

**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

Ref: SECTL/2018 – 31

June 13, 2018

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Fax # 022-22723121/ 22722037
22722041/ 22723719
22722039/ 22722061

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block, BKC,
Bandra (East), Mumbai – 400 051

Fax # 022-26598237/38

Dear Sirs,

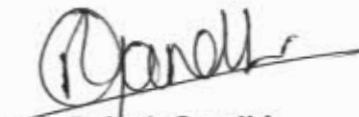
Sub: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), 2015

Scrip Code: BSE – 532974; NSE – BIRLA MONEY

Please find enclosed the Annual Report 2017-18 along with Notice for the 22nd Annual General Meeting of the Shareholders of the Company to be held on Friday, July 06, 2018.

This is for your information and record.

Yours faithfully,
For **Aditya Birla Money Limited**


Rajesh Gandhi
Company Secretary

Encl.: as above

Aditya Birla Money Ltd.

Ali Centre, No. 53, Greams Road, Chennai - 600 006
+91 44 3919 0002/3 | (F) +91 44 2829 0835
care.stocksandsecurities@adityabirlacapital.com | www.adityabirlamoney.com

Registered Office:

Indian Rayon Compound, Veraval,
Gujarat -362 266

CIN: L65993GJ1995PLC064810



ADITYA BIRLA MONEY LIMITED

CIN: L65993GJ1995PLC064810

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

Email: care.stocksandsecurities@adityabirlacapital.com Website: www.stocksandsecurities.adityabirlacapital.com

Ph: 044-49490000, Fax: 044-28290835

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Shareholders of ADITYA BIRLA MONEY LIMITED will be held on Friday, July 06, 2018 at 10.00 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 consider and adopt:
 - (a) the audited Financial Statement of the Company for the financial year ended March 31, 2018, together with the Report of the Board and the Auditors thereon; and
 - (b) the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Gopi Krishna Tulsian (DIN: 00017786), who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of 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 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and any other Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the shareholders of the Company be and is hereby accorded to ratify the appointment of M/s. S.R. Batliboi & Co. LLP (ICAI Firm Registration No.301003E / E300005) Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2018-19 on such remuneration as may be determined by the Board of Directors.”

SPECIAL BUSINESS

4. **Limits for the Loans, Guarantees and Investment by the Company as per Section 186 of the Companies Act, 2013**

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

“**RESOLVED THAT** pursuant to the provisions of Section 186 and any other applicable provisions of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and the Rules framed thereunder, as amended from time to time (“the Act”) and subject to such conditions, sanctions, permission as may be prescribed under any act, rules or regulations, consent of members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to:

- (a) give any loans to any person or other body corporate; and / or
- (b) give guarantee and / or to provide security in connection with a loan to any other body corporate or person; and / or
- (c) to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate;

in one or more tranches and from time to time, up to the maximum amount of Rs.600 Crore (Rupees Six Hundred Crore only) outstanding at any point of time notwithstanding that the aggregate amount of all the loans / guarantees / security / investments so far made together with the proposed loans / guarantees / security / investments to be made, exceeds the limits prescribed under Section 186 of the Act.

FURTHER RESOLVED THAT the Board be and is hereby authorized on behalf of the Company to decide and finalize the terms and conditions while making investments, giving loans or guarantees or providing securities within the aforesaid limits and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

5. Alteration of Clause III (A) (2) of the Memorandum of Association of the Company

To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force and the Rules framed thereunder, as amended from time to time (“the Act”), and subject to the approval of the Registrar of Companies, Gujarat, Dadra and Nagar Havelli, (“ROC”) and/or of any other statutory or regulatory authority, as may be necessary, Clause III (A) (2) of the Memorandum of Association of the Company, be and is hereby substituted by the following:

“(2) To carry on the business of acquiring by subscription or otherwise, buying, selling and / or otherwise dealing in India or abroad, shares, securities, bonds, debentures, Government Securities, fixed income instruments, financial instruments, derivatives of all kinds, nature and description as permitted under the applicable laws in India and abroad and also to act as market makers, arbitrageurs and / or hedgers, underwriters, sub-underwriters, trustee, administrator, jobbers, stock lenders in any of the above.”

FURTHER RESOLVED THAT any Director of the Company, the Chief Financial Officer and the Company Secretary, be and are hereby severally authorized to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution, including agreeing to any change to the aforesaid Clause III (A) (2) of the Memorandum of Association of the Company, as may be required by the ROC and/or any statutory/regulatory authority and to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary and with power on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard without requiring them or the Board to secure any further consent or approval of the members of the Company.”

6. Approval of Material Related Party transactions with Aditya Birla Finance Limited

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force and the Rules framed thereunder, as amended from time to time ("the Act"), read with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Regulations"), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), to ratify / approve all existing contracts / arrangements / agreements / transactions and to enter into new/further contracts / arrangements / agreements / transactions (including any modifications, alterations or amendments thereto), in the ordinary course of business and on arm's length basis with Aditya Birla Finance Limited ("ABFL") a 'Related Party' within the meaning of the Act and the Regulations, as more particularly enumerated in the explanatory statement to the Notice and on such terms and conditions as may be agreed between the Company and ABFL.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

**By Order of the Board
For Aditya Birla Money Limited**

Date : April 26, 2018
Place : Mumbai

**Rajesh Gandhi
Company Secretary**

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF SELF 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. Proxies submitted on behalf of Limited Companies, Societies, etc. must be supported by appropriate resolutions/authority as applicable. A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.

2. Corporate Members intending to depute their authorised representatives to attend the Meeting are requested to send to the Company a duly certified true copy of the Board Resolution / Power of Attorney authorizing their representatives to attend and vote on their behalf at the Meeting.

3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Item Nos.4, 5 and 6 of the Notice set out above is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from June 30, 2018 to July 06, 2018 (both days inclusive).
5. Details in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms an integral part of the Notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
6. Members / Proxies should bring their Attendance Slip sent herewith, duly filled in, for attending the meeting.
7. Statutory Registers and documents referred to in the Notice and Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days between 11:00 A.M. to 2:00 P.M. upto the date of the Annual General Meeting and will also be available for inspection at the Meeting.
8. Members may note that the Notice of the 22nd Annual General Meeting (AGM) and the Annual Report for 2017-18 will also be available on the Company's website <https://stocksandsecurities.adityabirlacapital.com> for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Indian Rayon Compound, Veraval – 362 266, Gujarat for inspection during normal business hours on working days, except Saturdays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, members may also send requests to the Company's investor e-mail ID: ABML.Investorgrievance@adityabirlacapital.com.
9. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 substituted by Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members, the facility to exercise their right to vote at the 22nd Annual General Meeting by electronic means. The Board of Directors has appointed Ms. B. Chandra, Practising Company Secretary, as the Scrutinizer for scrutinizing the e-voting and ballot voting process in a fair and transparent manner.

The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, July 03, 2018 (9.00 A.M.) and ends on Thursday, July 05, 2018 (5.00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 29, 2018, 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 / Members.
- (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> <ul style="list-style-type: none"> ● 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. ● In case the sequence number is less than 8 digits enter the applicable number of O'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. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> ● If both 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 (iv). |

- (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 the relevant “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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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 Cooperates.
 - 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 linked in the login 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.
- (xx) 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.

10. The result declared, along with the Scrutinizer's report shall be placed on the company's website www.stocksandsecurities.adityabirlacaptial.com and on the website of CDSL after the result is declared by the Chairman and also be communicated to the Stock Exchanges where the company is listed.

ANNEXURE TO THE NOTICE DATED APRIL 26, 2018

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Company may have surplus funds from time to time. To achieve its strategic and business objectives and for better utilization of funds, the Company may invest in various securities from time to time. Further, the Company may also provide loan / guarantee to associate and group companies. Pursuant to the provisions of Section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than sixty percent of the paid-up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account, whichever is higher.

Accordingly, the Board of Directors of the Company proposes to seek approval of members by way of special resolution to authorize the Board to exercise powers for an amount not exceeding Rs.600 Crore (Rupees Six Hundred Crore only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and securities provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

None of the Directors / Key Managerial Personnel of the company / their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Directors recommend the resolution for approval by the members.

Item No. 5

The existing Main Object Clause III (A) (2) of the Memorandum of Association enables the Company to invest and carry out allied activities like buying, selling and dealing in securities. In order to bring clarity in the Clause, your Directors propose to replace the existing clause with the more explicit clause as stated in the notice of the Meeting. It is proposed to amend the said Clause. The amendment would be subject to the approval of the Registrar of Companies, Gujarat, Dadra and Nagar Haveli and any other Statutory or Regulatory Authority, as may be necessary.

A Copy of the Memorandum of Association of the Company together with the proposed alteration is available for inspection by the Members of the Company at the registered office of the Company during the days and hours mentioned in the notes to the Notice of this Meeting.

None of the Directors / Key Managerial Personnel of the company / their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Directors recommend the resolution for approval by the members.

Item No. 6

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

However, pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the members through ordinary resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceed 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are on arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required.

The transaction(s) entered into by the Company, together with the transactions already entered with Aditya Birla Finance Limited ("ABFL"), a fellow subsidiary company, qualifies to be a Material Related Party transaction under Listing Regulations.

The Company has existing arrangements with ABFL, which is in the ordinary course of business. However, the value of transactions with ABFL in respect of Financial Year 2017-18 and estimated value of transaction from next financial year onwards is likely to exceed 10% of the annual consolidated turnover of the Company, based on the audited financial statements for year ended March 31, 2018. ABFL is a fellow subsidiary company, which is a 'Related Party' as per definition under Section 2(76) of the Companies Act, 2013.

ABFL is currently having the following transactions with the Company:

- Recovery of Cost - Infrastructure, Manpower cost and other allied costs / expenses,
- Management Fees / Brokerage / Commission / Custodian Fees
- Promotional activities on behalf of the Company

The particulars of the contract / arrangement with ABFL are as under:

| Particulars | Information |
|--|--|
| Name of the Related Party | Aditya Birla Finance Limited |
| Nature of Relationship | Fellow Subsidiary |
| Nature of Contract | Availing and Rendering of Services [Section 188(1)(d) of the Companies Act, 2013] |
| Duration of Contract | On-going transactions in the ordinary course of Business |
| Salient features of Contract | <p>Aditya Birla Money Limited (ABML) has entered into an agreement with Aditya Birla Finance Limited (ABFL) for sharing of brokerage and commission in relation to client introduction and wealth management services at an agreed ratio.</p> <p>In the course of such activities, the Company also renders various services to ABFL in relation to the following for which the actual costs incurred are recovered:</p> <p>(i) Data confirmation and information dissemination including customer awareness about the products and services</p> <p>(ii) All support services in relation to client acquisition and post servicing assistance in Planning, Reporting, People & Relationship management and Compliance management</p> <p>In addition to the above, the following nature of transactions are happening with ABFL in the normal course of business.</p> <ul style="list-style-type: none"> ● Recovery of Cost - Infrastructure, Manpower cost and other allied costs / expenses ● Management Fees / Brokerage/ Commission / Custodian Fees (As a Client)/Commission ● Management Fees on Capital Market / Mutual Fund services and ancillary services ● Income from Promotional activities / Advertisement Income |
| Date of Approval of the Board / Audit | January 25, 2017 |
| Value of Transaction for the year ended March 31, 2018 | Rs.18.17 Crore |
| Estimated Value of Transactions for the FY 2018-19 | Rs.30.00 Crore |

Based on past trend, the transactions as described above are likely to exceed 10% of the Annual Consolidated Turnover as per last audited financial statements of the Company and may exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, these transactions would require the approval of the Members by way of an ordinary resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Directors recommend the resolution for approval by the members.

**By Order of the Board
For Aditya Birla Money Limited**

Date : April 26, 2018

Place : Mumbai

**Rajesh Gandhi
Company Secretary**

Details of Directors (as on March 31, 2018) seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)

| | |
|--|---|
| Name of the Director | Mr. Gopi Krishna Tulsian |
| Date of Birth | 2 nd February, 1937 |
| Date of first appointment in the Board | 9 th September 2014 |
| Qualification | B.Com., FCA |
| Expertise in specific functional area | <p>Mr. Tulsian has work experience of more than 51 years. Previously, he has worked with companies like House of Bangurs, Pan Century Edible Oil Sdn. Bhd. Malaysia, Thai Rayon Company, Bangkok. Currently he is chairing position of Executive President in Grasim Industries Limited (Chemical Division).</p> <p>He has handled several manufacturing and service industry businesses in his career. He has been associated with Aditya Birla Group since November, 1977 and currently on the Board of various Indian and International Companies of the Group.</p> |
| Directorships held in Other Companies | <ol style="list-style-type: none"> 1 Aditya Birla Commodities Broking Limited 2 Aditya Birla Power Company Limited 3 Aditya Birla Retail Limited 4 B G H Properties Private Limited 5 BGH Exim Private Limited 6 Birla Telecom Limited 7 Birla TMT Holdings Private Limited 8 Green Acre Agro Services Private Limited 9 IGH Holdings Private Limited 10 Industry House Limited 11 Infocyber India Private Limited 12 Osiris Corporate Services Private Limited 13 Osiris E-Infratech Private Limited 14 Osiris Info Services Private Limited 15 PIC Properties Limited 16 Samruddhi Swastik Trading And Investments Limited 17 SKI Carbon Black (India) Private Limited 18 Sun God Trading And Investment Limited 19 Sunbeam Trading & Investments Private Limited 20 TGS Investment & Trade Private Limited |
| Chairman / Member of Committee(s) of Board of Directors of the Company * | Nil |
| Chairman / Member of the Committee(s) of Board of Directors of other Companies in which he is a Director * | 1 |
| Whether related with other Directors / Key Managerial Personnel | No |
| Number of Shares held in Company | Nil |
| Number of meetings attended during the year | 4 out of 5 |

* Includes only Chairmanship / Membership of Audit Committees and Stakeholders' Relationship Committee.



ADITYA BIRLA MONEY LIMITED

ATTENDANCE SLIP

CIN : L65993GJ1995PLC064810

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

Email: care.stocksandsecurities@adityabirlacapital.com Website: www.stocksandsecurities@adityabirlacapital.com

Ph: 044-49490000, Fax: 044-28290835

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 **Twenty Second** Annual General Meeting held at the Registered Office at Indian Rayon Compound, Veraval - 362 266, Gujarat on **Friday, the 06th day of July 2018 at 10.00 A.M.**

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

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

Note:

- 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.
- 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

PROXY FORM

CIN : L65993GJ1995PLC064810

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

Email: care.stocksandsecurities@adityabirlacapital.com Website: www.stocksandsecurities@adityabirlacapital.com

Ph: 044-49490000, Fax: 044-28290835

[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 Aditya Birla Money Limited, hereby appoint :

- | | |
|-----------------|-------------------------------------|
| (1) Name _____ | Address _____ |
| Email Id: _____ | Signature _____ or failing him/her, |
| (2) Name _____ | Address _____ |
| Email Id: _____ | Signature _____ or failing him/her, |
| (3) Name _____ | Address _____ |
| Email Id: _____ | Signature _____ |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Second Annual General Meeting of the Company, to be held on Friday, the 06th day of July 2018 at 10.00 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, 2018 | | |
| 2. | Appointment of a Director in place of Mr. Gopi Krishna Tulsian, who retires by rotation and being eligible, seeks re-appointment | | |
| 3. | Ratification of appointment of M/s. S.R. Batliboi & Co. LLP as Auditors and fixing their remuneration | | |
| 4. | Limits for the Loan, Guarantees, Investments by the Company as per Section 186 of the Companies Act, 2013. | | |
| 5. | Alteration of Clause III (A) (2) of Memorandum of Association of the Company | | |
| 6. | Approval of the Material Related Party Transactions with Aditya Birla Finance Limited | | |

Signed this day of 2018

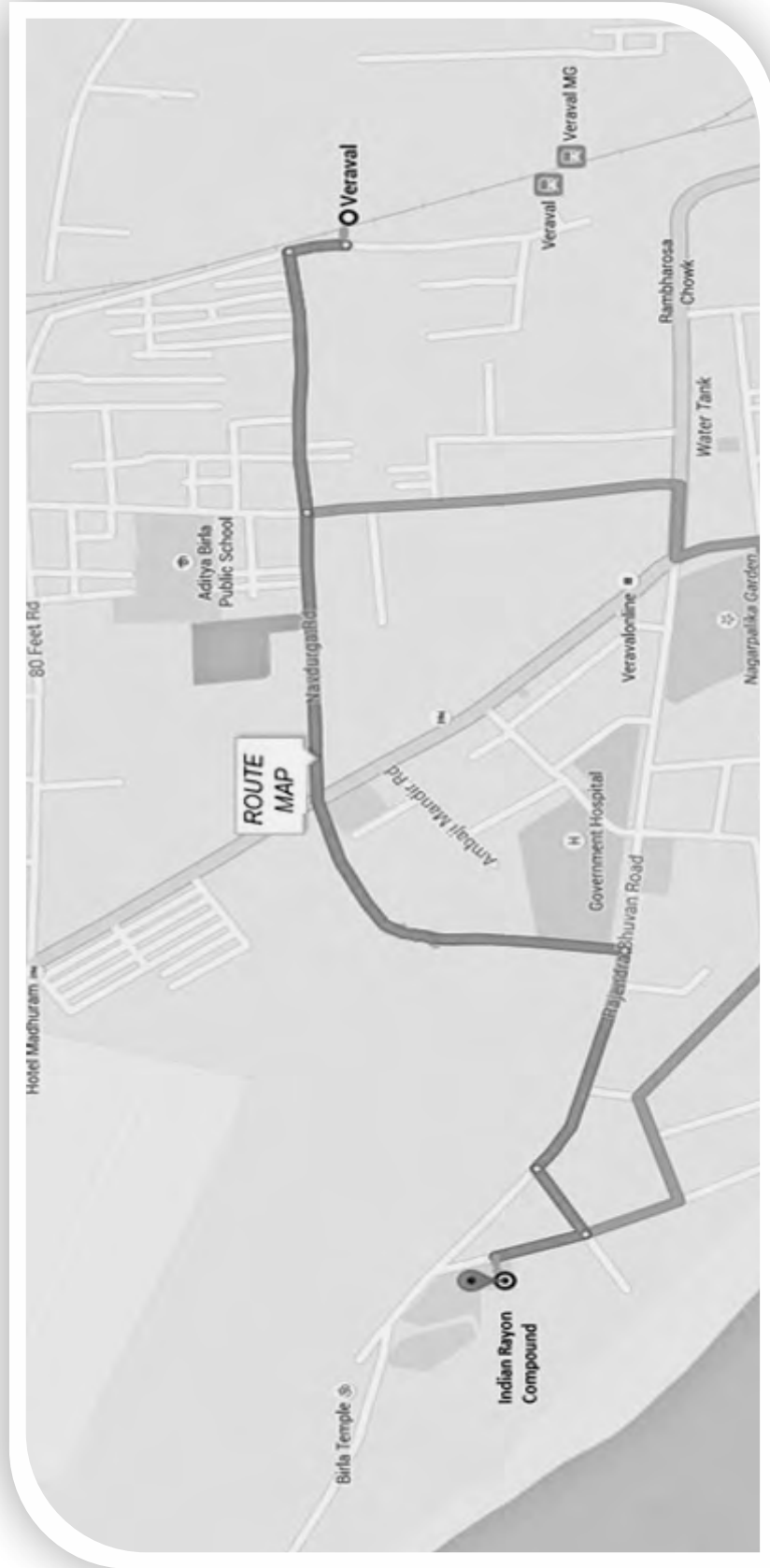
Signature of Shareholder(s)Signature of Proxy holder(s)

Note:

- 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 Annual General Meeting.
- It is optional to put an '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/-

ROUTE MAP TO THE VENUE OF THE AGM



VENUE:
INDIAN RAYON COMPOUND,
VERAVAL,
GUJARAT – 362 266.

