,549	Net block as at 31st March 2014	41,652,792	

* Registration of land in favour of the company is subject to resolution of disputes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2014	As at March 31, 2013
NOTE: 10		
INVESTMENTS : NON-CURRENT		
Unquoted		
Non Trade Investments (Unquoted, as valued at cost less provision)		
Investments in Equity Shares		
6,600 (Previous year 6,600) Equity Share of Rs.10/- each fully paid in Apollo Sindhoori Hotels Limited	184,523	184,523
Less: Provision for diminution in value of investment	(118,523)	(118,523)
	66,000	66,000
	66,000	66,000

Note :

1. Aggregate amount of unquoted investments	66,000	66,000
2. Aggregate amount of diminution in value of investment	118,523	118,523

NOTE: 11A

LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good, except otherwise stated)

Security Deposits	37,894,762	36,121,936
Margins with Exchange	15,700,000	27,980,066
Other Loans and Advances		
Advance Tax (Net of Provision Rs.6,640,873/- (previous year: Rs.6,640,873/-))	20,436,833	17,616,436
Prepaid Expenses	338,628	420,482
	74,370,223	82,138,920
	74,370,223	82,138,920

NOTE: 11B

SHORT-TERM LOANS AND ADVANCES

(Unsecured, Considered Good, except otherwise stated)

Advances recoverable in cash or in kind or for value to be received (Refer Note 21)

Considered Good	120,412,124	126,601,866
Considered Doubtful	51,229,457	45,079,457
	171,641,581	171,681,323
Less: Provision for Doubtful Advances	(51,229,457)	(45,079,457)
	120,412,124	126,601,866
	120,412,124	126,601,866

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2014	As at March 31, 2013
Security Deposits	1,130,790	2,523,830
Gratuity Receivable	4,971,397	4,435,705
Other Loans and Advances		
Loans & Advances to Related Party #	2,278,724	422,947
Margins with Exchange	201,253,001	20,798,781
Balances with Government Authorities	7,039,813	8,522,396
Advances to Suppliers	6,038,512	871,931
Prepaid Expenses	11,907,102	12,941,174
Advances to Employees	2,097,118	2,153,834
	357,128,581	179,272,464

Also, refer Note 30

NOTE: 12

OTHER CURRENT ASSETS

(Unsecured, Considered Good, except otherwise stated)

Accrued Income (from operations)	8,591,552	3,223,348
Interest Accrued on Deposits with Exchanges	—	198,515
Interest Accrued on Fixed Deposits	16,177,481	45,273,098
Receivable from Exchange	66,408,742	—
Insurance Claim Receivables *	7,677,507	9,412,372
Considered Doubtful	1,232,419	969,419
	8,909,926	10,381,791
Less: Provision for Doubtful	(1,232,419)	(969,419)
	7,677,507	9,412,372
	98,855,282	58,107,333

* Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection

NOTE: 13

TRADE RECEIVABLES[^]

Outstanding for a period exceeding 6 months from the date they are due for payment

Secured, Considered Good	53,830,458	65,456,646
Unsecured, Considered Doubtful	21,927,292	27,312,851
Less: Provision for doubtful	(21,927,292)	(27,312,851)
	53,830,458	65,456,646

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2014	As at March 31, 2013
Others		
Secured, Considered Good	772,114,311	414,718,649
Unsecured, Considered Good	59,563,462	38,060,937
Unsecured, Considered Doubtful	1,848,929	—
Less: Provision for doubtful	(1,848,929)	—
	831,677,773	452,779,586
	885,508,231	518,236,232

^Trade receivables include pass through amounts representing dues from clients towards transactions not fully settled as at the reporting date.