INVESTING

ONE move that
can create
contemporary
investing
opportunities

Aditya Birla Money Limited
(A subsidiary of Aditya Birla Capital Ltd.)



**ADITYA BIRLA
CAPITAL**

LETTER FROM THE CHAIRMAN

Dear Shareholders,

In FY18, Indian economy continued to grow at a steady pace, overcoming disruptive reforms in the previous fiscal and the GST implementation hurdles in the FY18. Indian GDP is estimated to have grown at 7.4% for FY18 even as we continue to be the fastest growing large economy in the world according to IMF. FY18 could be divided into two distinct halves, with the first one being marked by implementation of India's one of the most comprehensive indirect tax reform (GST) and the resultant economic disruptions and the second half being the normalization of domestic trade and economic activity. Economic parameters continue to be broadly robust with IIP picking up sharply towards the end of the year, with the full year average growth being 4.3% vs 4.7% in the previous year. Inflation picked towards the end of the year, although for the full year it averaged 3.58% down from 4.54% in the previous year. The pick-up in inflation towards the latter half of the year was largely due to a spike in oil prices due to geo-political sanctions and artificial supply bottlenecks implemented by OPEC. In sync with the changed economic scenario, the RBI too has changed its stance from accommodative to neutral though a rate tightening cycle could still be a few quarters away, and we might see a prolonged pause. Moreover, structural supply side reforms, aided by a second consecutive good monsoon forecast could keep a counterbalance to the upward inflation push by crude oil prices. Within CPI, the core CPI (i.e. ex food and fuel) continues to remain sticky and will probably need further supply side reforms to bring it down. On the external trade front, a strong INR through the better half of the year exerted pressure on exports (vis-à-vis the imports) and it grew at 9.8% as compared to 4.8% in the previous fiscal. On the flip side, imports rose sharply, both as a result of strong domestic economy and a strong INR through most of FY18. As a result, India's CAD rose slightly to ~1.5% (incl. expected deficit for Q4). On the fiscal side, the govt. has taken a small deviation from the forecasted glide path for fiscal deficit by targeting a deficit of 3.5% for FY18 as compared to 3.2% originally envisaged. This was necessitated due to slightly volatile GST collections (seen more as a teething issue) and sharp rise in crude oil prices.

While the macros saw a bit of re-balancing in FY18, the micros showed distinct signs of improving. Indicators like auto sales, cement sales, steel production all grew smartly. This also resulted in pick up in corporate earnings towards the last quarter of the fiscal, with a large number of BSE-200 companies registering their highest profit growth in many quarters.

As far as investment flows are concerned, FII's sold in the secondary market (Outflows of Rs.780bn) during the fiscal but put in a massive Rs.1tn., in the primary/FPO/QIP market. The DIIs however pumped in a sizeable commitment, upwards of Rs.1.14tn., an amount more than twice the size of FY17 inflows. In the debt segment, FIIs invested north of Rs.1.10tn., their highest debt investment ever.

On the primary market front, FY18 saw a significant amount of capital raised by the corporate sector. For FY18, 45 companies raised Rs.840bn., jump of 200% over FY17's capital raise of Rs.280bn. A buoyant primary market has also encouraged lot of newer businesses and start-ups.

Further your Company's continued focus on cost reduction and productivity enhancement initiatives supported by market buoyancy have resulted into considerable gains both in revenues as well as profitability. Further, we enhanced our product offerings and reached out to specific profitable segments successfully.

Your Company reported a consolidated net profit of Rs.10.07 Crore in FY 17-18. Income from operations of the Company for the FY 17-18 is Rs.162.15 Crore as compared to Rs.131.17 Crore for 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 increase their participation in capital markets. Your Company will continue to work towards creating enduring value for its stakeholders and customers by converting challenges into opportunities.

Yours Sincerely,



Gopi Krishna Tulsian
Chairman

ADITYA BIRLA MONEY LIMITED

BOARD OF DIRECTORS

| | | |
|--------------------------|---|--|
| Mr. Gopi Krishna Tulsian | - | Non-Executive Director (Chairman of the Board) |
| Mr. Tushar Shah | - | Non-Executive Director |
| Ms. Pinky A Mehta | - | Non-Executive Director |
| Mr. Shriram Jagetiya | - | Non-Executive Director |
| Mr. P. Sudhir Rao | - | Independent Director |
| Mr. G. Vijayaraghavan | - | Independent Director |

CHIEF FINANCIAL OFFICER

Mr. Pradeep Sharma

COMPANY SECRETARY

Mr. Rajesh Gandhi

AUDITORS

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

BANKERS

HDFC Bank Limited
Bank of India
State Bank of India
Allahabad Bank
Axis Bank Limited
ICICI Bank Limited
Standard Chartered Bank

REGISTERED OFFICE

Indian Rayon Compound
Veraval - 362 266, Gujarat.

CORPORATE OFFICE

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

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| Consolidated Financial Statements | 110 |

MANAGEMENT'S DISCUSSION AND ANALYSIS

MACRO ECONOMIC SCENARIO - THE INDIAN ECONOMY & MARKETS

The Indian economy started FY18 amidst challenges posed by balance sheet deleveraging, the impact of demonetisation, and GST. Growth in 1Q FY18 was the lowest in 13 quarters at 5.7%. However, the economy picked up thereafter, growing steadily through the year and is expected to have grown at 6.5% in FY18. Besides the headline numbers, the composition of growth was quite positive with pickup in manufacturing and capital formation, which reflect the beginning of revival in the investment cycle. A variety of data points like IIP, infrastructure index, PMI, auto sales, cement consumption, and non-oil non-gold imports attested to the broadbased pickup in growth momentum. Indian equities reflected the growth uptick, rallying along with global equity markets.

Inflation remained well contained except for a brief uptick in food inflation in Nov-Jan period. Average inflation in FY18 was 3.6%, lower than RBI's target of 4%, despite the statistical impact of pay commission HRA award on headline inflation. Core inflation remained well contained. However, there is an upside risk to inflation in FY19 owing to the likely impact of higher MSP, higher crude price, growth uptick and some weakness in INR. Bond yields started to rise from August owing to the uptick in growth, some fiscal slippage, and prospect of higher inflation down the line.

Indian external account was well funded with healthy BoP surplus, owing to strong foreign capital flows even as current account deficit witnessed some increase towards the second half of the fiscal. Forex reserves rose by US\$54 bn and stood at US\$424 bn, giving a healthy import cover of 10.5 month. INR appreciated to sub-64 levels against USD before moving to 65 levels towards the end of the fiscal.

The last few years have been one of structural reforms (e.g. GST and Banking reforms) and macro-stabilization (lower twin deficits and higher real rates) for Indian economy. This has laid the foundation for a sustained and durable growth recovery and made the economy much better positioned to withstand domestic and global shocks.

As far as investment flows are concerned, FII's sold in the secondary market (Outflows of Rs.780bn) during the fiscal but put in a massive Rs.1tn., in the primary/FPO/QIP market. The DIIs however pumped in a sizeable commitment, upwards of Rs.1.14tn., an amount more than twice the size of FY17 inflows. In the debt segment, FIIs invested north of Rs.1.10tn., their highest debt investment ever.

On the primary market front, FY18 saw a significant amount of capital raised by the corporate sector. For FY18, 45 companies raised Rs.840bn., jump of 200% over FY17's capital raise of Rs.280bn. A buoyant primary market has also encouraged lot of newer businesses and start-ups.

GLOBAL ECONOMY AND DEVELOPMENTS

The world economy gained momentum witnessing its strongest, most broad-based and synchronised growth uptick since the global financial crisis. Most regions of the world including major economies of US, Eurozone, China and Japan witnessed growth acceleration. Moreover, world trade also picked up smartly despite the growing fear of protectionism.

Despite the beginning of gradual withdrawal of extraordinary monetary accommodation by US Federal Reserve, other major central bankers continued to increase their already large asset holdings, which underpinned continuation of easy financial conditions. Business and consumer confidence remained strong, global PMIs rallied and there was a pick-up in investments.

Despite the strong growth uptick, interest rates remained low and both inflation and inflationary expectations remained weak. US dollar also weakened, giving further boost to global risk appetite. Healthy global growth and liquidity turbocharged global equities with many equity markets rallying strongly.

Our baseline expectation is that the global economy will continue to show steady expansion in 2018-19 and grow at a rate closer to IMF's forecast of 3.9%. The key risks to the global economy are sharp escalation in trade protectionism, geo-political tensions, sharp rise in global bond yields and inflation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

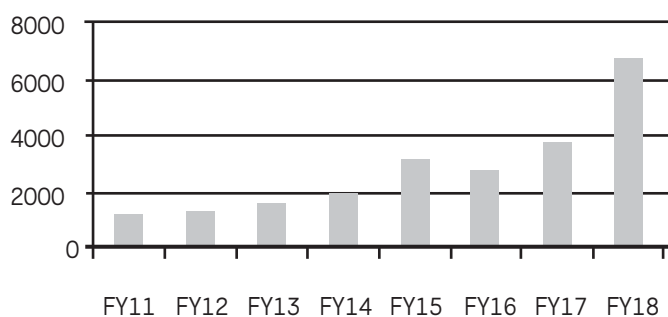
INDUSTRY STRUCTURE AND DEVELOPMENTS

During FY17, average daily cash market volumes increased to over Rs.40,000 Crore as compared to Rs.24,000 Crore in the previous year as the story of FY2018 revolved around domestic investor's participation in the Indian equity markets (both direct and through MFs). Economic recovery through the year made equity the preferred asset class amongst domestic investors. The SIP book of the domestic equity mutual funds rose to over Rs.7,000 Crore per month by the end of the fiscal. Moreover, positive real rates due to falling inflation, has resulted in shift of savings from physical assets to financial assets.

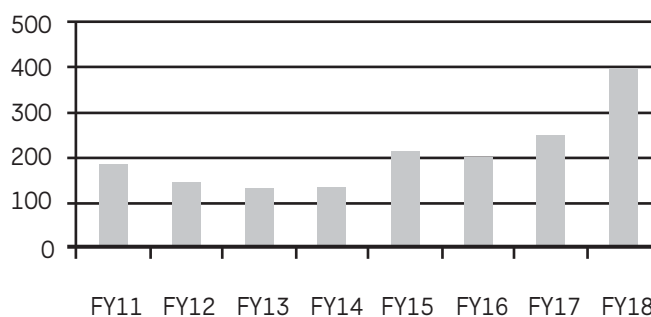
Daily derivatives turnover increased sharply from Rs.380,000 Crore to over Rs.680,000 Crore as bull market in FY2017 gave rise to speculation, arbitrage and investment activity. Also, some rise in the daily derivatives turnover could also be attributed to the rise in the underlying prices of stocks/indices.

Indian markets continue to be heavy on derivatives while light on cash trading, thereby suggesting higher speculative activity than investing activity. While this mix has improved over the years in favor of investing volumes, this mix is also driven by the fact that the derivatives market is more liquid than the cash market and hence amenable for better price discovery. Higher share of lower yielding derivatives segment and lower share of higher yielding cash/delivery segment in the Indian stock market has been the key reason for earnings pressure for the broking industry over the years.

Average Daily Turnover F&O Segment (Rs. Bn)



Average Daily Turnover Cash Segment (Rs. Bn)



FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS

Your Company recorded an Income from Operations of Rs.162.15 Crore for the year ended March 31, 2018. The Company on a standalone basis has achieved total income of Rs.156.94 Crore as compared to Rs.123.21 Crore during the previous year. On consolidated basis, the Net Profit for the year stood at Rs.10.07 Crore for the year ended March 31, 2018 as compared to Rs. 7.28 Crore in previous financial year.

ECONOMIC OUTLOOK FOR FY-19

The global economy is expected to grow at a rate of 3.7% in CY2018, as per IMF estimates, which is nearly the same rate of growth as seen in CY2017. Within that, India is expected to grow at 7.4% and China at 6.6%. Amongst the larger economies, US is expected to grow at close to 3% while the EU is expected to grow at 2.4%, its highest since the GFC.

Domestically, there is a forecast of normal monsoon for the second year in a row and that bodes well for agricultural growth. Industrial growth buoyed by manufacturing growth is likely to pick up further steam as we continue to use up system wide capacity. This is also likely to bring the new capex cycle within striking distance. Services continue to maintain their steady growth. With GST implementation now behind and disruptions beginning to normalize, economic activity is expected to pick moving into FY19. Additionally, FY19 is pre-election year and there is usually heightened public spending in pre-election years. Hence public capex should hold up one pillar of economic growth.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Moreover, the formalization of the economy could also gather pace with the implementation of e-way bill and invoice matching. Consequently as Government revenues shore up, the fiscal side too should remain within comfortable range. While India's macros have somewhat worsened due to recent rise in global commodity prices (particularly oil prices), it seems to be a transient phenomenon as high oil prices are likely unsustainable given the risk of supply response from the US Shale Oil industry. Moreover, de-carbonization of the world (through use of cleaner energies in electricity and transportation) is also structurally negative for fossil fuel like crude oil.

In summary, the levers for growth are in place and FY19 promises to be an exciting year of economic activity and growth.

INDUSTRY

India has generally been a savings oriented economy with our savings rate being one of the highest in the world. But in recent years, due to higher inflation, India's economy tilted more towards consumption. As inflation expectations moderate and real interest rates turn positive, that balance will shift in favor of savings leading to a higher savings ratio for the country. Moreover, within financial savings, equity has attracted the lowest share of the saver's wallet until now. One of the key reasons for the same has been high interest rates. Given that inflation and interest rates have come down (and seemingly sustainably) we will likely see a structural shift over the next decade in the savings composition of our economy, with equity attracting a significantly larger proportion of the savings.

The domestic capital markets saw sharp uptick in activity in FY2018, for the second year in a row, after a dull FY2016, supported by favourable market sentiment, strong domestic investor flows and lack of alternative investment avenues.

Fund raising activity remained heightened with nearly 200% jump in primary issuances (in value terms) and over 50% growth in trading volumes. However, for the industry, structural challenges remain. One of the biggest challenges for the broking industry has long been the fall in share of high yielding cash segment volumes as against low yielding derivatives. Financialization of savings, which has picked up pace since DeMonetization, is still lower as compared to developed nations. With SIP book now at record highs and incremental investments expected into equities by pension funds, insurance companies and other long term institutional investors, money flow into equity is likely to remain robust in the future. But on the flip side, cost pressures and low yields will continue to dominate the broking industry.

The future outlook for the industry is dependent upon key factors like global (and domestic) economic growth pick up, buoyancy in the primary markets, lack of alternative investment opportunities and technological up-gradation. A broad based macro-economic recovery will lead to improved corporate profits thus supporting higher stock prices and positive equity market sentiments. While FIIs have sold lately, India's structural long term attractiveness will attract foreign portfolio flows into India eventually and sustainably.

OPPORTUNITIES AND THREATS

India is in the midst of a multiyear bull run after a prolonged slowdown of three years between 2011 and 2013. With the global macro-economic environment (low commodity prices, low interest rate regimes in most markets) benign the reforms on track for implementation of GST, India's macros look in being extremely good shape. Moreover, with spate of recent election wins, the political environment too appears extremely stable across centre, states and municipal corporations providing a platform for synchronous policy execution. With the building blocks for an accelerated economic recovery in place we believe that as the recovery comes about, participation in the financial markets is likely to increase. Moreover, with increased pace of financialization of savings, the equity broking industry is set for increased volumes over the next few years.

Further, since equities are expected to do well over the next few years, we will likely see increased retail participation. Your Company is aware of the same and is making conscious efforts to increase investor participation. It has plans to increase its overall market share by targeting profitable segments. Your Company is also focusing on efficient use of technology to become a cost optimum player in the market.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

RISK AND CONCERNS

The very nature of the Company's business makes it susceptible to various kinds of risks. The Company encounters market risk, credit risk and operational risks in its daily business operations. The Company has framed a comprehensive Risk Management Policy which *inter-alia* lays down detailed process and policies in the various facets of the risk management function. The risk management review framework provides 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. The Company has also implemented a robust surveillance mechanism to deal with various trade 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 processes having regard to efficiency of operations 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's 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, 2018, the total employees on the Company's rolls stood at 670.

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.

BOARD'S REPORT

Dear Shareholders,

The Board of Directors of Aditya Birla Money Limited (“your Company” or “the Company” or “ABML”) are pleased to present the Twenty Second Annual Report and the audited financial statements (standalone and consolidated) of your Company for the financial year ended March 31, 2018.

1. COMPANY OVERVIEW AND STATE OF AFFAIRS OF THE COMPANY

Your Company is a listed company. Its shares are listed on the BSE and NSE since 2008. The Company is currently engaged in the business of securities broking and is registered as a stock broker with SEBI. It is a member of BSE and NSE and offers equity and derivatives trading through NSE and BSE. It holds license from SEBI and offers portfolio management services. The Company is also registered as a depository participant with National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”). It also holds SEBI license as a research analyst, an Investment Adviser and ARN code issued by AMFI. The Company also offers commodity broking through its wholly owned subsidiary Aditya Birla Commodities Broking Limited which is a member of MCX and NCDEX.

Information on the operational and financial performance, among others, is provided in the Management Discussion and Analysis Report and other Sections of Board’s Report which forms part of the Annual Report.

2. FINANCIAL RESULTS

Company's financial performance (Standalone and Consolidated) for the year ended March 31, 2018 is summarized below:
(Rs. in Crore)

| Particulars | Standalone | | Consolidated | |
|--|----------------|------------|----------------|------------|
| | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 |
| Income from Operations | 156.94 | 123.36 | 162.15 | 131.17 |
| Other Income | 2.33 | 1.53 | 2.49 | 1.95 |
| Total Income | 159.27 | 124.90 | 164.64 | 133.12 |
| Profit / (Loss) before tax | 12.26 | 6.96 | 12.77 | 8.08 |
| Current Tax | 2.70 | 0.81 | 2.70 | 0.81 |
| MAT Credit Written Back | - | - | - | - |
| Profit / (Loss) after tax | 9.57 | 6.15 | 10.07 | 7.28 |
| Transfer to General Reserve | - | - | - | - |
| Profit / (Loss) brought forward from previous year | (19.52) | (25.67) | (20.63) | (27.91) |
| Balance carried to Balance Sheet | (9.95) | (19.52) | (10.57) | (20.63) |
| Earnings per share (in Rs.) | 1.70 | 1.11 | 1.79 | 1.31 |

The Consolidated Financial Statements of the Company and its Subsidiary, prepared in accordance with the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI Listing Regulations”) and Indian Accounting Standards 110 - Consolidated Financial Statements along with all relevant documents and the Auditors' Report form part of this Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of its Subsidiary Company.

BOARD'S REPORT

The Financial Statements as stated above are also available on the website of the Company and can be accessed on the Company's Website at:

<https://stocksandsecurities.adityabirlacapital.com/about-us/investor>.

2.1 Presentation of Financial Statements

The financial statements of the Company for the year ended March 31, 2018 have been prepared/attached as per Schedule III to the Companies Act, 2013.

2.2 Key Highlights of the Company:

The Company on a Standalone basis has achieved total income of Rs.159.27 Crore as compared to Rs.124.90 Crore during the previous year. The Income from Operations during the year was at Rs.156.94 Crore as compared to Rs.123.21 Crore during the previous year. The Company on a standalone basis has posted a Net Profit of Rs.9.57 Crore during the year ended March 31, 2018.

On a Consolidated basis, the Company's Income from Operations stood at Rs.162.15 Crore as compared to Rs.131.17 Crore in the previous year. The Company has posted a Consolidated Net Profit of Rs.10.07 Crore during the year ended March 31, 2018 as compared to Rs.7.27 Crore in the previous financial year.

3. RESERVES

The Company does not propose to transfer any amount to the general reserve out of the amount available for appropriation.

4. DIVIDEND

In order to conserve cash for Company's operations, your Directors do not recommend any dividend for the year under review.

5. SHARE CAPITAL

During the year under review, the Company had issued and allotted 722,138 equity shares on exercise of the Options granted under the Employees Stock Option Scheme 2014 of the Company. Consequently, as at March 31, 2018, the paid-up share capital of the Company stood at Rs.156,122,138/- (consisting of 56,122,138 equity shares of Re.1/- each and 1,000,000 8% Redeemable Non-Convertible Non-Cumulative Preference shares of Rs.100/- each).

6. CREDIT RATING

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

7. DEPOSITS

Your Company has not accepted or renewed any deposits during the financial year ended March 31, 2018 from the public in accordance with the provisions of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

BOARD'S REPORT

8. PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN OR SECURITY PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of the loans, guarantees and investments covered under provisions of the Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 are given in the notes to the financial statements, which forms part of this Annual Report.

9. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

10. FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

There were no foreign exchange earnings and outgo during the year as well as during the previous year.

11. PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 197(12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits, set out in the aforesaid Rules, are to be provided in the Board's Report, as an annexure thereto. In line with the provisions of Section 136(1) of the Act, the Report and Accounts, as set out therein, are being sent to all the Members of your Company, excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the Registered Office of your Company. The aforesaid addendum is also available for inspection by the Members at the Registered Office of the Company 21 days before the AGM and upto the date of the ensuing AGM, during business hours on working days.

Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure A** of the Board's Report.

As on March 31, 2018, your Company's Employee strength stood at 670 Employees.

12. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2018 and the date of this Board's report.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. During the year under review, no material or serious observation has been received from the Auditors of the Company, citing inefficiency or inadequacy of such controls.

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

BOARD'S REPORT

14. CHANGE IN NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

15. EMPLOYEE STOCK OPTION

DISCLOSURE PURSUANT TO SECTION 62(1)(B) OF THE COMPANIES ACT, 2013 READ WITH RULE 12 OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 & SECURITIES EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

The Company had formulated the ABML Employee Stock Option Scheme – 2014 (ABML ESOP Scheme – 2014) with the approval of the shareholders at the Annual General Meeting dated September 09, 2014.

| Nature of Disclosure | Particulars | |
|---|--|----------------------------|
| Options granted on December 02, 2014 | 2,509,341 | |
| Options outstanding as on April 01, 2017 | 1,445,845 | |
| Options vested during the year | 25% of the options granted | |
| Options exercised as on March 31, 2018 | 722,138 | |
| Total number of shares arising as a result of exercise of options | 722,138 | |
| Options lapsed | 24,176 (due to resignation of employees) | |
| Exercise Price | Rs.34.25 per option | |
| Variation of terms of options | Nil | |
| Money realised by exercise of options | Rs.24,733,226.50 | |
| Options outstanding as on March 31, 2018 | 699,531 | |
| Employee-wise details of options granted | No. of options granted | No. of options outstanding |
| (i) Key Managerial Personnel | | |
| Mr. Murali Krishnan L.R. – Manager | 27,473 | 20,756 |
| Mr. Vikashh K Agarwal – Company Secretary (Resigned from Company with effect from 31.07.2017) | 32,967 | 16,484 |
| (ii) Any other employee who received a grant of option amounting to 5% or more of options during that year | Nil | |
| (iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. | Nil | |

The Company has complied with and shall comply with the applicable provisions under the Companies Act, 2013, the SEBI (Share Based Employee Benefits) Regulations, 2014 and the Accounting Standards. The Disclosures prescribed in Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 has been posted on the Company's website at the link: <https://stocksandsecurities.adityabirlacapital.com/about-us/investor>.

A certificate received from the Statutory Auditors on the implementation of the Company's Employees Stock Option Scheme 2014 will be placed at the ensuing Annual General Meeting for inspection by the Members.

Aditya Birla Capital Limited Employee Stock Option Scheme 2017 ("Scheme 2017")

The shareholders of your Company vide a Special Resolution dated September 25, 2017 passed through postal ballot / e-voting facility had approved the extension of benefits of the Aditya Birla Capital Limited Employee Stock

BOARD'S REPORT

Option Scheme 2017 ("Scheme 2017") to the permanent employees in the management cadre of your Company. Pursuant to the provisions of Section 67 of the Companies Act, 2013 applicable ESOP charge has been debited by Aditya Birla Capital Limited to the Company. Accordingly, during the year under review Rs.14,862,522/- has been debited to the Employee cost towards Aditya Birla Capital Limited Employee Stock Options granted to Employees of your Company.

16. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the SEBI Listing Regulations, the Management's Discussion and Analysis Report for the year under review is presented as a separate section forming part of this Annual Report.

17. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India. Corporate Governance principles form an integral part of the core values of the Company. The report on Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI Listing Regulations forms an integral part of this Report. The requisite certificate from Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is given in "Annexure B" and the same forms part of the Directors' Report.

18. HOLDING AND SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES

Holding Company:

The Company is the subsidiary company of Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) which was a subsidiary company of Aditya Birla Nuvo Limited ("ABNL"). ABNL was amalgamated with Grasim Industries Limited pursuant to a Composite Scheme of Arrangement between ABNL, Grasim Industries Limited and Aditya Birla Capital Limited. As a result, the Company's ultimate holding company has been changed from ABNL to Grasim Industries Limited w.e.f. July 01, 2017.

Subsidiary Company:

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

Your Company does not have any Joint Ventures or Associate Companies as on March 31, 2018.

During the year, ABCBL has posted total Income of Rs.5.39 Crore as compared to Rs.8.22 Crore during previous year. The subsidiary has posted a Net Profit of Rs.0.51 Crore as compared to a Net Profit of Rs.1.13 Crore in the previous year.

The Policy for determining material subsidiaries may be accessed on the Company's website at <https://stocksandsecurities.adityabirlacapital.com/about-us/investor>.

A report on the performance and financial position of each of its subsidiaries, associates as per the Section 129(3) of the Companies Act, 2013 and the Rules made thereunder is provided in the prescribed form **AOC-1** as per "Annexure C".

The audited financial statement of the Company's subsidiary and related information has been placed on the website of the Company at <https://stocksandsecurities.adityabirlacapital.com/about-us/investor>

BOARD'S REPORT

19. MERGER OF ABCBL WITH THE COMPANY:

The Board of Directors of your Company had at its Meeting held on January 24, 2018, approved the merger of ABCBL, wholly owned subsidiary company with your Company. The said merger shall be subject to receipt of necessary approvals of Stock / Commodity Exchanges (of which the Company and ABCBL are members), National Company Law Tribunal ("NCLT"), shareholders and creditors (if so directed by NCLT) and other governmental authorities as may be required.

Upon the coming into effect of the Scheme of Amalgamation ("the Scheme"), and with effect from the Appointed Date (i.e. April 01, 2018), and subject to the provisions of the Scheme, in relation to the mode of transfer and vesting, whole of the assets, properties, liabilities, clients, employees and undertakings of ABCBL shall, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and/or be deemed to be transferred to and vested in the Company as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Company.

Upon the Scheme becoming effective, all the equity shares issued by ABCBL and held by the Company and/or its nominees shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in ABCBL shall be made to any person whatsoever.

The Scheme details are available on the website of BSE Limited, National Stock Exchange of India Limited and of the Company on <https://stocksandsecurities.adityabirlacapital.com>.

20. RISK MANAGEMENT:

Your Company has constituted a Risk Governance Committee which is mandated to review the risk management plan / process of your Company and has adequate risk management procedures, which are based upon business environment, operational controls and compliance procedures. The major risks are assessed through a systemic procedure of risk identification and classification. Risks are prioritised according to significance and likelihood. The risk assessment is not limited to threat analysis, but also identifies potential opportunities. The Risk Governance Committee oversees the risk management process.

21. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS

During the financial year under review, all contracts / arrangements / transactions entered by the Company with related parties were in ordinary course of business and on arms' length basis. The details of contracts and arrangements with Related Parties of your Company for the financial year ended March 31, 2018, are given in notes to the Financial Statements, forming part of this Annual Report.

All related party transactions have been approved by the Audit Committee of the Board of Directors of your Company and are reviewed by them on periodic basis. Omnibus approvals are taken for transactions which are repetitive in nature.

The details of the material related party transactions during the year under review are provided in Form **AOC-2**, which is attached as "**Annexure D**" to this report.

In accordance with the provisions of the SEBI Listing Regulations, the Company has formulated a Related Party Transactions Policy (the Policy). The Policy, as approved by the Board, is available on your Company's website: <https://stocksandsecurities.adityabirlacapital.com>

22. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal control systems commensurate with the size of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of your

BOARD'S REPORT

Company's operations, safekeeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. Clearly defined roles and responsibilities have been institutionalised. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

23. INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes.

The framework is commensurate with the nature of the business and the size of its operations. Internal auditing at the Company involves the utilization of a systematic methodology for analyzing business processes or organizational problems and recommending solutions to add value and improve the organization's operations.

The internal audit approach verifies compliance with the regulatory, operational and system related procedures and controls.

24. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-Section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained from the operating management, your Directors make the following statement and confirm that:-

- i) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and there are no material departures from the same;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for year ended on that date;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the Annual Accounts on a 'going concern basis';
- v) the Directors had laid down Internal Financial Controls and that such Internal Financial Controls are adequate and are operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

25. DIRECTORS AND KEY MANAGERIAL PERSONNEL

25.1 Directors

As on March 31, 2018, your Board comprised of 6 (Six) Directors which included 4 (Four) Non-Executive Directors (including one woman director) and 2 (Two) Independent Directors. Your Directors on the Board possess experience, competency and are renowned in their respective fields. All Directors are liable to retire by

BOARD'S REPORT

rotation except Independent Directors whose term of 5 consecutive years was approved by the Shareholders of the Company in the Annual General Meeting of the Company.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Gopi Krishna Tulsian, retires from office by rotation and being eligible, has offered himself for re-appointment. The Directors recommend the said re-appointment. Item seeking your approval on the above re-appointment is included in the Notice convening the Annual General Meeting.

25.2 Declaration by Independent Directors

Pursuant to Section 149(7) of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company has received declarations from all the Independent Directors of the Company confirming that they meet the 'criteria of Independence' as prescribed under Section 149(6) of the Companies Act, 2013 and have submitted their respective declarations as required under Section 149(7) of the Companies Act, 2013 and the SEBI Listing Regulations.

25.3 Key Managerial Personnel

During the year under review, Mr. Vikashh K Agarwal resigned as the Company Secretary of the Company with effect from July 31, 2017 and the Board has appointed Mr. Rajesh Gandhi as the Company Secretary of the Company with effect from August 01, 2017.

25.4 Annual Performance Evaluation

The Board of Directors of the Company has put in place a mechanism for evaluation of its own performance, its Committees, individual Directors and the Chairman of the Board. The evaluation process *inter-alia* it considers attendance of Directors at Board and Committee meetings, participation at meetings, domain knowledge, awareness and observance of governance, etc. The Board carried out annual performance evaluation of the Board, Board Committees and individual Directors and Chairman of the Board. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

25.5 Familiarisation Programme

The Company has put in place an induction and familiarisation programme for all its Directors including the Independent Directors. The familiarisation programme for Independent Directors in terms of provisions of Regulation 46(2)(i) of SEBI Listing Regulations, is uploaded on the website of the Company.

26. MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on the Company's performance and strategies. During the year under review, the Board of Directors met 5 (Five) times.

The Meetings of the Board were held on April 28, 2017, July 26, 2017, August 08, 2017, October 17, 2017 and January 24, 2018.

Further details on the Board Meetings are provided in the Corporate Governance Report, forming part of this Annual Report.

BOARD'S REPORT

27. COMMITTEES OF THE BOARD

27.1 Audit Committee

The Audit Committee comprises of the following Members:

| Name | Position | Status |
|-----------------------|----------|------------------------|
| Mr. P. Sudhir Rao | Chairman | Independent Director |
| Mr. G. Vijayaraghavan | Member | Independent Director |
| Mr. Shriram Jagetiya | Member | Non-Executive Director |

The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations. During the year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of your Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control system of your Company. The Committee has also reviewed the procedures laid down by your Company for assessing and managing the risks.

Further details on the Audit Committee are provided in the Corporate Governance Report, forming part of this Annual Report.

During the year under review, all recommendations made by the Audit Committee were accepted by the Board.

27.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of the following Members:

| Name | Position | Status |
|-----------------------|----------|------------------------|
| Mr. P. Sudhir Rao | Chairman | Independent Director |
| Mr. G. Vijayaraghavan | Member | Independent Director |
| Mr. Shriram Jagetiya | Member | Non-Executive Director |

The role, terms of reference and powers of the Nomination and Remuneration Committee are in conformity with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations. The Nomination and Remuneration Committee have formulated a policy on remuneration under the provisions of sub-Section (3) of Section 178 of the Companies Act, 2013 and the same is placed as “Annexure E” to the Board's Report.

Further details on the Nomination and Remuneration Committee are provided in the Corporate Governance Report, forming part of this Annual Report.

27.3 Corporate Social Responsibility Committee

In accordance with Section 135 of the Companies Act, 2013 your Company has a Corporate Social Responsibility (CSR) Committee consisting of the following Members:

| Name | Position | Status |
|--------------------------|----------|------------------------|
| Mr. G. Vijayaraghavan | Chairman | Independent Director |
| Mr. Gopi Krishna Tulsian | Member | Non-Executive Director |
| Mrs. Pinky A Mehta | Member | Non-Executive Director |

BOARD'S REPORT

The Company also has in place a CSR Policy and the same is available on the website of the Company at <https://stocksandsecurities.adityabirlacapital.com>. A detailed Report is attached as “**Annexure F**” forming part of this report.

Further details on the Corporate Social Responsibility Committee are provided in the Corporate Governance Report, forming part of this Annual Report.

27.4 Other Committees

The Board of your Company has constituted the following Committees, the details of which are provided in the Corporate Governance Report which forms part of this Annual Report:

- Stakeholders Relationship Committee
- Finance Committee
- Risk Governance Committee
- Preference Share Allotment Committee
- Business Integration Committee

28. ANNUAL RETURN

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, the extract of Annual Return for the Financial Year ended March 31, 2018 in Form MGT-9 made under the provisions of 92(3) of the Act form part of the Board's Report as “**Annexure G**”.

29. AUDITORS

29.1 Statutory Auditors, their Report and Notes to Financial Statements

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. S.R. Batliboi & Co. LLP, (Registration No.301003E / E300005) Chartered Accountants, Mumbai were appointed in the 19th Annual General Meeting as the Statutory Auditors of the Company for a period of five years to hold office up to the conclusion of the 24th Annual General Meeting. As required by the provisions of the Companies Act, 2013, their appointment should be ratified by the Members at every AGM. The Board has recommended the ratification of appointment of M/s. S.R. Batliboi & Co. LLP as Statutory Auditors of the Company. Accordingly, requisite agenda item forms part of the notice convening AGM for ratification of appointment of Auditor. The Statutory Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of your Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

The Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee or the Board of Directors under Section 143(12) of the Companies Act, 2013 during the financial year ended March 31, 2018.

29.2 Secretarial Auditors

Pursuant to the requirements of Section 204(1) of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed

BOARD'S REPORT

M/s. BNP & Associates, Practising Company Secretaries to conduct the Secretarial Audit for the financial year ended March 31, 2018. The Secretarial Audit Report in Form MR-3 for the FY 2017-18 as received from M/s. BNP & Associates, Practising Company Secretaries forms part of the Board's Report as "Annexure H".

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

29.3 Cost Auditors

The provisions of Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

30. WHISTLE BLOWER POLICY (VIGIL MECHANISM)

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, the Company has formulated a vigil mechanism for Directors and Employees to report concerns, details of which are covered in the Corporate Governance Report which forms part of the Annual Report. Whistleblower Policy has been hosted on Company's website <https://stocksandsecurities.adityabirlacapital.com>

31. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has in place an appropriate Policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. We further state that during the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

32. HUMAN RESOURCES

Your Company believes that human resources will play a critical role in its future growth. With an unwavering focus on nurturing and retaining talent, your Company provides avenues for learning and development through functional, behavioral and leadership training programs, knowledge exchange conferences and providing communication channels for information sharing, to name a few of the initiatives.