NOTE: 14

CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances with Banks

Current Accounts	132,923,848	57,769,551
Unpaid Dividend	670,077	594,141
Unclaimed Matured Deposits	185,182	185,182
Cash on Hand	16,607	20,608
	(A) 133,795,714	58,569,482

Other Bank Balances

Deposit Accounts (with original maturity more than three months)*	354,692,648	820,143,208
	(B) 354,692,648	820,143,208
	(A) + (B) 488,488,362	878,712,690

*Fixed deposits have been placed under lien towards bank guarantees Rs.152,831,648 (previous year: Rs.182,963,021), as margin with exchanges Rs.201,861,000 (Previous year: Rs.245,361,000) and loans Nil. (Previous year: Rs.391,819,186)

NOTE: 15

REVENUE FROM OPERATIONS

A. Income from Services

	Year Ended March 31, 2014	Year Ended March 31, 2013
Brokerage Income	627,324,044	691,298,422
Income from Transaction charges	4,991,295	8,699,224
Account Opening charges	2,873,047	4,853,701
Income from Depository Services	39,978,425	44,907,277
	675,166,811	749,758,624

B. Other Operating Income

V-Sat Rent	1,754,919	1,988,242
Interest and Finance Charges	74,836,039	89,045,465
	76,590,958	91,033,707
	751,757,769	840,792,331

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>Year Ended</u> <u>March 31, 2014</u>	<u>Year Ended</u> <u>March 31, 2013</u>
NOTE : 16		
OTHER INCOME		
Interest Income		
Interest on Bank Deposits	41,218,583	80,931,663
Other Interest Income	179,352	2,732,138
Dividends Income on Investments		
Long-term	19,800	16,500
Net Gain on Sale of Investments	10,812,644	10,871,369
Provision for Doubtful Debts written back	3,536,630	—
Miscellaneous Income (Net)	5,571,888	3,029,682
	61,338,897	97,581,352
	61,338,897	97,581,352
NOTE : 17		
EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	351,549,189	375,884,351
Contribution to Provident & Other Funds (Refer Note 29)	16,909,898	22,213,465
Staff Welfare Expenses	7,678,383	8,463,414
	376,137,470	406,561,230
	376,137,470	406,561,230
NOTE : 18		
FINANCE COST		
Interest Expenses	24,197,440	47,001,947
Other Borrowing Costs	13,214	51,053
	24,210,654	47,053,000
	24,210,654	47,053,000
NOTE : 19		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	41,168,781	47,933,347
Amortisation of Intangible Assets	23,450,559	33,195,405
	64,619,340	81,128,752
	64,619,340	81,128,752

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>Year Ended March 31, 2014</u>	<u>Year Ended March 31, 2013</u>
NOTE : 20		
OTHER EXPENSES		
Rent (Refer Note 28)	52,623,656	55,786,258
Repairs and Maintenance of:		
Buildings	1,350,939	809,918
Plant and Machinery	19,304	435,487
Others	22,626,644	27,320,835
Insurance	12,212,765	13,932,649
Rates and Taxes	6,568,917	4,748,670
Bandwidth Charges	17,562,226	30,871,955
Advertisement	2,207,954	3,844,165
Legal and Profession Expenses	16,751,226	21,224,549
Provision for Doubtful Debts	—	156,366
Provision for Doubtful Deposits and Advances	6,413,000	8,176,764
Printing and Stationery	5,410,649	7,461,799
Travelling and Conveyance	18,248,205	23,316,137
Communication Expenses	15,819,104	20,356,317
Loss on Sale / Discard of Fixed Assets (Net)	7,574,460	11,140,513
Bank Charges	1,777,619	2,451,907
Auditors' Remuneration*	2,120,183	2,292,938
Directors' Fees	450,000	390,000
Postage Expenses	2,770,879	3,727,568
Electricity Charges	12,174,177	15,037,670
Information Technology and Software Expenses	40,683,268	47,154,257
Miscellaneous Expenses	7,786,720	6,831,402
	253,151,895	307,468,124
	253,151,895	307,468,124

* Auditors' Remuneration includes payments to auditors as under:

As auditor:		
Audit fee	1,100,000	1,100,000
Limited Reviews	800,000	800,000
Tax audit fee	100,000	100,000
Certification fees	39,329	30,525
Reimbursement of expenses	80,854	262,413
	2,120,183	2,292,938
	2,120,183	2,292,938

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

21) Assets forming part of claims made by the Ultimate Parent Company

Pursuant to a Share Purchase agreement ('SPA') between Aditya Birla Nuvo Limited ('ABNL' or 'the Purchaser') and Mr Prataph C Reddy and others ("Erstwhile Promoters") dated August 28, 2008 ABNL had agreed to acquire 31 million equity shares in Aditya Birla Money Limited ("the Company"). The transaction was completed on March 6, 2009.