33. SECRETARIAL STANDARDS OF ICSI

Pursuant to the approval by the Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India on April 10, 2015, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from July 01, 2015. Thereafter, Secretarial Standards were revised with effect from October 01, 2017. The Company is in compliance with the Secretarial Standards.

34. OTHER DISCLOSURES

Your Directors state that during the financial year 2017-18:

1. The Company did not issue any equity shares with differential rights as to dividend, voting or otherwise.
2. The Company did not issue any Sweat Equity shares.

The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

BOARD'S REPORT

35. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in your Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which your Company conducts business and other factors such as litigation and labour negotiations. Your Company is not obliged to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

36. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the shareholders and other business associates. Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments and all Regulatory bodies.

Your Directors place on record their deep appreciation for the exemplary contribution made by the employees of the Company at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

**For and on behalf of the Board of Directors
Aditya Birla Money Limited**

Place : Mumbai
Date : April 26, 2018

Gopi Krishna Tulsian
Director
DIN : 00017786

Tushar Shah
Director
DIN : 07504267

ANNEXURE A TO BOARD'S REPORT

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration) Rules, 2014 are given below:

- a) The ratio of the remuneration to each Director to the median remuneration of the employees of the Company for the year ended March 31, 2018 is not comparable as no remuneration were paid to the Non-Executive Directors of the Company.
- b) The median remuneration of employees of the Company for the financial year 2017-18 was Rs.3.56 lakhs.
- c) During the financial year under review, there was an increase of 5.81% in the median remuneration of employees.
The calculation of percentage increase in median remuneration is done based on comparable employees.
- d) There were 670 permanent employees on the rolls of Company as on March 31, 2018.
- e) The average increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 7.07%. The increase in average remuneration of the employees of the Company was in line with the Human Resource Philosophy & Performance of the Company and was in line with the market trends.
- f) Percentage of increase in Remuneration of the Manager, Chief Financial Officer and Company Secretary of the Company during the Financial Year 2017-2018:

| S.No | Name of Key Managerial Personnel | Designation | Remuneration for financial year 2017-18 (in lakhs) | % increase in Remuneration in financial year 2017-18 |
|------|---|-------------------------|--|--|
| 1. | Mr. Murali Krishnan L. R. | Manager | 23.69 | 14.07 |
| 2. | *Mr. Vikashh K Agarwal (Resigned on 31.07.2017) | Company Secretary | 18.11 | 24.50 |
| 3. | *Mr. Rajesh Gandhi (Appointed with effect from 01.08.2017) | Company Secretary | 9.43 | NA |
| 4. | *Mr. Pradeep Sharma | Chief Financial Officer | 96.46 | 5.00 |

- g) It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company.

ANNEXURE B TO BOARD'S REPORT

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To : The Members of Aditya Birla Money Limited

1. We have examined the compliance of conditions of Corporate Governance by M/s. Aditya Birla Money Limited, for the year ended on 31st March, 2018, as stipulated as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15 (2) of the Listing Regulations for the period 1st April 2017 to 31st March 2018, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.
2. 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.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
4. 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.

B. CHANDRA
PRACTISING COMPANY SECRETARY
CP No.7859

Place : Chennai
Date : April 26, 2018

ANNEXURE C TO BOARD'S REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees)

| Sl.No | Particulars | As on March 31, 2018 |
|-------|---|---|
| 1. | No. of Subsidiaries | One |
| 2. | Name of the Subsidiary | Aditya Birla Commodities Broking Limited |
| 3. | Reporting period for the Subsidiary | April 2017 - March 2018 |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Not Applicable |
| 5. | Share Capital (in Rs.) | 5,500,000 Equity Shares of Rs.10/- each aggregating to Rs.55,000,000/- (Rupees Five Crore and Fifty Lakhs only) |
| 6. | Reserves & Surplus (in Rs.) | (6,161,536) |
| 7. | Total Liabilities (in Rs.) | 207,450,161 |
| 8. | Investments (in Rs.) | Nil |
| 9. | Turnover (in Rs.) | 53,908,744 |
| 10. | Profit Before Taxation (in Rs.) | 5,074,191 |
| 11. | Provision for Taxation (in Rs.) | Nil |
| 12. | Profit after Taxation (in Rs.) | 4,992,620 |
| 13. | Proposed Dividend (in Rs.) | - |
| 14. | % of Shareholding | 100% |

Further, the Company does not have any other subsidiaries:

1. which are yet to commence operations
2. which have been liquidated or sold during the year

The Company does not have any Associate Companies or Joint Ventures.

**For and on behalf of the Board of Directors
Aditya Birla Money Limited**

Place : Mumbai
Date : April 26, 2018

Gopi Krishna Tulsian
Director
DIN : 00017786

Tushar Shah
Director
DIN : 07504267

ANNEXURE D TO BOARD'S REPORT

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis – NIL
All transactions entered into by the Company during the year with related parties were on arm's length basis.
2. Details of material contracts or arrangements or transactions at arm's length basis
 - a) Name(s) of the related party and nature of relationship :
Aditya Birla Finance Limited (ABFL), a Fellow Subsidiary
 - b) Nature of contracts/arrangements/transactions :
Availing and Rendering of Services [Section 188(1) (d) of Companies Act, 2013]
 - c) Duration of the contracts / arrangements/transactions
On-going transactions in the ordinary course of Business
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any :
Aditya Birla Money Limited ("the Company") has entered into an arrangement with (ABFL) for sharing of brokerage and commission in relation to client introduction and wealth management services at an agreed ratio.
In the course of such activities, the Company also renders various services to ABFL in relation to the following for which the actual costs incurred are recovered:
 - (i) Data confirmation and information dissemination including customer awareness about the products and services
 - (ii) All support services in relation to client acquisition and post servicing assistance in Planning, Reporting, People & Relationship management and Compliance managementIn addition to the above, the following natures of transactions are happening with ABFL in the normal course of business.
Recovery / reimbursement of Cost -for Infrastructure, Manpower cost and other allied costs / expenses
Management Fees on Capital Market / Mutual Fund services and ancillary services
Income from Promotional activities / Advertisement Income
The transaction value for the financial year 2017-18 with ABFL was Rs.18.17 Crore.
 - e) Date(s) of approval by the Board, if any :
Though the transaction is on arm's length basis, the Company had sought the approval of the Audit Committee dated January 25, 2017.
 - f) Amount paid as advances, if any – NIL.

**For and on behalf of the Board of Directors
Aditya Birla Money Limited**

Place : Mumbai
Date : April 26, 2018

Gopi Krishna Tulsian
Director
DIN : 00017786

Tushar Shah
Director
DIN : 07504267

ANNEXURE E TO BOARD'S REPORT

Policy on Remuneration to Directors, Key Managerial Personnel and Other Employees

The Nomination and Remuneration Committee has recommended to the Board a policy on remuneration for the Directors, Key Managerial Personnel and other employees. The key highlights of the policy are reproduced herein below:

Objectives of the Executive Remuneration Program:

Our executive compensation program is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders.

Our Executive Compensation Program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis.
2. Emphasise "Pay for Performance" by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

Business and Talent Competitors

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size.

Executive Pay-Mix

Our executive pay-mix aims to strike the appropriate balance between key components:

- (i) Fixed Cash compensation (Basic Salary + Allowances)
- (ii) Annual Incentive Plan
- (iii) Long-Term Incentives
- (iv) Perks and Benefits

Performance Goal Setting

We aim to ensure that for both annual incentive plans and long term incentive plans, the target performance goals shall be achievable and realistic.

Performance Measurement & Executive Benefits

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based plans, they are eligible for other benefits, plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

ANNEXURE F TO BOARD'S REPORT

REPORT ON CSR ACTIVITIES / INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs

For us in the Aditya Birla Group, reaching out to underserved communities is part of our DNA. We believe in the trusteeship concept. This entails transcending business interests and grappling with the “quality of life” challenges that underserved communities face, and working towards making a meaningful difference to them.

Our vision is - “to actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker and marginalized sections of society and raise the country's human development index”

- Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development.

Implementation process:

Identification of projects - All projects are identified in consultation with the community in a participatory manner, literally sitting with them and gauging their basic needs. We recourse to the participatory rural appraisal mapping process. Subsequently, based on a consensus and in discussion with the village panchayats, and other stakeholders, projects are prioritized.

Arising from this our focus areas that have emerged are Education, Health Care, Sustainable livelihood, Infrastructure development and espousing social causes. All of our community projects/programmes are carried out under the aegis of The Aditya Birla Centre for Community Initiatives and Rural Development. Our activities are in line with Schedule VII of the Companies Act, 2013.

Your Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 which is accessible from our Company's website. (www.stockandsecurities.adityabirlacapital.com).

2. The Composition of the CSR Committee.

- a) Mr. G. Vijayaraghavan – Chairman of the Committee
- b) Mr. Gopi Krishna Tulsian – Director
- c) Ms. Pinky A Mehta – Director

Permanent Invitees:

- a) Mrs. Rajashree Birla – Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development;
- b) Dr. (Mrs.) Pragnya Ram – Group Executive President, Corporate Communications and CSR;
- c) Mr. Tushar Shah – Director

ANNEXURE F TO BOARD'S REPORT

3. **Average Net Profit of the Company for last three financial years:** Rs.219,087,007/-
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Rs.1,460,580/-
5. **Details of CSR spent during the Financial Year:**

- (a) Total amount to be spent for the financial year: Rs.1,460,580/-
- (b) Amount unspent, if any: NIL
- (c) Manner in which the amount spent during the financial year is detailed below -

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|--------|------------------------------------|--|--|---|---|--|--|
| Sl. No | CSR project or activity identified | Sector in which the Project discovered | Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken | Amount Outlay (budget) project or programs wise | Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads | Cumulative Expenditure up to the reporting period. | Amount spent: Direct or through implementing agency |
| (1) | Anando | Education | Nandurbar District, Mumbai | Rs.1,460,580/- | Rs.1,460,580/- | Rs.1,460,580/- | Through Implementing Agency Light of life Trust |

6. **In case the Company has failed to spend the two percent of the Average Net Profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report: NA**

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

The company is committed for the implementation and monitoring of CSR Policy in compliance with CSR objectives and policy of the Company.

ANNEXURE G TO BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|---|--|
| i. | CIN | L65993GJ1995PLC064810 |
| ii. | Registration Date | July 4, 1995 |
| iii. | Name of the Company | ADITYA BIRLA MONEY LIMITED |
| iv. | Category/Sub-Category of the Company | PUBLIC LIMITED COMPANY |
| v | Address of the Registered Office and contact details | INDIAN RAYON COMPOUND, VERAVAL – 362 266. GUJARAT Contact: Ph: +91 – 44 – 4949 0000 E-mail : ABML.investorgrievance@adityabirlacapital.com |
| vi. | Whether Listed Company | Yes |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | CAMEO COPORATE SERVICES LTD. 'Subramanian Building', No.1, Club House Road, Chennai – 600 002 Ph: 91-44 - 2846 0390 (5 lines) E-mail : investor@cameoindia.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/Service | % to total Turnover of the Company |
|---------|--|--|------------------------------------|
| 1. | Stock Broking | 66120 – Securities and Commodity contracts brokerage | 93.17 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and Address of the Company | CIN/GLN | Holding / Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|---|-----------------------|---------------------------------|------------------|--------------------|
| 1. | Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Ltd.) Indian Rayon Compound, Veraval – 362 266. Gujarat | L67120GJ2007PLC058890 | Holding | 74.03% | 2(46) |
| 2. | Aditya Birla Commodities Broking Ltd. Indian Rayon Compound, Veraval – 362 266. Gujarat | U51501GJ2003PLC065196 | Subsidiary | 100% | 2(87)(ii) |

ANNEXURE G TO BOARD'S REPORT

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

| Name of the Company | | ADITYA BIRLA MONEY LIMITED | | | | | | | | |
|----------------------------------|---|---|----------|-----------------|-------------------|--|----------|-----------------|-------------------|--------------------------|
| Face Value | | Re. 1/- | | | | | | | | |
| Paid-up Shares as on 01-Apr-2017 | | 55400000 | | | | | | | | |
| Paid-up Shares as on 31-Mar-2018 | | 56122138 | | | | | | | | |
| For the Period | | From 01-Apr-2017 | | | | To : 31-Mar-2018 | | | | |
| Category code | Category of Shareholder | No. of shares held at the beginning of the year as on 01-Apr-2017 | | | | No. of shares held at the end of the year as on 31- Mar-2018 | | | | % Change during the year |
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | SHAREHOLDING OF PROMOTER AND PROMOTER GROUP | | | | | | | | | |
| 1. | INDIAN | | | | | | | | | |
| a. | INDIVIDUALS/HINDU UNDIVIDED FAMILY | - | - | - | - | - | - | - | - | - |
| b. | CENTRAL GOVERNMENT/ STATE GOVERNMENT(S) | - | - | - | - | - | - | - | - | - |
| c. | BODIES CORPORATE | 41550000 | - | 41550000 | 75.0000 | 41550000 | - | 41550000 | 74.0349 | -0.9650 |
| d. | FINANCIAL INSTITUTIONS/ BANKS | - | - | - | - | - | - | - | - | - |
| e. | ANY OTHER | | | | | | | | | |
| | SUB - TOTAL (A)(1) | 41550000 | - | 41550000 | 75.0000 | 41550000 | - | 41550000 | 74.0349 | -0.9650 |
| 2. | FOREIGN | | | | | | | | | |
| a. | INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS) | - | - | - | - | - | - | - | - | - |
| b. | BODIES CORPORATE | - | - | - | - | - | - | - | - | - |
| c. | INSTITUTIONS | - | - | - | - | - | - | - | - | - |
| d. | QUALIFIED FOREIGN INVESTOR | - | - | - | - | - | - | - | - | - |
| e. | ANY OTHER | - | - | - | - | - | - | - | - | - |
| | SUB - TOTAL (A)(2) | | | | | | | | | |
| | TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2) | 41550000 | - | 41550000 | 75.0000 | 41550000 | - | 41550000 | 74.0349 | -0.9650 |
| B. | PUBLIC SHAREHOLDING | | | | | | | | | |
| 1. | INSTITUTIONS | | | | | | | | | |
| a. | MUTUAL FUNDS/UTI | - | - | - | - | - | - | - | - | - |
| b. | FINANCIAL INSTITUTIONS/ BANKS | - | - | - | - | 67631 | - | 67631 | 0.1205 | 0.1205 |

ANNEXURE G TO BOARD'S REPORT

| Category code | Category of Shareholder | No. of shares held at the beginning of the year as on 01-Apr-2017 | | | | No. of shares held at the end of the year as on 31- Mar-2018 | | | | % Change during the year |
|---------------|--|---|---------------|-----------------|-------------------|--|---------------|-----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| c. | CENTRAL GOVERNMENT/ STATE GOVERNMENT(S) | - | - | - | - | - | - | - | - | - |
| d. | VENTURE CAPITAL FUNDS | - | - | - | - | - | - | - | - | - |
| e. | INSURANCE COMPANIES | - | - | - | - | - | - | - | - | - |
| f. | FOREIGN INSTITUTIONAL INVESTORS | - | - | - | - | - | - | - | - | - |
| g. | FOREIGN VENTURE CAPITAL INVESTORS | - | - | - | - | - | - | - | - | - |
| h. | QUALIFIED FOREIGN INVESTOR | - | - | - | - | - | - | - | - | - |
| i. | ANY OTHER | | | | | | | | | |
| | SUB-TOTAL (B)(1) | - | - | - | - | 67631 | - | 67631 | 0.1205 | 0.1205 |
| 2. | NON-INSTITUTIONS | | | | | | | | | |
| a. | BODIES CORPORATE | 724610 | 14600 | 739210 | 1.3343 | 1443859 | 14600 | 1458459 | 2.5987 | 1.2644 |
| b. | INDIVIDUALS | | | | | | | | | |
| | I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH | 5920472 | 973110 | 6893582 | 12.4432 | 10809573 | 960371 | 11769944 | 20.9720 | 8.5287 |
| | II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH | 5517460 | - | 5517460 | 9.9593 | 350000 | - | 350000 | 0.6236 | -9.3356 |
| c. | QUALIFIED FOREIGN INVESTOR | - | - | - | - | - | - | - | - | - |
| d. | ANY OTHER | | | | | | | | | |
| | CLEARING MEMBERS | 53664 | - | 53664 | 0.0968 | 225194 | - | 225194 | 0.4012 | 0.3043 |
| | HINDU UNDIVIDED FAMILIES | 383981 | - | 383981 | 0.6931 | 351907 | - | 351907 | 0.6270 | -0.0660 |
| | NON RESIDENT INDIANS | 258103 | - | 258103 | 0.4658 | 349003 | - | 349003 | 0.6218 | 0.1559 |
| | TRUSTS | 4000 | - | 4000 | 0.0072 | - | - | - | - | -0.0072 |
| | | 699748 | - | 699748 | 1.2630 | 926104 | - | 926104 | 1.6501 | 0.3870 |
| | SUB -TOTAL (B)(2) | 12862290 | 987710 | 13850000 | 25.0000 | 13529536 | 974971 | 14504507 | 25.8445 | 0.8445 |
| | TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2) | 12862290 | 987710 | 13850000 | 25.0000 | 13597167 | 974971 | 14572138 | 25.9650 | 0.9650 |
| | TOTAL (A)+(B) | 54412290 | 987710 | 55400000 | 100.0000 | 55147167 | 974971 | 56122138 | 100.0000 | - |

ANNEXURE G TO BOARD'S REPORT

| Category code | Category of Shareholder | No. of shares held at the beginning of the year as on 01-Apr-2017 | | | | No. of shares held at the end of the year as on 31- Mar-2018 | | | | % Change during the year |
|---------------|--|---|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| C. | SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED | | | | | | | | | |
| | Promoter and Promoter Group | - | - | - | - | - | - | - | - | - |
| | Public | - | - | - | - | - | - | - | - | - |
| | TOTAL CUSTODIAN (C) | - | - | - | - | - | - | - | - | - |
| | GRAND TOTAL (A)+(B)+(C) | 54412290 | 987710 | 55400000 | 100.0000 | 55147167 | 974971 | 56122138 | 100.0000 | - |

ii. Shareholding of Promoters

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--------|------------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|--|--|
| | | No of shares | % of total shares of the company | '% of shares pledged / encumbered to total shares | No of shares | % of total shares of the company | '% of shares pledged/ encumbered to total shares | |
| 1 | ADITYA BIRLA CAPITAL LIMITED | 41550000 | 75.000 | - | 41550000 | 74.0349 | - | -0.9650 |

iii. Change in Promoter's Shareholding

| Sr. No | Name of the Share holder | Shareholding at the beginning of the year (as on 01-04-2017) | | Cumulative Shareholding during the year (as on 31-03-2018) | |
|--------|--|--|-----------------------------------|--|-----------------------------------|
| | | No of shares | '% of total shares of the company | No of shares | '% of total shares of the company |
| 1 | ADITYA BIRLA CAPITAL LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | 41550000 | 75.0000 | 41550000 | 75.0000 |
| | At the end of the Year 31-Mar-2018 | 41550000 | 74.0349 | 41550000 | 74.0349 |