As per the SPA, the Erstwhile Promoters had agreed to indemnify and hold harmless the Purchaser to the extent of any Losses, resulting from or consequent upon or relating to such breach of representations or warranties, covenants or agreement including but not limited to the recoveries of receivables and other assets in the books of the Company, contingencies on tax and related matters etc.

Subsequent to the completion of the above transaction, the Purchaser noted several breaches of representations and warranties including but not limited to non-recovery of debtors, irrecoverable advances, missing fixed assets etc. Accordingly, ABNL based on its internal assessment of the recoverability of receivables, fixed assets, other assets and matters relating to tax and other contingencies arrived at an amount of Rs. 167,112,196 as Losses incurred on account of breach of representation warranties in the SPA. Further, ABNL vide its letter dated March 5, 2011 made a separate claim of Rs. 5,169,379 for amounts becoming due and payable on accounts of various cases initiated by the customers of the Company. ABNL invoked the arbitration mechanism and filed their Statement of Claim on February 26, 2011 with the Arbitration Tribunal.

Pending the final outcome of the arbitration proceedings, the Company has identified all such receivables, assets etc which are have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of accounts of the Company as at March 31, 2014 aggregating Rs. 149,009,581 (previous year: Rs. 149,009,581) and disclosed the same in Short Term Loans & Advances in Note No 11B of the Balance Sheet, as these amounts would be paid directly to the Company by the Erstwhile Promoters at the direction of ABNL as and when the settlement happens.

Both parties completed filing of documents. On July 04, 2012, a hearing was held and Professional Accounting firm were asked to act as auditors by the Arbitrators with a mandate to submit a report on whether from an accounting perspective, including the accounting treatment that has been given to the items set out in the Statement of Claim, the amounts as claimed are correct as per accounting practice.

The arbitral tribunal then directed the Claimants and Respondents to file their objections if any to the audit report submitted by Professional Accounting firm and had also directed the Respondent to file their list of witnesses (if any) by the end of April 2013. The Respondents filed their objections to the audit report and ABNL had also filed its reply to the said objections.

Arguments in rebuttal by the Claimant was completed on October 25, 2013 and written submissions were filed by October 29, 2013. The tribunal has reserved the award.

Based on legal opinion received and internal assessment, ABNL is confident of recovering the entire dues through the arbitration process and passing the benefit thereof to the Company against which these loss assets can be set-off in the future. Accordingly, the Company is of strong view that these amounts are recoverable.

22) Stamp duty

Hitherto, the Company had been collecting and remitting stamp duties with respect to states wherein the manner of payment of the same has been prescribed by the respective state governments. From July 2011, the Company had started collecting stamp duty on contract notes for all states, including the states wherein the manner of payment has not yet been notified. The Company is evaluating various options of remitting the same, including remitting those amounts in the State of Tamil Nadu, as all the contract notes are executed at Tamil Nadu. Pending, the final determination of the manner of remittance, amount of Rs. 4,960,872/- (Previous Year: Rs. 4,431,712) collected till March 31, 2014 has been disclosed under statutory dues in other current liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

23) Capital and other commitments

- Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for is Nil (Previous year : Rs. 2,709,050).
- For commitments relating to lease arrangements, please refer note 28.

24) Contingent Liabilities

Particulars	March 31, 2014	March 31, 2013
Disputed tax and other statutory liabilities not provided for:		
(a) Income tax & interest tax - for various assessment years in respect of which Company has gone on appeal. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	45,653,877	45,158,745
(b) Service tax - for various assessment years in respect of which the Company has gone on appeal. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	7,989,907	7,989,907
(c) Provident fund – for the period from March 2009 to May 2011 for non inclusion of certain components like allowances etc. while computing and remitting the employer and employees' contribution to provident fund. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	14,036,578	14,036,578
(d) Karnataka Stamp duty for the period from 2003-2008. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities	9,060,000	9,060,000
(e) VAT - for various assessment years in respect of which Company has gone on appeal. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	1,061,025	1,061,025
Contingent Liability not provided for on account of:		
(a) Disputed claim of SEBI towards turnover fees contested by the Company at Ho'nble Supreme Court. The Company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for any liability has been made in these financial statements.	27,656,667	27,656,667
(b) Claims against the Company not acknowledged as debts*	39,838,038	40,257,917

* Represents claims made on the Company by various customers alleging unauthorized trades, loss of profits etc. The Company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for any liability has been made in these financial statements.

25) Managerial Remuneration

During an earlier year the Company had made an application to the Central Government under Section 309 (5B) of the Companies Act, 1956 for seeking waiver of excess managerial remuneration amounting to Rs. 3,094,634 (Previous year: Rs. 3,094,634) (excluding statutory contribution to provident fund, gratuity and leave encashment which are exempted under Schedule VI) paid to Mr. P.B. Subramaniyan, the erstwhile whole time director ('Erstwhile Director') of the Company for the period from April 1, 2008 to March 6, 2009.

During the previous year, the Company has received an order from the Central Government (CG) whereby the CG has rejected excess remuneration of Rs. 1,534,634 (Previous year: Rs. 1,534,634) and directed the Company to collect the same from the Erstwhile Director.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

The Company has commenced the process of recovery from the Erstwhile Director. Pending the recovery of the same, it has been shown as advances recoverable by the Company in the Balance Sheet. The Company is evaluating various alternative options including seeking a condonation / compounding if these amounts are not recoverable from the Erstwhile Director.

26) Foreign currency transactions

The Company did not enter into any foreign currency transactions in the current year and previous year.

27) Earnings Per Share

Particulars		March 31, 2014	March 31, 2013
Net profit/ (loss) as per Statement of profit and loss	A	(117,378,975)	(153,124,591)
Weighted average number of equity shares - Basic and diluted	B	55,400,000	55,400,000
Earnings / (Loss) per share - Basic and diluted	A/B	(2.12)	(2.76)
Nominal value of equity share (in Rs.)		Re. 1/-	Re. 1/-

28) Lease disclosures

Operating leases for premises

Lease rentals in respect of premises taken on operating lease during the year ended March 31, 2014 amounts to Rs. 47,580,720 (Previous Year Rs. 50,807,780).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2014 amounts to Rs. 245,888,965 (Previous Year Rs. 221,967,326). Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2014	March 31, 2013
Within one year	43,942,934	49,930,301
Later than one year and not later than five years	163,288,588	136,586,339
Later than five years	38,657,443	35,450,686

The company has entered into lease / license agreements in respect of immovable properties with different parties. Some of the agreements contain escalation clause related to lease rentals / license fees from 5% to 15% p.a.

Operating leases for computers

The company has entered into commercial leases on computer desktops. These leases have an average life of three years with renewal option included in the contracts.

Lease rentals in respect of computers taken on operating lease during the year ended March 31, 2014 amounts to Rs. 4,559,985 (Previous Year Rs. 4,559,985).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2014 amounts to Rs. 2,112,280 (Previous Year : Rs. 6,672,265). Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2014	March 31, 2013
Within one year	2,112,280	4,559,985
Later than one year and not later than five years	—	2,112,280
Later than five years	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

29) Employment Benefit disclosures

The amounts charged to the statement of profit and loss during the year for Provident fund contribution aggregates to Rs. 14,829,414 (Previous year : Rs. 17,044,101) and employees' state insurance contribution aggregates to Rs. 1,497,563 (Previous year : Rs. 3,016,832).

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded for the Company. The scheme is unfunded for ABCBL.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity plan of ABML.