ANNEXURE G TO BOARD'S REPORT

iii. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | SUCHARITHA P REDDY | | | | |
| | At the beginning of the year 01-Apr-2017 | 5517460 | 9.9593 | 5517460 | 9.9593 |
| | Sale 14-Apr-2017 | -1100000 | 1.9600 | 4417460 | 7.8711 |
| | Sale 21-Apr-2017 | -39862 | 0.0710 | 4377598 | 7.8001 |
| | Sale 28-Apr-2017 | -54317 | 0.0967 | 4323281 | 7.7033 |
| | Sale 05-May-2017 | -382000 | 0.6806 | 3941281 | 7.0226 |
| | Sale 19-May-2017 | -24777 | 0.0441 | 3916504 | 6.9785 |
| | Sale 26-May-2017 | -3530 | 0.0062 | 3912974 | 6.9722 |
| | Sale 02-Jun-2017 | -21049 | 0.0375 | 3891925 | 6.9347 |
| | Sale 09-Jun-2017 | -147533 | 0.2628 | 3744392 | 6.6718 |
| | Sale 16-Jun-2017 | -1053854 | 1.8777 | 2690538 | 4.7940 |
| | Sale 21-Jun-2017 | -174091 | 0.3102 | 2516447 | 4.4838 |
| | Sale 23-Jun-2017 | -820727 | 1.4623 | 1695720 | 3.0214 |
| | Sale 30-Jun-2017 | -350000 | 0.6236 | 1345720 | 2.3978 |
| | Sale 07-Jul-2017 | -645720 | 1.1505 | 700000 | 1.2472 |
| | Sale 14-Jul-2017 | -200000 | 0.3563 | 500000 | 0.8909 |
| | Sale 22-Dec-2017 | -100000 | 0.1781 | 400000 | 0.7127 |
| | Sale 05-Jan-2018 | -50000 | 0.0890 | 350000 | 0.6236 |
| | At the end of the Year 31-Mar-2018 | 350000 | 0.6236 | 350000 | 0.6236 |
| 2 | ASHWIN CHHAGANBHAI AHIR | | | | |
| | At the beginning of the year 01-Apr-2017 | 100000 | 0.1805 | 100000 | 0.1805 |
| | Sale 21-Apr-2017 | -100000 | 0.1781 | - | - |
| | Purchase 21-Jul-2017 | 30000 | 0.0534 | 30000 | 0.0534 |
| | Sale 25-Aug-2017 | -30000 | 0.0534 | - | - |
| | Purchase 01-Sep-2017 | 4000 | 0.0071 | 4000 | 0.0071 |
| | Sale 08-Sep-2017 | -4000 | 0.0071 | - | - |
| | At the end of the Year 31-Mar-2018 | - | - | - | - |
| 3 | PRATAP KHIMCHAND SHAH JT1 : VINODINI PRATAP SHAH | | | | |
| | At the beginning of the year 01-Apr-2017 | 85396 | 0.1541 | 85396 | 0.1541 |
| | Purchase 09-Jun-2017 | 4000 | 0.0071 | 89396 | 0.1592 |
| | Sale 21-Jul-2017 | -5111 | 0.0091 | 84285 | 0.1501 |
| | Purchase 20-Oct-2017 | 1016 | 0.0018 | 85301 | 0.1519 |
| | Sale 27-Oct-2017 | -3534 | 0.0062 | 81767 | 0.1456 |
| | Purchase 10-Nov-2017 | 1000 | 0.0017 | 82767 | 0.1474 |
| | Purchase 24-Nov-2017 | 2000 | 0.0035 | 84767 | 0.1510 |
| | Purchase 22-Dec-2017 | 3270 | 0.0058 | 88037 | 0.1568 |
| | At the end of the Year 31-Mar-2018 | 88037 | 0.1568 | 88037 | 0.1568 |

ANNEXURE G TO BOARD'S REPORT

| Sr.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 4 | MANEESH DANGI | | | | |
| | At the beginning of the year 01-Apr-2017 | 76664 | 0.1383 | 76664 | 0.1383 |
| | At the end of the Year 31-Mar-2018 | 76664 | 0.1366 | 76664 | 0.1366 |
| 5 | SAVITA ARYA | | | | |
| | At the beginning of the year 01-Apr-2017 | 71000 | 0.1281 | 71000 | 0.1281 |
| | Sale 14-Apr-2017 | -71000 | 0.1265 | - | - |
| | At the end of the Year 31-Mar-2018 | - | - | - | - |
| 6 | VENKATARAMAN S K | | | | |
| | At the beginning of the year 01-Apr-2017 | 70203 | 0.1267 | 70203 | 0.1267 |
| | Sale 21-Jul-2017 | -9000 | 0.0160 | 61203 | 0.1090 |
| | Sale 04-Aug-2017 | -4400 | 0.0078 | 56803 | 0.1012 |
| | Sale 11-Aug-2017 | -40000 | 0.0712 | 16803 | 0.0299 |
| | At the end of the Year 31-Mar-2018 | 16803 | 0.0299 | 16803 | 0.0299 |
| 7 | VINODINI PRATAP SHAH JT1 : PRATAP KHIMCHAND SHAH | | | | |
| | At the beginning of the year 01-Apr-2017 | 64686 | 0.1167 | 64686 | 0.1167 |
| | Sale 28-Apr-2017 | -2000 | 0.0035 | 62686 | 0.1116 |
| | Sale 25-Aug-2017 | -3000 | 0.0053 | 59686 | 0.1063 |
| | Purchase 13-Oct-2017 | 1000 | 0.0017 | 60686 | 0.1081 |
| | Sale 20-Oct-2017 | -3000 | 0.0053 | 57686 | 0.1027 |
| | Sale 27-Oct-2017 | -4000 | 0.0071 | 53686 | 0.0956 |
| | Purchase 03-Nov-2017 | 2000 | 0.0035 | 55686 | 0.0992 |
| | Purchase 10-Nov-2017 | 3000 | 0.0053 | 58686 | 0.1045 |
| | Purchase 24-Nov-2017 | 2000 | 0.0035 | 60686 | 0.1081 |
| | Purchase 22-Dec-2017 | 2000 | 0.0035 | 62686 | 0.1116 |
| | At the end of the Year 31-Mar-2018 | 62686 | 0.1116 | 62686 | 0.1116 |
| 8 | SURESH GUPTA | | | | |
| | At the beginning of the year 01-Apr-2017 | 58536 | 0.1056 | 58536 | 0.1056 |
| | At the end of the Year 31-Mar-2018 | 58536 | 0.1043 | 58536 | 0.1043 |
| 9 | TERESITA JACOB PADANILAM | | | | |
| | At the beginning of the year 01-Apr-2017 | 58089 | 0.1048 | 58089 | 0.1048 |
| | At the end of the Year 31-Mar-2018 | 58089 | 0.1035 | 58089 | 0.1035 |
| 10 | ANTONY JACOB JT1 : UMA ANTONY | | | | |
| | At the beginning of the year 01-Apr-2017 | 56570 | 0.1021 | 56570 | 0.1021 |
| | At the end of the Year 31-Mar-2018 | 56570 | 0.1007 | 56570 | 0.1007 |
| 11 | ANGEL BROKING PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | Purchase 25-Aug-2017 | 122 | 0.0002 | 122 | 0.0002 |

ANNEXURE G TO BOARD'S REPORT

| Sr.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Purchase 01-Sep-2017 | 517 | 0.0009 | 639 | 0.0011 |
| | Purchase 08-Sep-2017 | 9391 | 0.0167 | 10030 | 0.0178 |
| | Purchase 15-Sep-2017 | 3949 | 0.0070 | 13979 | 0.0249 |
| | Purchase 22-Sep-2017 | 10716 | 0.0190 | 24695 | 0.0440 |
| | Purchase 29-Sep-2017 | 6031 | 0.0107 | 30726 | 0.0547 |
| | Purchase 06-Oct-2017 | 357 | 0.0006 | 31083 | 0.0553 |
| | Purchase 13-Oct-2017 | 21150 | 0.0376 | 52233 | 0.0930 |
| | Purchase 20-Oct-2017 | 6659 | 0.0118 | 58892 | 0.1049 |
| | Purchase 27-Oct-2017 | 13739 | 0.0244 | 72631 | 0.1294 |
| | Sale 31-Oct-2017 | -294 | 0.0005 | 72337 | 0.1288 |
| | Purchase 03-Nov-2017 | 176 | 0.0003 | 72513 | 0.1292 |
| | Purchase 10-Nov-2017 | 27985 | 0.0498 | 100498 | 0.1790 |
| | Sale 17-Nov-2017 | -6051 | 0.0107 | 94447 | 0.1682 |
| | Purchase 24-Nov-2017 | 18612 | 0.0331 | 113059 | 0.2014 |
| | Purchase 01-Dec-2017 | 6676 | 0.0118 | 119735 | 0.2133 |
| | Purchase 08-Dec-2017 | 11343 | 0.0202 | 131078 | 0.2335 |
| | Sale 15-Dec-2017 | -11632 | 0.0207 | 119446 | 0.2128 |
| | Sale 22-Dec-2017 | -1614 | 0.0028 | 117832 | 0.2099 |
| | Purchase 29-Dec-2017 | 119 | 0.0002 | 117951 | 0.2101 |
| | Sale 05-Jan-2018 | -35456 | 0.0631 | 82495 | 0.1469 |
| | Purchase 12-Jan-2018 | 28048 | 0.0499 | 110543 | 0.1969 |
| | Purchase 19-Jan-2018 | 11357 | 0.0202 | 121900 | 0.2172 |
| | Purchase 25-Jan-2018 | 5391 | 0.0096 | 127291 | 0.2268 |
| | Purchase 02-Feb-2018 | 1239 | 0.0022 | 128530 | 0.2290 |
| | Purchase 09-Feb-2018 | 4594 | 0.0081 | 133124 | 0.2372 |
| | Sale 16-Feb-2018 | -2310 | 0.0041 | 130814 | 0.2330 |
| | Purchase 23-Feb-2018 | 2290 | 0.0040 | 133104 | 0.2371 |
| | Sale 02-Mar-2018 | -2029 | 0.0036 | 131075 | 0.2335 |
| | Purchase 09-Mar-2018 | 2957 | 0.0052 | 134032 | 0.2388 |
| | Purchase 16-Mar-2018 | 686 | 0.0012 | 134718 | 0.2400 |
| | Sale 23-Mar-2018 | -1770 | 0.0031 | 132948 | 0.2368 |
| | Sale 30-Mar-2018 | -5546 | 0.0098 | 127402 | 0.2270 |
| | At the end of the Year 31-Mar-2018 | 127402 | 0.2270 | 127402 | 0.2270 |
| 11 | ANGEL BROKING PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | 49558 | 0.0894 | 49558 | 0.0894 |
| | Purchase 07-Apr-2017 | 26112 | 0.0465 | 75670 | 0.1348 |
| | Purchase 14-Apr-2017 | 63779 | 0.1136 | 139449 | 0.2484 |
| | Purchase 21-Apr-2017 | 26537 | 0.0472 | 165986 | 0.2957 |
| | Sale 28-Apr-2017 | -22441 | 0.0399 | 143545 | 0.2557 |

ANNEXURE G TO BOARD'S REPORT

| Sr.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--------------------------|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Sale 05-May-2017 | -41213 | 0.0734 | 102332 | 0.1823 |
| | Purchase 12-May-2017 | 133071 | 0.2371 | 235403 | 0.4194 |
| | Purchase 19-May-2017 | 133352 | 0.2376 | 368755 | 0.6570 |
| | Purchase 26-May-2017 | 204604 | 0.3645 | 573359 | 1.0216 |
| | Purchase 02-Jun-2017 | 10121 | 0.0180 | 583480 | 1.0396 |
| | Sale 09-Jun-2017 | -559989 | 0.9978 | 23491 | 0.0418 |
| | Sale 16-Jun-2017 | -2671 | 0.0047 | 20820 | 0.0370 |
| | Purchase 21-Jun-2017 | 37726 | 0.0672 | 58546 | 0.1043 |
| | Sale 23-Jun-2017 | -14143 | 0.0252 | 44403 | 0.0791 |
| | Purchase 30-Jun-2017 | 19544 | 0.0348 | 63947 | 0.1139 |
| | Purchase 07-Jul-2017 | 13968 | 0.0248 | 77915 | 0.1388 |
| | Purchase 14-Jul-2017 | 10695 | 0.0190 | 88610 | 0.1578 |
| | Purchase 21-Jul-2017 | 16960 | 0.0302 | 105570 | 0.1881 |
| | Purchase 28-Jul-2017 | 13050 | 0.0232 | 118620 | 0.2113 |
| | Sale 04-Aug-2017 | -21858 | 0.0389 | 96762 | 0.1724 |
| | Purchase 11-Aug-2017 | 12362 | 0.0220 | 109124 | 0.1944 |
| | Sale 18-Aug-2017 | -19399 | 0.0345 | 89725 | 0.1598 |
| | Purchase 25-Aug-2017 | 33151 | 0.0590 | 122876 | 0.2189 |
| | Sale 01-Sep-2017 | -15271 | 0.0272 | 107605 | 0.1917 |
| | Purchase 08-Sep-2017 | 40109 | 0.0714 | 147714 | 0.2632 |
| | Sale 15-Sep-2017 | -35495 | 0.0632 | 112219 | 0.1999 |
| | Sale 22-Sep-2017 | -305 | 0.0005 | 111914 | 0.1994 |
| | Purchase 29-Sep-2017 | 13209 | 0.0235 | 125123 | 0.2229 |
| | Sale 06-Oct-2017 | -9142 | 0.0162 | 115981 | 0.2066 |
| | Sale 13-Oct-2017 | -14181 | 0.0252 | 101800 | 0.1813 |
| | Sale 20-Oct-2017 | -22824 | 0.0406 | 78976 | 0.1407 |
| | Sale 27-Oct-2017 | -1022 | 0.0018 | 77954 | 0.1389 |
| | Sale 31-Oct-2017 | -2301 | 0.0040 | 75653 | 0.1348 |
| | Sale 03-Nov-2017 | -7569 | 0.0134 | 68084 | 0.1213 |
| | Sale 10-Nov-2017 | -1273 | 0.0022 | 66811 | 0.1190 |
| | Sale 17-Nov-2017 | -2668 | 0.0047 | 64143 | 0.1142 |
| | Sale 24-Nov-2017 | -3244 | 0.0057 | 60899 | 0.1085 |
| | Sale 01-Dec-2017 | -3472 | 0.0061 | 57427 | 0.1023 |
| | Sale 08-Dec-2017 | -5761 | 0.0102 | 51666 | 0.0920 |
| | Sale 15-Dec-2017 | -3064 | 0.0054 | 48602 | 0.0866 |
| | Sale 22-Dec-2017 | -12974 | 0.0231 | 35628 | 0.0634 |
| | Purchase 29-Dec-2017 | 3751 | 0.0066 | 39379 | 0.0701 |
| | Sale 05-Jan-2018 | -7535 | 0.0134 | 31844 | 0.0567 |
| | Sale 12-Jan-2018 | -571 | 0.0010 | 31273 | 0.0557 |

ANNEXURE G TO BOARD'S REPORT

| Sr.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Sale 19-Jan-2018 | -456 | 0.0008 | 30817 | 0.0549 |
| | Sale 25-Jan-2018 | -2965 | 0.0052 | 27852 | 0.0496 |
| | Purchase 02-Feb-2018 | 906 | 0.0016 | 28758 | 0.0512 |
| | Purchase 09-Feb-2018 | 1256 | 0.0022 | 30014 | 0.0534 |
| | Sale 16-Feb-2018 | -2068 | 0.0036 | 27946 | 0.0497 |
| | Sale 23-Feb-2018 | -222 | 0.0003 | 27724 | 0.0493 |
| | Sale 02-Mar-2018 | -596 | 0.0010 | 27128 | 0.0483 |
| | Sale 09-Mar-2018 | -1381 | 0.0024 | 25747 | 0.0458 |
| | Sale 16-Mar-2018 | -968 | 0.0017 | 24779 | 0.0441 |
| | Sale 23-Mar-2018 | -1528 | 0.0027 | 23251 | 0.0414 |
| | Sale 30-Mar-2018 | -691 | 0.0012 | 22560 | 0.0401 |
| | At the end of the Year 31-Mar-2018 | 22560 | 0.0401 | 22560 | 0.0401 |
| 11 | ANGEL BROKING PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | 5875 | 0.0106 | 5875 | 0.0106 |
| | Purchase 07-Apr-2017 | 6726 | 0.0119 | 12601 | 0.0224 |
| | Sale 14-Apr-2017 | -2536 | 0.0045 | 10065 | 0.0179 |
| | Purchase 21-Apr-2017 | 10720 | 0.0191 | 20785 | 0.0370 |
| | Purchase 28-Apr-2017 | 55058 | 0.0981 | 75843 | 0.1351 |
| | Sale 05-May-2017 | -70508 | 0.1256 | 5335 | 0.0095 |
| | Sale 12-May-2017 | -75 | 0.0001 | 5260 | 0.0093 |
| | Purchase 19-May-2017 | 1377 | 0.0024 | 6637 | 0.0118 |
| | Purchase 26-May-2017 | 332 | 0.0005 | 6969 | 0.0124 |
| | Purchase 02-Jun-2017 | 1358 | 0.0024 | 8327 | 0.0148 |
| | Purchase 09-Jun-2017 | 5480 | 0.0097 | 13807 | 0.0246 |
| | Purchase 16-Jun-2017 | 6050 | 0.0107 | 19857 | 0.0353 |
| | Purchase 21-Jun-2017 | 17497 | 0.0311 | 37354 | 0.0665 |
| | Sale 23-Jun-2017 | -13802 | 0.0245 | 23552 | 0.0419 |
| | Purchase 30-Jun-2017 | 297 | 0.0005 | 23849 | 0.0424 |
| | Sale 07-Jul-2017 | -4831 | 0.0086 | 19018 | 0.0338 |
| | Purchase 14-Jul-2017 | 2824 | 0.0050 | 21842 | 0.0389 |
| | Purchase 21-Jul-2017 | 10960 | 0.0195 | 32802 | 0.0584 |
| | Purchase 28-Jul-2017 | 1702 | 0.0030 | 34504 | 0.0614 |
| | Purchase 04-Aug-2017 | 2821 | 0.0050 | 37325 | 0.0665 |
| | Purchase 11-Aug-2017 | 36810 | 0.0655 | 74135 | 0.1320 |
| | Sale 18-Aug-2017 | -10055 | 0.0179 | 64080 | 0.1141 |
| | Purchase 25-Aug-2017 | 17810 | 0.0317 | 81890 | 0.1459 |
| | Sale 01-Sep-2017 | -22971 | 0.0409 | 58919 | 0.1049 |
| | Purchase 08-Sep-2017 | 11474 | 0.0204 | 70393 | 0.1254 |
| | Sale 15-Sep-2017 | -12214 | 0.0217 | 58179 | 0.1036 |