Amounts recognized in the Balance sheet in respect of gratuity

Particulars	March 31, 2014	March 31, 2013
Present value of defined benefit obligation	12,763,006	12,471,889
Fair value of plan assets	17,734,403	16,907,594
Liability/(Asset) recognized in the balance sheet	(4,971,397)	(4,435,705)

Amounts recognized in the statement of profit and loss in respect of gratuity

Particulars	March 31, 2014	March 31, 2013
Current service cost	2,699,416	3,059,526
Interest cost on benefit obligation	1,028,931	862,803
Expected return on plan assets	(1,214,160)	(1,108,634)
Net actuarial (gain) / loss recognized in the year	(1,931,266)	(661,163)
Past service costs – vested benefits	—	—
Net gratuity cost	582,921	2,152,532

Actual return on plan assets

Particulars	March 31, 2014	March 31, 2013
Expected return on plan assets	1,214,160	1,108,634
Actuarial gains / (Losses) on plan assets	(387,351)	641,682
Actual return on plan assets	826,809	1,750,316

Reconciliation of present value of the obligation and the fair value of plan assets

Particulars	March 31, 2014	March 31, 2013
Opening defined benefit obligation	12,471,889	10,150,627
Interest cost	1,028,931	862,803
Current service cost	2,699,416	3,059,526
Actuarial (gains)/ losses on obligation	(2,318,617)	(19,481)
Benefits paid	(1,118,613)	(1,581,586)
Closing defined benefit obligation	12,763,006	12,471,889

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

Change in fair value of plan assets

Particulars	March 31, 2014	March 31, 2013
Opening fair value of plan assets	16,907,594	15,157,278
Expected return	1,214,160	1,108,634
Actuarial (gains)/ losses on	(387,351)	641,682
Contributions by employer	1,118,613	1,581,586
Benefits paid	(1,118,613)	(1,581,586)
Closing fair value of plan assets	17,734,403	16,907,594

Details of plan assets

The plan assets represent Company's proportionate share in the Aditya Birla Nuvo Gratuity Fund managed by the ultimate parent company for the employees of the Company. The details of plan assets are as under:

Particulars	March 31, 2014	March 31, 2013
Government of India securities	21%	22%
Corporate Bonds	1%	1%
Insurer managed funds	58%	58%
Deposit Scheme	3%	4%
Others	17%	15%
	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Experience adjustments

Particulars	March 31, 2014	March 31, 2013
Experience adjustments (loss) / gain	(387,351)	641,862

Particulars	March 31, 2012	March 31, 2011	March 31, 2010
Experience adjustments (loss) / gain	2,584,420	3,041,066	(2,081,274)

The Company does not expect to contribute additional amount to the fund in the next year.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2014	March 31, 2013
Discount rate	8.25%	8.25%
Expected rate of return on assets	8.25%	8.25%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet for the gratuity plan of the ABCBL which is unfunded.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

Amounts recognized in the Balance sheet in respect of gratuity

Particulars	March 31, 2014	March 31, 2013
Present value of defined benefit obligation	2,263,827	2,962,192
Fair value of plan assets	—	—
Liability/(Asset) recognized in the balance sheet	2,263,827	2,962,192

Amounts recognized in the statement of profit and loss in respect of gratuity

Particulars	March 31, 2014	March 31, 2013
Current service cost	357,517	625,334
Interest cost on benefit obligation	244,381	219,963
Expected return on plan assets	—	—
Net actuarial (gain) / loss recognized in the year	(775,371)	(209,668)
Past service costs – vested benefits	—	—
Net gratuity cost	(173,473)	635,629

Reconciliation of present value of the obligation

Particulars	March 31, 2014	March 31, 2013
Opening defined benefit obligation	2,962,192	2,587,798
Interest cost	244,381	219,963
Current service cost	357,517	625,334
Actuarial (gains)/ losses on obligation	(775,371)	(209,668)
Benefits paid	(524,892)	(261,235)
Closing defined benefit obligation	2,263,827	2,962,192

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2014
Discount rate	8.25%
Expected rate of return on assets	8.25%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

30) Related party transactions

List of related parties

Ultimate holding Company	Aditya Birla Nuvo Limited
Holding Company	Aditya Birla Financial Services Pvt. Limited
Subsidiary Company	Aditya Birla Commodities Broking Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

Related parties with whom transactions have taken place during the year

Fellow Subsidiaries	Aditya Birla Finance Limited
	Aditya Birla Money Mart Limited
	Aditya Birla Financial Shared Services Limited
	Birla Sun Life Insurance Company Limited
	Aditya Birla Customer Services Pvt. Limited

Sl. No.	Particulars	Closing Balance as on March 31, 2014	Transactions 2013 - 2014	Closing Balance as on March 31, 2013	Transactions 2012 - 2013
I	Aditya Birla Financial Services Pvt. Ltd.				
1	Issue of Preference Share	—	100,000,000	—	—
II	Aditya Birla Finance Ltd.				
1	Recovery of Cost - Rent expenses	—	101,125	—	446,221
2	Sale of Assets	—	738,930	—	—
3	Inter corporate loan repaid	—	—	—	200,000,000
4	Interest on Inter corporate loan payable (Paid)	—	—	—	1,687,671
5	Syndication fee payable (Paid)	—	—	—	14,647
6	Outstanding Balances - Receivables	18,202	—	422,197	—
III	Aditya Birla Money Mart Ltd.				
1	Expenses - Commission / Management Fees	—	63,787,072	—	75,094,928
2	Recovery of Cost - Rent, Electricity, Staff welfare and other expenses	—	14,947,934	—	12,940,582
3	Reimbursement of Cost - Rent, Electricity, Staff welfare and other expenses	—	3,475,299	—	—
4	Inter corporate loan given	—	10,000,000	—	—
5	Inter corporate loan receipt	—	10,000,000	—	—
6	Interest on Inter corporate loan receivable	—	374,932	—	—
7	Outstanding Balances - Receivables from ABMM (by ABML)	2,092,555	—	—	—
	- Payables to ABMM (by ABML)	—	—	(7,597,477)	—
	- Payables to ABMM (by ABCBL)	(975,505)	—	(1,667,146)	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

Sl. No.	Particulars	Closing Balance as on March 31, 2014	Transactions 2013 - 2014	Closing Balance as on March 31, 2013	Transactions 2012 - 2013
IV	Aditya Birla Financial Shared Services Ltd.				
1	Reimbursement of Cost - Manpower, Electricity, Staff welfare and other expenses	—	11,353,190	—	10,098,688
2	Outstanding Balances - Payables	(3,305,760)	—	(1,478,348)	—
V	Birla Sunlife Insurance Co Ltd.				
1	Brokerage Income	—	10,891,642	—	10,627,419
2	Reimbursement of Cost	—	—	—	11,819
3	Outstanding Balances - Payables	—	—	(10,637)	—
VI	Aditya Birla Insurance Brokers Ltd.				
1	Recovery of Cost - Rent expenses	—	488,766	—	—
2	Outstanding Balances - Receivables	92,124	—	—	—
VII	Aditya Birla Customer Services Pvt Ltd.				
1	Recovery of Cost - IT Support expenses	—	842,700	—	—
2	Outstanding Balances - Receivables	75,843	—	—	—

31) Additional information pursuant to provisions of paragraphs 5(ii)(a), 5(ii)(b) and paragraphs 5(viii) (a) and 5(viii) (c) Part II of the Revised Schedule VI to the Companies Act, 1956 has not been provided as these are not relevant having regard to the nature of the business of the Company.