ANNEXURE G TO BOARD'S REPORT

| Sr.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Sale 22-Sep-2017 | -465 | 0.0008 | 57714 | 0.1028 |
| | Purchase 29-Sep-2017 | 2819 | 0.0050 | 60533 | 0.1078 |
| | Sale 06-Oct-2017 | -777 | 0.0013 | 59756 | 0.1064 |
| | Sale 13-Oct-2017 | -667 | 0.0011 | 59089 | 0.1052 |
| | Sale 20-Oct-2017 | -15588 | 0.0277 | 43501 | 0.0775 |
| | Sale 27-Oct-2017 | -347 | 0.0006 | 43154 | 0.0768 |
| | Purchase 31-Oct-2017 | 210 | 0.0003 | 43364 | 0.0772 |
| | Sale 03-Nov-2017 | -1299 | 0.0023 | 42065 | 0.0749 |
| | Sale 10-Nov-2017 | -9643 | 0.0171 | 32422 | 0.0577 |
| | Sale 17-Nov-2017 | -14683 | 0.0261 | 17739 | 0.0316 |
| | Sale 24-Nov-2017 | -263 | 0.0004 | 17476 | 0.0311 |
| | Sale 01-Dec-2017 | -144 | 0.0002 | 17332 | 0.0308 |
| | Sale 08-Dec-2017 | -5861 | 0.0104 | 11471 | 0.0204 |
| | Sale 15-Dec-2017 | -350 | 0.0006 | 11121 | 0.0198 |
| | Sale 22-Dec-2017 | -1235 | 0.0022 | 9886 | 0.0176 |
| | Purchase 29-Dec-2017 | 3289 | 0.0058 | 13175 | 0.0234 |
| | Sale 30-Dec-2017 | -50 | - | 13125 | 0.0233 |
| | Sale 05-Jan-2018 | -3609 | 0.0064 | 9516 | 0.0169 |
| | Sale 12-Jan-2018 | -254 | 0.0004 | 9262 | 0.0165 |
| | Sale 19-Jan-2018 | -1424 | 0.0025 | 7838 | 0.0139 |
| | Sale 25-Jan-2018 | -185 | 0.0003 | 7653 | 0.0136 |
| | Sale 02-Feb-2018 | -248 | 0.0004 | 7405 | 0.0131 |
| | Purchase 09-Feb-2018 | 507 | 0.0009 | 7912 | 0.0140 |
| | Sale 16-Feb-2018 | -438 | 0.0007 | 7474 | 0.0133 |
| | Sale 23-Feb-2018 | -289 | 0.0005 | 7185 | 0.0128 |
| | Sale 02-Mar-2018 | -895 | 0.0015 | 6290 | 0.0112 |
| | Sale 16-Mar-2018 | -2259 | 0.0040 | 4031 | 0.0071 |
| | Sale 23-Mar-2018 | -525 | 0.0009 | 3506 | 0.0062 |
| | Sale 30-Mar-2018 | -1500 | 0.0026 | 2006 | 0.0035 |
| | Sale 31-Mar-2018 | -100 | 0.0001 | 1906 | 0.0033 |
| | At the end of the Year 31-Mar-2018 | 1906 | 0.0033 | 1906 | 0.0033 |
| 11 | ANGEL BROKING PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | 3000 | 0.0054 | 3000 | 0.0054 |
| | Purchase 07-Apr-2017 | 25489 | 0.0454 | 28489 | 0.0507 |
| | Purchase 14-Apr-2017 | 4403 | 0.0078 | 32892 | 0.0586 |
| | Sale 21-Apr-2017 | -16632 | 0.0296 | 16260 | 0.0289 |
| | Sale 28-Apr-2017 | -3063 | 0.0054 | 13197 | 0.0235 |
| | Sale 05-May-2017 | -6659 | 0.0118 | 6538 | 0.0116 |
| | Sale 12-May-2017 | -734 | 0.0013 | 5804 | 0.0103 |

ANNEXURE G TO BOARD'S REPORT

| Sr.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--------------------------|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Sale 19-May-2017 | -1810 | 0.0032 | 3994 | 0.0071 |
| | Sale 26-May-2017 | -2928 | 0.0052 | 1066 | 0.0018 |
| | Sale 02-Jun-2017 | -732 | 0.0013 | 334 | 0.0005 |
| | Sale 09-Jun-2017 | -74 | 0.0001 | 260 | 0.0004 |
| | Purchase 16-Jun-2017 | 46680 | 0.0831 | 46940 | 0.0836 |
| | Sale 21-Jun-2017 | -32393 | 0.0577 | 14547 | 0.0259 |
| | Purchase 23-Jun-2017 | 31469 | 0.0560 | 46016 | 0.0819 |
| | Sale 30-Jun-2017 | -12303 | 0.0219 | 33713 | 0.0600 |
| | Sale 07-Jul-2017 | -15074 | 0.0268 | 18639 | 0.0332 |
| | Sale 14-Jul-2017 | -5127 | 0.0091 | 13512 | 0.0240 |
| | Sale 21-Jul-2017 | -3029 | 0.0053 | 10483 | 0.0186 |
| | Sale 28-Jul-2017 | -10483 | 0.0186 | - | - |
| | Purchase 18-Aug-2017 | 13367 | 0.0238 | 13367 | 0.0238 |
| | Purchase 25-Aug-2017 | 5291 | 0.0094 | 18658 | 0.0332 |
| | Purchase 01-Sep-2017 | 3461 | 0.0061 | 22119 | 0.0394 |
| | Purchase 08-Sep-2017 | 1198 | 0.0021 | 23317 | 0.0415 |
| | Sale 15-Sep-2017 | -1635 | 0.0029 | 21682 | 0.0386 |
| | Purchase 22-Sep-2017 | 4106 | 0.0073 | 25788 | 0.0459 |
| | Sale 29-Sep-2017 | -15992 | 0.0284 | 9796 | 0.0174 |
| | Sale 06-Oct-2017 | -3165 | 0.0056 | 6631 | 0.0118 |
| | Purchase 13-Oct-2017 | 853 | 0.0015 | 7484 | 0.0133 |
| | Purchase 20-Oct-2017 | 21006 | 0.0374 | 28490 | 0.0507 |
| | Sale 27-Oct-2017 | -26446 | 0.0471 | 2044 | 0.0036 |
| | Sale 31-Oct-2017 | -833 | 0.0014 | 1211 | 0.0021 |
| | Purchase 03-Nov-2017 | 14765 | 0.0263 | 15976 | 0.0284 |
| | Sale 10-Nov-2017 | -13392 | 0.0238 | 2584 | 0.0046 |
| | Sale 17-Nov-2017 | -639 | 0.0011 | 1945 | 0.0034 |
| | Purchase 24-Nov-2017 | 4200 | 0.0074 | 6145 | 0.0109 |
| | Sale 01-Dec-2017 | -4353 | 0.0077 | 1792 | 0.0031 |
| | Purchase 08-Dec-2017 | 2177 | 0.0038 | 3969 | 0.0070 |
| | Sale 15-Dec-2017 | -3239 | 0.0057 | 730 | 0.0013 |
| | Purchase 22-Dec-2017 | 11794 | 0.0210 | 12524 | 0.0223 |
| | Purchase 29-Dec-2017 | 17970 | 0.0320 | 30494 | 0.0543 |
| | Sale 05-Jan-2018 | -22079 | 0.0393 | 8415 | 0.0149 |
| | Purchase 12-Jan-2018 | 14771 | 0.0263 | 23186 | 0.0413 |
| | Sale 19-Jan-2018 | -19273 | 0.0343 | 3913 | 0.0069 |
| | Purchase 25-Jan-2018 | 3751 | 0.0066 | 7664 | 0.0136 |
| | Sale 02-Feb-2018 | -7175 | 0.0127 | 489 | 0.0008 |
| | Purchase 09-Feb-2018 | 811 | 0.0014 | 1300 | 0.0023 |

ANNEXURE G TO BOARD'S REPORT

| Sr.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Sale 16-Feb-2018 | -299 | 0.0005 | 1001 | 0.0017 |
| | Sale 23-Feb-2018 | -389 | 0.0006 | 612 | 0.0010 |
| | Purchase 02-Mar-2018 | 468 | 0.0008 | 1080 | 0.0019 |
| | Sale 09-Mar-2018 | -340 | 0.0006 | 740 | 0.0013 |
| | Sale 16-Mar-2018 | -188 | 0.0003 | 552 | 0.0009 |
| | Purchase 23-Mar-2018 | 188 | 0.0003 | 740 | 0.0013 |
| | Purchase 30-Mar-2018 | 3928 | 0.0069 | 4668 | 0.0083 |
| | At the end of the Year 31-Mar-2018 | 4668 | 0.0083 | 4668 | 0.0083 |
| 11 | ANGEL BROKING PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | Purchase 30-Jun-2017 | 1 | - | 1 | - |
| | Sale 07-Jul-2017 | -1 | - | - | - |
| | Purchase 14-Jul-2017 | 207 | 0.0003 | 207 | 0.0003 |
| | Purchase 04-Aug-2017 | 4171 | 0.0074 | 4378 | 0.0078 |
| | Sale 11-Aug-2017 | -200 | 0.0003 | 4178 | 0.0074 |
| | Sale 18-Aug-2017 | -7 | - | 4171 | 0.0074 |
| | Sale 25-Aug-2017 | -175 | 0.0003 | 3996 | 0.0071 |
| | Sale 01-Sep-2017 | -517 | 0.0009 | 3479 | 0.0061 |
| | Sale 08-Sep-2017 | -3474 | 0.0061 | 5 | - |
| | Purchase 06-Oct-2017 | 3009 | 0.0053 | 3014 | 0.0053 |
| | Purchase 13-Oct-2017 | 4299 | 0.0076 | 7313 | 0.0130 |
| | Sale 20-Oct-2017 | -1478 | 0.0026 | 5835 | 0.0103 |
| | Purchase 27-Oct-2017 | 3152 | 0.0056 | 8987 | 0.0160 |
| | Purchase 31-Oct-2017 | 1918 | 0.0034 | 10905 | 0.0194 |
| | Sale 03-Nov-2017 | -2095 | 0.0037 | 8810 | 0.0156 |
| | Purchase 10-Nov-2017 | 10155 | 0.0180 | 18965 | 0.0337 |
| | Sale 17-Nov-2017 | -5801 | 0.0103 | 13164 | 0.0234 |
| | Sale 24-Nov-2017 | -876 | 0.0015 | 12288 | 0.0218 |
| | Sale 01-Dec-2017 | -519 | 0.0009 | 11769 | 0.0209 |
| | Sale 08-Dec-2017 | -2905 | 0.0051 | 8864 | 0.0157 |
| | Purchase 15-Dec-2017 | 2351 | 0.0041 | 11215 | 0.0199 |
| | Purchase 22-Dec-2017 | 5821 | 0.0103 | 17036 | 0.0303 |
| | Purchase 29-Dec-2017 | 27631 | 0.0492 | 44667 | 0.0795 |
| | Purchase 05-Jan-2018 | 28018 | 0.0499 | 72685 | 0.1295 |
| | Sale 12-Jan-2018 | -26890 | 0.0479 | 45795 | 0.0815 |
| | Sale 19-Jan-2018 | -1697 | 0.0030 | 44098 | 0.0785 |
| | Sale 25-Jan-2018 | -3985 | 0.0071 | 40113 | 0.0714 |
| | Purchase 02-Feb-2018 | 17260 | 0.0307 | 57373 | 0.1022 |
| | Sale 09-Feb-2018 | -24526 | 0.0437 | 32847 | 0.0585 |

ANNEXURE G TO BOARD'S REPORT

| Sr.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Sale 16-Feb-2018 | -4279 | 0.0076 | 28568 | 0.0509 |
| | Purchase 23-Feb-2018 | 3393 | 0.0060 | 31961 | 0.0569 |
| | Sale 02-Mar-2018 | -2747 | 0.0048 | 29214 | 0.0520 |
| | Sale 09-Mar-2018 | -5476 | 0.0097 | 23738 | 0.0422 |
| | Sale 16-Mar-2018 | -456 | 0.0008 | 23282 | 0.0414 |
| | Sale 23-Mar-2018 | -3367 | 0.0059 | 19915 | 0.0354 |
| | Purchase 30-Mar-2018 | 1999 | 0.0035 | 21914 | 0.0390 |
| | At the end of the Year 31-Mar-2018 | 21914 | 0.0390 | 21914 | 0.0390 |
| 11 | ANGEL BROKING PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | Purchase 04-Aug-2017 | 4791 | 0.0085 | 4791 | 0.0085 |
| | Purchase 11-Aug-2017 | 12020 | 0.0214 | 16811 | 0.0299 |
| | Purchase 18-Aug-2017 | 317 | 0.0005 | 17128 | 0.0305 |
| | Purchase 25-Aug-2017 | 3520 | 0.0062 | 20648 | 0.0367 |
| | Purchase 01-Sep-2017 | 1893 | 0.0033 | 22541 | 0.0401 |
| | Purchase 08-Sep-2017 | 1143 | 0.0020 | 23684 | 0.0422 |
| | Sale 15-Sep-2017 | -1620 | 0.0028 | 22064 | 0.0393 |
| | Sale 22-Sep-2017 | -276 | 0.0004 | 21788 | 0.0388 |
| | Purchase 29-Sep-2017 | 623 | 0.0011 | 22411 | 0.0399 |
| | Purchase 06-Oct-2017 | 48 | - | 22459 | 0.0400 |
| | Sale 13-Oct-2017 | -16218 | 0.0288 | 6241 | 0.0111 |
| | Purchase 20-Oct-2017 | 62 | 0.0001 | 6303 | 0.0112 |
| | Sale 27-Oct-2017 | -278 | 0.0004 | 6025 | 0.0107 |
| | Purchase 31-Oct-2017 | 598 | 0.0010 | 6623 | 0.0118 |
| | Purchase 03-Nov-2017 | 404 | 0.0007 | 7027 | 0.0125 |
| | Sale 10-Nov-2017 | -515 | 0.0009 | 6512 | 0.0116 |
| | Sale 17-Nov-2017 | -2361 | 0.0042 | 4151 | 0.0073 |
| | Sale 24-Nov-2017 | -314 | 0.0005 | 3837 | 0.0068 |
| | Sale 01-Dec-2017 | -279 | 0.0004 | 3558 | 0.0063 |
| | Purchase 08-Dec-2017 | 273 | 0.0004 | 3831 | 0.0068 |
| | Purchase 15-Dec-2017 | 585 | 0.0010 | 4416 | 0.0078 |
| | Purchase 22-Dec-2017 | 127 | 0.0002 | 4543 | 0.0080 |
| | Sale 29-Dec-2017 | -463 | 0.0008 | 4080 | 0.0072 |
| | Sale 05-Jan-2018 | -166 | 0.0002 | 3914 | 0.0069 |
| | Sale 12-Jan-2018 | -70 | 0.0001 | 3844 | 0.0068 |
| | Purchase 19-Jan-2018 | 2341 | 0.0041 | 6185 | 0.0110 |
| | Purchase 25-Jan-2018 | 421 | 0.0007 | 6606 | 0.0117 |
| | Purchase 02-Feb-2018 | 283 | 0.0005 | 6889 | 0.0122 |
| | Purchase 09-Feb-2018 | 2924 | 0.0052 | 9813 | 0.0174 |

ANNEXURE G TO BOARD'S REPORT

| Sr.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Purchase 16-Feb-2018 | 65 | 0.0001 | 9878 | 0.0176 |
| | Sale 23-Feb-2018 | -128 | 0.0002 | 9750 | 0.0173 |
| | Sale 02-Mar-2018 | -7325 | 0.0130 | 2425 | 0.0043 |
| | Sale 09-Mar-2018 | -111 | 0.0001 | 2314 | 0.0041 |
| | Sale 16-Mar-2018 | -716 | 0.0012 | 1598 | 0.0028 |
| | Purchase 23-Mar-2018 | 279 | 0.0004 | 1877 | 0.0033 |
| | Purchase 30-Mar-2018 | 61 | 0.0001 | 1938 | 0.0034 |
| | At the end of the Year 31-Mar-2018 | 1938 | 0.0034 | 1938 | 0.0034 |
| 11 | ANGEL COMMODITIES BROKING PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | 26 | - | 26 | - |
| | At the end of the Year 31-Mar-2018 | 26 | - | 26 | - |
| 11 | ANGEL BROKING PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | Purchase 23-Mar-2018 | 200 | 0.0003 | 200 | 0.0003 |
| | Sale 30-Mar-2018 | -190 | 0.0003 | 10 | - |
| | At the end of the Year 31-Mar-2018 | 10 | - | 10 | - |
| 12 | CORUM SECURITIES PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | Purchase 23-Jun-2017 | 100050 | 0.1782 | 100050 | 0.1782 |
| | Sale 30-Jun-2017 | -100050 | 0.1782 | - | - |
| | Purchase 14-Jul-2017 | 100000 | 0.1781 | 100000 | 0.1781 |
| | Sale 21-Jul-2017 | -100000 | 0.1781 | - | - |
| | Purchase 28-Jul-2017 | 10135 | 0.0180 | 10135 | 0.0180 |
| | Sale 04-Aug-2017 | -10135 | 0.0180 | - | - |
| | Purchase 30-Mar-2018 | 82819 | 0.1475 | 82819 | 0.1475 |
| | At the end of the Year 31-Mar-2018 | 82819 | 0.1475 | 82819 | 0.1475 |
| 12 | CORUM SECURITIES PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | Purchase 16-Mar-2018 | 190000 | 0.3385 | 190000 | 0.3385 |
| | Sale 30-Mar-2018 | -120000 | 0.2138 | 70000 | 0.1247 |
| | At the end of the Year 31-Mar-2018 | 70000 | 0.1247 | 70000 | 0.1247 |
| 12 | CORUM SECURITIES PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | Purchase 14-Apr-2017 | 50 | - | 50 | - |
| | Sale 21-Apr-2017 | -50 | - | - | - |
| | Purchase 30-Mar-2018 | 13560 | 0.0241 | 13560 | 0.0241 |
| | At the end of the Year 31-Mar-2018 | 13560 | 0.0241 | 13560 | 0.0241 |