32) Previous year figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date
For S. R. BATLIBOI & CO. LLP
Chartered Accountants

ICAI Firm Registration Number: 301003E

per Shrawan Jalan
Partner
Membership No.: 102102

Date : April 29, 2014
Place : Mumbai

For and on behalf of the Board of Directors

Sudhakar Ramasubramanian
Managing Director

Manoj Kumar Gandhi
Chief Finance and Operations Officer

Shriram Jagetiya
Director

S Balaji
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

PARTICULARS	March 31, 2014	March 31, 2013
Cash Flow from Operating Activities		
Profit / (Loss) Before tax	(117,378,975)	(153,124,591)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	64,619,340	81,128,752
Loss / (profit) on sale of fixed assets	7,574,460	10,648,880
Provision for doubtful debts made/(written back)	(3,536,630)	156,366
Provision for doubtful deposits and advances	6,413,000	8,176,764
Net (gain) / loss on sale of current investments	(10,812,644)	(10,871,369)
Interest expense	24,197,440	47,053,000
Interest (income)	(41,397,935)	(83,663,801)
Dividend (income)	(19,800)	(16,500)
Operating Profit Before Working Capital Changes	(70,341,744)	(100,512,499)
Movements in Working Capital :		
Increase / (Decrease) in Trade Payables	(3,339,536)	(40,211,292)
Increase / (Decrease) in Long-Term Provisions	(690,061)	368,693
Increase / (Decrease) in Short-Term Provisions	(563,878)	147,898
Increase / (Decrease) in Other Current Liabilities	559,228,226	(214,034,243)
Increase / (Decrease) in Other Long-Term Liabilities	213,198	(610,041)
Decrease / (Increase) in Trade Receivables	(363,735,369)	178,590,556
Decrease / (Increase) in Other Bank Current Account Balance	(60,699,188)	49,417,042
Decrease / (Increase) in Long-Term Loans and Advances	7,768,697	20,810,678
Decrease / (Increase) in Short-Term Loans and Advances	(157,503,714)	109,806,544
Decrease / (Increase) in Other Current Assets	(70,305,081)	(13,156,958)
Cash Generated from / (used in) Operations	(159,968,450)	(9,383,622)
Direct Taxes paid (net of refunds)	—	—
Cash Flow before exceptional items	(159,968,450)	(9,383,622)
Exceptional Item	—	—
Net Cash from / (used in) Operating Activities (A)	(159,968,450)	(9,383,622)
Cash Flows from Investing Activities		
Purchase of fixed assets, including CWIP and capital advances	(4,800,492)	(10,653,974)
Proceeds from sale of fixed assets	3,149,896	1,034,593
Purchase of Mutual Fund	(28,126,450,000)	(17,143,704,557)
Proceeds from Sale of Mutual Fund	28,137,262,644	17,154,575,926
Investments in bank deposits (having original maturity of more than three months) and lien deposits	(1,015,346,440)	(456,767,704)
Maturity of bank deposits (having original maturity of more than three months) and lien deposits	1,480,797,000	258,360,238
Interest Received	70,692,067	83,663,801
Dividends Received	19,800	16,500
Net Cash Flow from / (used in) Investing Activities (B)	545,324,475	(113,475,177)

CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31, 2014

(All amounts are in Indian Rupees, unless otherwise stated)

PARTICULARS	March 31, 2014	March 31, 2013
Cash Flows from Financing Activities		
Proceeds from Short-term borrowings	474,000,000	803,050,000
Repayment of short-term borrowings	(527,500,000)	(849,550,000)
Proceeds from Issue of Preference share capital	100,000,000	—
Repayment of Inter Corporate Deposits	—	(200,000,000)
Proceeds from Issue of Commercial Paper	750,000,000	1,944,994,418
Repayment of Commercial Paper	(1,150,000,000)	(1,657,836,580)
Interest paid	(17,328,980)	(47,053,000)
Net Cash Flow from / (Used in) in Financing Activities (C)	(370,828,980)	(6,395,162)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	14,527,045	(129,253,960)
Cash and Cash Equivalents at the beginning of the Year	4,329,030	133,582,989
Cash and Cash Equivalents at the Year ended	18,856,074	4,329,030
Components of Cash and Cash Equivalents		
Cash on Hand	16,607	20,608
With Banks - Current Account	17,984,208	3,529,099
- Unpaid Dividend Accounts*	670,077	594,141
- Unpaid Matured Deposits*	185,182	185,182
Total Cash and Cash Equivalents	18,856,074	4,329,030

*The company can utilise these balances only toward settlement of the respective unpaid dividend and unpaid matured deposits.