ANNEXURE G TO BOARD'S REPORT

| Sr.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 13 | NAGREEKA CAPITAL AND INFRASTRUCTURE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | Purchase 16-Mar-2018 | 70000 | 0.1247 | 70000 | 0.1247 |
| | At the end of the Year 31-Mar-2018 | 70000 | 0.1247 | 70000 | 0.1247 |
| 13 | NAGREEKA CAPITAL AND INFRASTRUCTURE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | Purchase 04-Aug-2017 | 30000 | 0.0534 | 30000 | 0.0534 |
| | Purchase 11-Aug-2017 | 10000 | 0.0178 | 40000 | 0.0712 |
| | At the end of the Year 31-Mar-2018 | 40000 | 0.0712 | 40000 | 0.0712 |
| 14 | EDELWEISS CUSTODIAL SERVICES LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | Purchase 02-Mar-2018 | 88380 | 0.1574 | 88380 | 0.1574 |
| | Sale 16-Mar-2018 | -19019 | 0.0338 | 69361 | 0.1235 |
| | Purchase 23-Mar-2018 | 1926 | 0.0034 | 71287 | 0.1270 |
| | Sale 30-Mar-2018 | -4524 | 0.0080 | 66763 | 0.1189 |
| | At the end of the Year 31-Mar-2018 | 66763 | 0.1189 | 66763 | 0.1189 |
| 14 | EDELWEISS CUSTODIAL SERVICES LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | Purchase 11-Aug-2017 | 300 | 0.0005 | 300 | 0.0005 |
| | Sale 25-Aug-2017 | -300 | 0.0005 | - | - |
| | Purchase 12-Jan-2018 | 200 | 0.0003 | 200 | 0.0003 |
| | Purchase 02-Mar-2018 | 32287 | 0.0575 | 32487 | 0.0578 |
| | Purchase 09-Mar-2018 | 436 | 0.0007 | 32923 | 0.0586 |
| | Sale 16-Mar-2018 | -32923 | 0.0586 | - | - |
| | Purchase 23-Mar-2018 | 203 | 0.0003 | 203 | 0.0003 |
| | Purchase 30-Mar-2018 | 227 | 0.0004 | 430 | 0.0007 |
| | At the end of the Year 31-Mar-2018 | 430 | 0.0007 | 430 | 0.0007 |
| 15 | ICICI BANK LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | Purchase 02-Mar-2018 | 6431 | 0.0114 | 6431 | 0.0114 |
| | Purchase 09-Mar-2018 | 60073 | 0.1070 | 66504 | 0.1184 |
| | Purchase 16-Mar-2018 | 14855 | 0.0264 | 81359 | 0.1449 |
| | Purchase 23-Mar-2018 | 6474 | 0.0115 | 87833 | 0.1565 |
| | Sale 30-Mar-2018 | -24138 | 0.0430 | 63695 | 0.1134 |
| | At the end of the Year 31-Mar-2018 | 63695 | 0.1134 | 63695 | 0.1134 |

ANNEXURE G TO BOARD'S REPORT

i. Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name | Shareholding at the beginning of the year | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year(01-04-17 to 31-03-18) | |
|---------|--------------------------|--|----------------------------------|------------|------------------------------------|--------|---|----------------------------------|
| | | No. of Shares at the beginning (01-04-2017) / End of the year (31-03-2018) | % of total shares of the company | | | | No. of Shares | % of total shares of the company |
| A. | DIRECTORS: | | | | | | | |
| 1 | Mr. Tushar Shah | - | - | 01-04-2017 | - | NA | - | - |
| | | - | - | 31-03-2018 | - | | - | - |
| 2 | Mr. Gopi Krishna Tulsian | - | - | 01-04-2017 | - | NA | - | - |
| | | - | - | 31-03-2018 | - | | - | - |
| 3 | Mr. Shriram Jagetiya | - | - | 01-04-2017 | - | NA | - | - |
| | | - | - | 31-03-2018 | - | | - | - |
| 4 | Ms. Pinky A Mehta | - | - | 01-04-2017 | - | NA | - | - |
| | | - | - | 31-03-2018 | - | | - | - |
| 5 | Mr. P Sudhir Rao | - | - | 01-04-2017 | - | NA | - | - |
| | | - | - | 31-03-2018 | - | | - | - |
| 6 | Mr. G Vijayaraghavan | - | - | 01-04-2017 | - | NA | - | - |
| | | - | - | 31-03-2018 | - | | - | - |
| B. | KEY MANAGERIAL PERSONNEL | | | | | | | |
| 1 | Mr. Vikashh K Agarwal | - | - | 01-04-2017 | - | NA | - | - |
| | | - | - | 31-07-2017 | - | | - | - |
| 2 | Mr. Pradeep Sharma | - | - | 01-04-2017 | - | NA | - | - |
| | | - | - | 31-03-2018 | - | | - | - |
| 3 | Mr. Murali Krishnan L.R | - | - | 01-04-2017 | - | NA | - | - |
| | | - | - | 31-03-2018 | - | | - | - |
| 4 | Mr. Rajesh Gandhi | - | - | 01-08-2017 | - | NA | - | - |
| | | - | - | 31-03-2018 | - | | - | - |

ANNEXURE G TO BOARD'S REPORT

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year i.e. 01.04.2017 | - | | | |
| i. Principal Amount | | 350,000,000 | - | 350,000,000 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | 350,000,000 | - | 350,000,000 |
| Change in Indebtedness during the financial year | | | | |
| - Addition | - | 7,700,000,000 | - | 7,700,000,000 |
| - Reduction | - | 5,800,000,000 | - | 5,800,000,000 |
| Net Change | | 1,900,000,000 | - | 1,900,000,000 |
| Indebtedness at the end of the financial year i.e. 31.03.2018 | | | | |
| i. Principal Amount | - | 2,250,000,000 | - | 2,250,000,000 |
| ii. Interest due but not paid | - | | | - |
| iii. Interest accrued but not due | - | | | - |
| Total (i+ii+iii) | - | 2,250,000,000 | - | 2,250,000,000 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

| Sl. No. | Particulars of Remuneration | Mr. Murali Krishnan L.R. Manager | Total Amount |
|---------|--|-------------------------------------|--------------|
| 1 | Gross Salary a) Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961 b) Value of perquisites u/s 17(2) Income-tax Act,1961 | 1,918,790 | 1,918,790 |
| 2 | Stock Option* | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | - | - |
| 5 | Others | 450,381 | 450,381 |
| | Total (A) | 2,369,171 | 2,369,171 |
| | Ceiling as per the Companies Act, 2013 | | 13,715,974 |

* During the years 20,756 stock options are outstanding in the name of Mr. Murali Krishnan L. R. Further he has exercised 5,000 stock options during the year under review.

ANNEXURE G TO BOARD'S REPORT

B. Remuneration to other Directors:

| Sr. No. | Particulars of Remuneration | | | Total Amount in Rs. |
|---------|--|-------------------|-----------------------|---------------------|
| 1 | Independent Directors | Mr. P. Sudhir Rao | Mr. G. Vijayaraghavan | |
| | Fee for attending board and committee meetings | 3,40,000 | 4,15,000 | 7,55,000 |
| | Commission | - | - | - |
| | Others | - | - | - |
| | Total (1) | 340,000 | 4,15,000 | 7,55,000 |
| 2 | Other Non-Executive Directors | | | |
| | Fee for attending board and committee meetings | - | - | - |
| | Commission | - | - | - |
| | Others | - | - | - |
| | Total (2) | - | - | - |
| | Total (B)=(1+2) | 340,000 | 4,15,000 | 7,55,000 |

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | | |
|---------|---|--------------------------|--|--|---|-----------|
| | | CEO | **Mr. Vikashh K Agarwal, Company Secretary | **Mr. Rajesh Gandhi, Company Secretary | Mr. Pradeep Sharma, Chief Financial Officer | Total |
| 1. | Gross salary | | | | | (in Rs.) |
| | Salary as per provisions contained in Section 17(1) of the | NOT APPLICABLE | 1,088,405 | 943,150 | 7,801,571 | 9,833,126 |
| | Value of perquisites u/s 17(2) of the Income-tax Act, | | - | - | - | - |
| | Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961 | | - | - | - | - |
| 2. | *Stock Option | | - | - | - | - |
| 3. | Sweat Equity | | - | - | - | - |
| 4. | Commission | | - | - | - | - |
| 5. | Others | 722,946 | - | 1,845,110 | 2,568,056 | |
| | Total | 1,811,351 | 943,150 | 9,646,681 | 12,401,182 | |

* During the year, 16484 stock options are outstanding in the name of Mr. Vikashh K Agarwal but 14,423 stock options have been exercised during the FY 2017-18.

** Mr. Vikashh K. Agarwal was resigned from the position of Company Secretary with effect from 31.07.2017 and in his place Mr. Rajesh Gandhi, appointed as Company Secretary with effect from 01.08.2017.

ANNEXURE G TO BOARD'S REPORT

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act, 2013 | Brief description | Details of Penalty/ Punishment/Compounding fees imposed | Authority [RD/ NCLT/Court] | Appeal made, If any (give details) |
|------------------------------|------------------------------------|-------------------|---|----------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. Directors | | | NIL | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. Other Officers In Default | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

ANNEXURE H TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Aditya Birla Money Limited,
Indian Rayon Compound,
Veraval -362266,
Gujarat.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aditya Birla Money Limited (hereinafter called the 'Company') for the audit period covering the financial year ended on 31st March 2018 (the 'Audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

ANNEXURE H TO BOARD'S REPORT

- (v) Following other Laws as applicable specifically to the Company:
- (a) Securities and Exchange Board of India (Stock Brokers & Sub- Brokers) Regulations, 1992;
 - (b) Securities and Exchange Board of India (Portfolio Managers) Regulations, 1996;
 - (c) Securities and Exchange Board of India (Research Analysts) Regulations, 2014.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India related to Board Meetings and General Meetings:

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Standards as mentioned above:

During the period under review, provisions of the following Act/Regulations were not applicable to the Company:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009,
- b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009,
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and
- e. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has:

1. Allotted 7,22,138 equity shares of Re.1/- each to option Grantees, pursuant to the exercise of Stock Options granted under Company's Employee Stock Option Scheme, 2014 (ESOS- 2014).
2. Approved in its Board Meeting held on August 08, 2017 and Shareholder's approval through Postal Ballot dated September 25, 2017, for the Extension of benefits of the Aditya Birla Capital Limited Employee Stock Option Scheme 2017 to the permanent employees in the management cadre, including Managing and Whole Time Directors of the Company.
3. Replied to SEBI for the Show Cause Notice issued by them in which SEBI has appointed Adjudicating Officer ("AO") to ascertain whether the Company indulged in activities which is akin to Portfolio Management

ANNEXURE H TO BOARD'S REPORT

Services (PMS) though its registration as Stock Broker for its research recommendation during the year 2010. The AO has levied a Penalty of Rs.10,00,000/- under Section 15HB of SEBI Act, 1992. The Penalty was paid by the Company under protest.

4. Approved in its Board Meeting held on 24th January, 2018, a Scheme of Amalgamation for a Merger of Aditya Birla Commodities Broking Limited, Wholly Owned Subsidiary of the Company, under Section 230 – 232 of Companies Act, 2013.
5. Taken consent to enhance its Borrowing Power and creation of charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecation on movable and immovable properties, both present and future in favour of the banks, financial institutions, any other lenders or debenture trustees to secure the amount borrowed by the company or any third party from time to time for the due payment of the principal together with interest, charges, costs, expenses and all other monies payable by the company or any third party in respect of such borrowings provided that the maximum extent of the indebtedness secured by the properties of the company does not exceed Rs.600 Crore at any time in its Annual General Meeting dated June 28, 2017.

For BNP & Associates

Company Secretaries

[Firm Regn. No.P2014MH037400]

Avinash Bagul

Partner

FCS No. 5578

COP No. 19862

Place : Mumbai

Date : April 26, 2018

ANNEXURE H TO BOARD'S REPORT

Annexure I to the Secretarial Audit Report for the financial year ended 31st March, 2018

To,

The Members,
Aditya Birla Money Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Aditya Birla Money Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No.P2014MH037400]

Avinash Bagul
Partner
FCS No. 5578
COP No. 19862

Place : Mumbai
Date : April 26, 2018

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

Composition, Category, Size of the Board

As on March 31, 2018, your Company has 6 (six) Directors on the Board; which include 2 (two) Independent Directors and 4 (four) Non-Executive Directors. The Chairman of the Board is a Non-Executive Director who is not the promoter or related to the promoter of the Company or a person occupying management position at the Board level or one level below the Board. The composition of your Board is in conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") as well as the Companies Act, 2013 ("the Act").

None of the Directors of the Board is a member of more than 10 Committees or is a Chairman of more than 5 Committees across all the Companies in which they hold directorships. All Directors have made necessary disclosures regarding their Directorship and Committee positions occupied by them in other Companies. The Independent Directors of the Company have given the declarations that they meet the criteria of independence as laid down under Section 146(6) of the Act. The Board of Director does not have any relationships inter-se with each other.

The details of the Directors with regards to their other Directorships and positions held in other Committees are as follows:

| Name of the Director | Category | Directorships held in other Indian Public Limited companies ¹ | Committee Membership held in other Companies ² | |
|--------------------------|------------------------|--|---|-------------|
| | | | Member | Chairperson |
| Mr. Tushar Shah | Non-Executive Director | 2 | - | - |
| Mr. Gopi Krishna Tulsian | Non-Executive Director | 7 | 1 | - |
| Mr. Shriram Jagetiya | Non-Executive Director | 2 | - | - |
| Ms. Pinky A Mehta | Non-Executive Director | 5 | 1 | - |
| Mr. P. Sudhir Rao | Independent Director | 4 | 1 | - |
| Mr. G. Vijayaraghavan | Independent Director | - | - | - |

1. Excludes Directorships in Foreign, Private and Section 8 Companies as defined under the Companies Act, 2013.

2. Includes only Chairmanship/membership of Audit Committees and Stakeholders' Relationship Committee.

The Non-Executive Directors of the Company do not hold any shares in the Company.

The details of programme for familiarization of the Independent Directors of the Company are available on the Company's website viz. <https://stocksandsecurities.adityabirlacapital.com>.

Number of Board Meetings

The Board of Directors met 5 (Five) times during the year ended March 31, 2018 i.e. on April 28, 2017, July 26, 2017, August 08, 2017, October 17, 2017 and January 24, 2018. The maximum gap between the two Board Meetings was not more than one hundred and twenty days.

CORPORATE GOVERNANCE REPORT

The details of attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM) are as follows:

| Name of the Director | Category | No. of Board Meetings | | Attended Last AGM |
|--------------------------|------------------------|-----------------------|----------|-------------------|
| | | Held | Attended | |
| Mr. Tushar Shah | Non-Executive Director | 5 | 4 | Yes |
| Mr. Gopi Krishna Tulsian | Non-Executive Director | 5 | 4 | No |
| Mr. Shriram Jagetiya | Non-Executive Director | 5 | 3 | No |
| Ms. Pinky A Mehta | Non-Executive Director | 5 | 5 | No |
| Mr. P. Sudhir Rao | Independent Director | 5 | 4 | Yes |
| Mr. G. Vijayaraghavan | Independent Director | 5 | 5 | No |

Selection of Agenda Items and Information supplied to the Board

Agenda of Board / Committee meetings are prepared in consultation with top management 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 noting of minutes of the previous Board & Committee meetings, noting of minutes of the subsidiary company, review of important issues impacting business, review of quarterly compliance reports & compliance certificate, internal audit reports and regulatory audit/inspection reports and other secretarial & legal compliance matters, business matters and financial reporting.

A business review presentation is made at each Board Meeting to apprise the Directors and the Senior Management team about the performance of the Company. The Board provides strategic direction and approach 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 informed 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 is 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 Regulations 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 liaises with the respective department / functions and the Internal Audit team and a status update report on the follow up action items are presented at the subsequent Board / Committee meetings.

Code of Conduct

The Board of Directors of the Company has laid down a Code of Conduct for the Directors and Senior Management Personnel of the Company. The code of conduct provide that the Directors and the Senior Management will maintain highest degree of corporate governance practices, will act in utmost good faith and exercise due care,

CORPORATE GOVERNANCE REPORT

diligence and integrity in performing their duties. The Code has been posted on the Company's website at the link - <https://stocksandsecurities.adityabirlacapital.com/investor>. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2018. A declaration to this effect signed by the Directors forms part of this report.

Compliance Structure

The Board also periodically reviews the status of compliance of all laws applicable to the Company and 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 and the Audit Committee at each quarterly meeting for its review.

The Audit Committee of the Board is also updated on regulatory inspections and audits which are undertaken pursuant to Stock Broking and Depositories Regulations.

3. BOARD COMMITTEES

AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Act and in accordance with the provisions of SEBI Listing Regulations, the Company has a qualified and independent Audit Committee at the Board level. All the members of the Audit Committee are financially literate possessing accounting and related financial management expertise.

The Audit Committee performs the functions and role in accordance with SEBI Listing Regulations and the Act. 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, out of which two are Independent Directors.

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

The Chairman of the Audit Committee is an Independent Director. The Company Secretary acts as Secretary to the Committee.

The Chairman of the Audit Committee was also present at the previous Annual General Meeting, as mandated under the SEBI Listing Regulations, to answer shareholder queries.

Meetings and Attendance

During the year, the Audit Committee met 5 (five) times i.e. on April 28, 2017, July 26, 2017, August 08, 2017, October 17, 2017 and January 24, 2018. The details of the attendance of the Committee members are as follows:

CORPORATE GOVERNANCE REPORT

| Sl.No. | Name of the Member | Category / Status | No. of Meetings Held | No. of Meetings Attended |
|--------|-----------------------|------------------------|----------------------|--------------------------|
| 1. | Mr. P. Sudhir Rao | Chairman - Independent | 5 | 4 |
| 2. | Mr. G. Vijayaraghavan | Member - Independent | 5 | 5 |
| 3. | Mr. Shriram Jagetiya | Member - Non-Executive | 5 | 3 |

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 functional heads are also invited to attend the Audit Committee meeting to respond to queries and observations pertaining to their department, arising out of the internal audit report.