As per our report of even date
For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E

For and on behalf of the Board of Directors

Sudhakar Ramasubramanian
Managing Director

Shriram Jagetiya
Director

per Shrawan Jalan
Partner
Membership No.: 102102

Manoj Kumar Gandhi
Chief Finance and Operations Officer

S Balaji
Company Secretary

Date : April 29, 2014
Place : Mumbai

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

	<p>Name of the Company Aditya Birla Money Limited</p>
<p>Annual financial statements for the year ended</p>	<p>March 31, 2014</p>
<p>Type of Audit observation</p>	<p>In the audit report dated April 29, 2014 on the annual financial statements for the year ended March 31, 2014, the auditors have included an Emphasis of Matter in respect of recoverability of assets aggregating to Rs.145,779,681. Management is of the view that -</p> <p>Pursuant to a Share Purchase agreement ('SPA') between Aditya Birla Nuvo Limited ('ABNL' or 'the Purchaser'), ultimate holding company and Mr. Prataph C Reddy and others ("Erstwhile Promoters") dated August 28, 2008, ABNL had agreed to acquire 31 million equity shares in Aditya Birla Money Limited ("the Company"). The transaction was completed on March 6, 2009.</p> <p>As per the SPA, the Erstwhile Promoters had agreed to indemnify and hold harmless the Purchaser to the extent of any Losses, resulting from or consequent upon or relating to such breach of representations or warranties, covenants or agreement including but not limited to the recoveries of receivables and other assets in the books of the Company, contingencies on tax and related matters etc.</p> <p>Subsequent to the completion of the above transaction, the Purchaser noted several breaches of representations and warranties including but not limited to non-recovery of debtors, irrecoverable advances, missing fixed assets etc. Accordingly, ABNL based on its internal assessment of the recoverability of receivables, fixed assets, other assets and matters relating to tax and other contingencies arrived at an amount of Rs.163,882,296 as Losses incurred on account of breach of representation / warranties in the SPA. Further, ABNL vide its letter dated March 5, 2011 made a separate claim of Rs.5,169,379 for amounts becoming due and payable on accounts of various cases initiated by the customers of the Company. ABNL invoked the arbitration mechanism and filed their Statement of Claim on February 26, 2011 with the Arbitration Tribunal.</p> <p>Pending the final outcome of the arbitration proceedings, the Company has identified all such receivables, assets etc which are have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of accounts of the Company as at March 31, 2014 aggregating Rs.145,779,681 (previous year: Rs.145,779,681) and disclosed the same in Short Term Loans & Advances under Note 11B of the Balance Sheet, as these amounts would be paid directly to the Company by the Erstwhile Promoters at the direction of ABNL as and when the settlement happens.</p>



4

Both parties completed filing of documents. On 04th July, 2012, a hearing was held and Professional Accounting firm were asked to act as auditors by the Arbitrators with a mandate to submit a report on whether from an accounting perspective, including the accounting treatment that has been given to the items set out in the Statement of Claim, the amounts as claimed are correct as per accounting practice.

The arbitral tribunal then directed the Claimants and Respondents to file their objections if any to the audit report submitted by Professional Accounting firm and had also directed the Respondent to file their list of witnesses (if any) by the end of April 2013. The Respondents filed their objections to the audit report and ABNL had also filed its reply to the said objections.

Arguments in rebuttal by the Claimant was completed on 25th October 2013 and written submissions were filed by 29th October 2013. The tribunal has reserved the award.

Based on legal opinion received and internal assessment, ABNL is confident of recovering the entire dues through the arbitration process and passing the benefit thereof to the Company against which these loss assets can be set-off in the future. Accordingly, the Company is of strong view that these amounts are recoverable.

Third time (FY 2011-12, FY 2012-13 & FY 2013-14)

Frequency of observation
To be signed by-

Mr. Sudhakar
Ramasubramanian
Managing Director

Mr. Srinivas Subudhi
Chief Financial Officer

Mr. P. Sudhir Rao
Audit Committee Chairman

Auditor of the Company

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