Powers

Powers of the Audit Committee include the following:

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary
5. To call for a separate meeting with statutory and internal auditors with or without the Management Team

Terms of Reference

The terms of reference for the Audit Committee basically follows and covers all the areas as stipulated under SEBI Listing Regulations and the Act. The Broad terms of reference of the Committee 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. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements

CORPORATE GOVERNANCE REPORT

- Disclosure of any related party transactions (All Related Party Transactions shall require prior approval of the Audit Committee.)
 - Qualifications in the draft audit report
3. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
 4. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
 5. Reviewing the Management Discussion and Analysis of financial condition and results of operations
 6. Approval or any subsequent modification of transactions of the company with related parties
 7. Scrutiny of inter-corporate loans and investments
 8. Valuation of undertakings or assets of the company, wherever it is necessary
 9. Evaluation of internal financial controls and risk management systems
 10. Discussion with internal auditors of any significant findings and follow up there on
 11. 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 material nature and reporting the matter to the board
 12. Reviewing Internal audit reports relating to internal control weaknesses
 13. Management letters / letters of internal control weaknesses issued by the statutory auditors
 14. Recommendation for appointment, remuneration and terms of appointment of auditors of the company
 15. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors
 16. Review and monitor the auditor's independence and performance and effectiveness of audit process
 17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
 18. Reviewing the adequacy and structure of the internal audit function, including the credentials of a third party firm appointed if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
 19. In consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit
 20. The appointment, removal and terms of remuneration of the Internal Auditor
 21. Reviewing with the management, performance of the statutory & internal auditors and adequacy of the internal control systems
 22. 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 and background, etc. of the candidate

CORPORATE GOVERNANCE REPORT

23. To review the functioning of the Whistle Blower mechanism
24. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
25. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

In addition to reviewing financial results on quarterly basis, Audit Committee Meetings are also convened for reviewing Internal Audit reports pertaining to various functions and also for reviewing the implementation of Internal Financial Control framework. The Company has appropriate internal control systems for business processes, covering operations, financial reporting and compliance with applicable laws and regulations. Regular internal audits and management reviews ensure that the responsibilities are executed effectively. The Audit Committee actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them, as appropriate.

The Committee also oversees the performance of the internal and statutory auditors and also recommends their appointment and remuneration to the Board. Information as detailed in Part C of Schedule II of the Listing Regulations is mandatorily being reviewed by the Audit Committee. The minutes of the Audit Committee Meetings forms part of the Board Agenda. The Chairman of the Audit Committee Meeting briefs the Board on the discussions held during Audit Committee Meeting.

NOMINATION AND REMUNERATION COMMITTEE

Composition

In compliance with the provisions of Section 178 of the Act and the provisions of SEBI Listing Regulations, the Company has a Nomination and Remuneration Committee consisting of the following three Non-Executive Directors, of which two are Independent Directors, including the Chairman.

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

The Company Secretary of the Company acts as the Secretary to the Committee.

Meetings and Attendance

During the year under review, the Nomination and Remuneration Committee of the Company met thrice on July 21, 2017, August 08, 2017 and October 17, 2017. 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 | 3 | 2 |
| 2. | Mr. G. Vijayaraghavan | Member - Independent | 3 | 2 |
| 3. | Mr. Shriram Jagetiya | Member - Non-Executive | 3 | 2 |

CORPORATE GOVERNANCE REPORT

Terms of Reference

The broad terms of reference / charter of Nomination and Remuneration Committee include the following:

Executive Remuneration:

- a) Set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and Senior Managers of the quality required to run the Company successfully;
- b) Set the relationship of remuneration to performance which is clear and meets appropriate performance benchmarks; and
- c) Check whether the remuneration provided to Directors and Senior Managers includes a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Executive Talent:

- a) Formulate appropriate policies, institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal from time to time.
- b) Review and Implement succession and development plans for Managing Director, Executive Directors and Senior Managers.
- c) Devise a policy on Board diversity.
- d) Formulate the criteria for determining qualifications, positive attributes and independence of Directors.

Board Performance and Rewards

- a) Establish evaluation criteria and conduct the process of performance evaluation of each Director in a structured manner.
- b) Establish evaluation criteria of Board and Board Committees.
- c) Review and make recommendations to the Board with respect to any incentive-based compensation and equity-based plans that are subject to Board or Shareholder approval (including broad-based plans).

Criteria for Performance Evaluation

A formal evaluation mechanism has been adopted for evaluating the performance of the Board, Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on a criterion which includes, among others, providing strategic perspective, chairmanship of Board and Committees, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability and role of the Committees.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on remuneration of Directors, Senior Management employees and employees covered under the applicable SEBI Regulations. The Company's remuneration policy is directed towards rewarding performance based on periodic review of the achievements. The remuneration policy has been disclosed in the Annual Report.

CORPORATE GOVERNANCE REPORT

REMUNERATION OF DIRECTORS

The Independent Directors of the Company are paid sitting fees for attending the meetings of the Board and Committees thereof.

| Meeting Type | Sitting Fees |
|---------------------------------------|--------------|
| Board | Rs.50,000/- |
| Audit Committee | Rs.25,000/- |
| Nomination and Remuneration Committee | Rs.20,000/- |
| Stakeholders Relationship Committee | Rs.20,000/- |
| Risk Governance Committee | Rs.20,000/- |
| Preference Shares Allotment Committee | Rs.20,000/- |

The details of sitting fees paid to the Independent Directors during financial year 2017-18 are as under:

| Name of Director | Category | Sitting Fees Paid |
|-----------------------|----------------------|-------------------|
| Mr. P. Sudhir Rao | Independent Director | Rs.340,000/- |
| Mr. G. Vijayaraghavan | Independent Director | Rs.415,000/- |

During the year, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company.

No sitting fee or compensation is paid to the Non-Executive Directors.

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.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the provisions of SEBI Listing Regulations, the Company has an independent Stakeholders' Relationship Committee to consider and resolve grievances of the Shareholders / Investors.

Composition

The following is the composition of the Stakeholders' Relationship Committee as reconstituted by the Board of Directors at its meeting dated May 06, 2016.

1. Mr. P. Sudhir Rao — Chairman
2. Mr. Gopi Krishna Tulsian — Member
3. Mr. Tushar Shah — Member

The Company Secretary of the Company acts as the Secretary to the Committee.

Compliance Officer

Mr. Rajesh Gandhi, Company Secretary, acts as the Compliance Officer of the Company. The Compliance Officer briefs the Committee on the grievances/queries of the investors and the steps taken by the Company for redressing their grievances. He is responsible for complying with the provisions of the Listing Regulations, requirements of securities laws and SEBI Insider Trading Regulations.

The Compliance Officer can be contacted at:

Aditya Birla Money Limited
One Indiabulls Centre, Tower – 1,
14th Floor, Jupiter Mills Compound,
841, S B Marg, Elphinstone Road,
Mumbai – 400 013

CORPORATE GOVERNANCE REPORT

Roles & Responsibilities

1. To review the redressal of Investors' complaints like transfer / transmission of shares, non-receipt of Annual Report and non-receipt of declared Dividend, delays in transfer of shares, dematerialisation / rematerialisation of shares etc.
2. To act on behalf of the Board, in the matters connected with allotment of shares, issuance of duplicate share certificates, split and consolidation of shares, etc.
3. To oversee performance of the Registrar and Transfer Agents of the Company and recommend measures for overall improvement in the quality of investor services.
4. To review, analyse, recommend and monitor plan of action & activities and put in place proper procedures, policies and effective mechanism to address complaints and grievances arising out of the service issues as a broker / trading member / depository participant including litigation and arbitration matters.
5. To review issues arising out of alleged fraud / forgery / misappropriation / mis-selling / breach / deviations from standard processes and procedures.
6. To frame policies and procedures to protect the interest of Clients / Customers and for ensuring compliances under the applicable statutory framework.
7. To look into other issues including systems and procedures followed to track Investor / Customer / Client complaints and suggest measures for improvement from time to time.
8. To monitor implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015.
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.

Investor Grievance Redressal

Details of Shareholders queries / complaints and other correspondence received and replied during 2017-18:

| Nature of Queries | No. of Queries |
|--|----------------|
| Pending Queries as on April 01, 2017 | NIL |
| Queries received during the year relating to issue of duplicate share certificate / new share certificate / bonus share certificate / change of address / transmission of shares, etc. | 1 |
| Queries redressed | 1 |
| Pending Queries as on March 31, 2018 | NIL |

CORPORATE GOVERNANCE REPORT

There were no pending complaints as on March 31, 2018.

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 03, 2011 has informed that investor complaints shall be processed in a web based complaints redressal system "SCORES". Under this system, all complaints pertaining to companies would be electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES. The Company has registered itself with the SEBI Complaints Redressal System (SCORES) platform for redressal of complaints against the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the provisions of Section 135 of the Act with respect to Corporate Social Responsibility (CSR), the Board has constituted a CSR Committee with the following constitution.

| | | |
|--------------------------|---|----------|
| Mr. G. Vijayaraghavan | — | Chairman |
| Mr. Gopi Krishna Tulsian | — | Member |
| Ms. Pinky A Mehta | — | Member |

Permanent Invitees:

1. Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development;
2. Dr. (Mrs.) Pragnya Ram - Group Executive President, Corporate Communications & CSR, Aditya Birla Group.
3. Mr. Tushar Shah, Director

The Company Secretary of the Company shall act as the Secretary to the Committee.

Meetings and Attendance

During the year, the CSR Committee met once i.e. on October 31, 2017.

Terms of reference

1. The Committee shall annually review and approve the CSR Policy and associated frameworks, processes and practices of the Company.
2. The Committee shall ensure that the Company is taking the appropriate measures to implement the CSR projects successfully.
3. The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
4. The Committee will coordinate with the necessary agencies for implementing programs and executing initiatives as per CSR policy and shall review the performance of the agencies periodically.
5. The Committee may form and delegate authority to sub-committees when appropriate.
6. The Committee shall regularly report to the Board.
7. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

CORPORATE GOVERNANCE REPORT

8. The Committee shall have access to any internal information necessary to fulfil its role.
9. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

RISK GOVERNANCE COMMITTEE

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

Composition

The Board at its meeting dated May 06, 2016 has reconstituted the Risk Governance Committee of the Company with the following constitution:

1. Mr. P. Sudhir Rao
2. Mr. Gopi Krishna Tulsian
3. Mr. Tushar Shah

Terms of Reference

The terms of reference of the Committee include:-

- (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) Reviewing 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) Reviewing Product and Operational Risk Management strategies and meeting risk/reward objectives.

The Committee did not meet during the year.

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, approving signatories for the operation of bank accounts, appointment of service providers and other agencies, availing overdraft facility from Banks, borrowing within the limits approved by the Board and other routine operational matters.

Composition

The Board at its meeting dated May 06, 2016 has reconstituted the Finance Committee of the Company with the following constitution:

1. Mr. Gopi Krishna Tulsian
2. Mr. Shriram Jagetiya
3. Mr. Tushar Shah

The Committee did not meet during the year under review.

CORPORATE GOVERNANCE REPORT

PREFERENCE SHARES ALLOTMENT COMMITTEE

The following is the composition of the Preference Shares Allotment Committee as reconstituted by the Board of Directors at its meeting dated May 06, 2016.

1. Mr. Gopi Krishna Tulsian
2. Mr. Tushar Shah
3. Mr. G. Vijayaraghavan

BUSINESS INTEGRATION COMMITTEE

The Board of Directors of the Company at its meeting dated January 24, 2018 has constituted a Business Integration Committee of the members of the Board and Senior Officials to supervise, carry-out necessary changes in the Scheme of Amalgamation for Merger of Aditya Birla Commodities Broking Limited, wholly owned subsidiary company, into the Company ("the Scheme") as approved by the Board and to oversee and implement the Scheme and effect the integration of commodities business with equity broking business. The Committee comprises of Mr. Tushar Shah, Director, Ms. Pinky Mehta, Director, Mr. Pradeep Sharma, Chief Financial Officer and Mr. Rajesh Gandhi, Company Secretary. The Committee did not meet during the year under review.

4. CEO / CFO CERTIFICATION

Mr. Tushar Shah, Director and Mr. Pradeep Sharma, Chief Financial Officer of the Company have provided to the Board the quarterly certification on the financial results of the Company in terms of the provisions of the SEBI Listing Regulations. The CEO / CFO certification for the Annual Financial Statements for the year ended March 31, 2018 forms part of this report.

5. MEETING OF THE INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV of the Act and Chapter IV of SEBI Listing Regulations, a meeting of the Independent Directors of your Company was held on February 05, 2018 without the presence of the Non-Independent Directors and the members of the management. The Independent Directors discussed the matters *inter-alia* including, the performance / functioning of the Non-Independent Directors and the Board as a whole, performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and flow of information to the Board & Board Committees, etc.

6. PERFORMANCE EVALUATION

A formal evaluation mechanism has been adopted by the Board for evaluating its performance as well as performance of its Committees and the individual Directors of the Company. Performance of all Directors of the Company has been carried out by way of structured evaluation process. Criteria for evaluation included attendance at the meetings, contribution at the meetings, preparedness for meetings, effective decisions making ability, etc.

The Board acknowledged the significant contribution of the Independent Directors and therefore is of the view that the term of appointment of Independent Directors shall continue.

CORPORATE GOVERNANCE REPORT

7. SUBSIDIARY COMPANY

The Company has a wholly owned subsidiary company - Aditya Birla Commodities Broking Limited ("ABCBL"). ABCBL is not a material subsidiary as prescribed under SEBI Listing Regulations.

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 statement of all significant transactions and arrangements of the unlisted subsidiary company are placed in the Board meetings.

8. OTHER DISCLOSURES

- i. The details of Related Party Transactions entered into during the year have been disclosed in 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. Member's approval for Material Related Party Transaction, as defined under the SEBI Listing Regulations shall be obtained at the ensuing Annual General Meeting.

All Related Party Transactions ('RPT') entered into during the financial year were on an arm's length basis and in the ordinary course of business. The Company has formulated a policy on materiality of Related Party Transactions and dealing with such transactions. The policy is available on the website of the Company at <https://stocksandsecurities.adityabirlacapital.com/about-us/investor>.

- ii. The Company has established a Vigil Mechanism / Whistle Blower Policy for Directors and Employees pursuant to which a Committee has been constituted for addressing complaints received from Directors and Employees concerning unethical behaviour, actual or suspected fraud and violation of Code of Conduct or ethics policy of your Company. The Policy provides adequate safeguards against victimisation of Director(s) / Employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. Your Company hereby affirms that no Director/Employee has been denied access to the Chairman of the Audit Committee.
- iii. The Company is engaged in the business of Stock Broking, Depository Services, Portfolio Management Services, etc. 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.1,000,000/- levied by SEBI vide its order dated November 23, 2017 in the matter of an inspection of books and accounts of the company conducted by SEBI for the period from April 01, 2010 till August 31, 2011. The penalty has been paid by the Company and protest has been registered with the SEBI against the finding by Adjudicating Officer in the matter. Other than above, there have been no instances of non-compliance by the Company and no penalties or strictures have been imposed by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
- iv. The Policy for determining material subsidiaries may be accessed on the Company's website at <https://stocksandsecurities.adityabirlacapital.com/investor>.
- v. The Company has complied with all the mandatory requirements of SEBI Listing Regulations.
- vi. The Company has also complied with the following discretionary requirements as prescribed in Part E of Schedule II of SEBI Listing Regulations.
 - a. There were no qualifications on the financial statements of the Company during the period under review.
 - b. The Internal Auditor directly reports to the Audit Committee.

CORPORATE GOVERNANCE REPORT

9. DISCLOSURE OF ACCOUNTING TREATMENT

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

10. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis Report in terms of the provisions of SEBI Listing Regulations is a part of the Annual Report.

11. 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.

12. RE-APPOINTMENT OF DIRECTORS

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.

13. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

| Year | Day & Date | Time | Venue | Particulars of Special Resolution(s) |
|---------|----------------------------------|----------|---|--|
| 2014-15 | Friday, August 28, 2015 | 11.00 AM | Indian Rayon Compound, Veraval - 362 266, Gujarat | 1. Approval of Related Party Transactions with Aditya Birla Money Mart Limited for the year 2015-16 2. Approval of Related Party Transactions with Aditya Birla Money Mart Limited for the year 2014-15 |
| 2015-16 | Wednesday, August 24, 2016 | 11.00 AM | | 1. Approval of appointment of Mr. Murali Krishnan L.R. as the Manager of the Company |
| 2016-17 | Wednesday, June 28, 2017 | 10.00 AM | | 1. To enhance Borrowing Power under Section 180(1)(c) of the Companies Act, 2013 |

One special resolution with respect to “Approval of extension of benefits of the Aditya Birla Capital Limited Employee Stock Option Scheme 2017 to the permanent employees in the management cadre, including Managing and Whole-time Directors, of the Company and the payment of costs / charges, by the Company, pertaining to exercise of the stock options or restricted stock units, to be granted to the employees of the Company” was passed through Postal Ballot during the Financial Year 2017-18.

14. COMPLIANCE WITH MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

A certificate from Practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations forms part of this Annual Report.

CORPORATE GOVERNANCE REPORT

15. MEANS OF COMMUNICATION

The unaudited quarterly, half yearly and audited annual financial results were disseminated to the Stock Exchanges where the shares of the Company are listed through electronic mode. The results (except the results for Quarter 4 of FY 2017-18 which was not published in Hindu Business Line) were also published in English all editions of "Business Standard", "Hindu Business Line", and Mumbai edition of Economic Times 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 <https://stocksandsecurities.adityabirlacapital.com>.

16. GENERAL SHAREHOLDER'S INFORMATION

Financial Year : April 2017 to March 2018

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

Financial Calendar for 2018-19

| | |
|---|--------------------------|
| Financial reporting for the quarter ending June 30, 2018 | July / August, 2018 |
| Financial reporting for the quarter ending September 30, 2018 | October / November, 2018 |
| Financial reporting for the quarter ending December 31, 2018 | January / February, 2019 |
| Financial reporting for the quarter ending March 31, 2019 | April / May, 2019 |

Date of Book Closure : Refer Notice to the AGM

Dividend : Nil

Dividend Payment Date : Not Applicable (since no Dividend is recommended for FY 2017-18).

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

Website : <https://stocksandsecurities.adityabirlacapital.com>.

17. 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 | BSE Limited, (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 |
| 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 FY 2018-19 have been paid to NSE & BSE within the due dates.

CORPORATE GOVERNANCE REPORT

18. STOCK PRICE DATA:

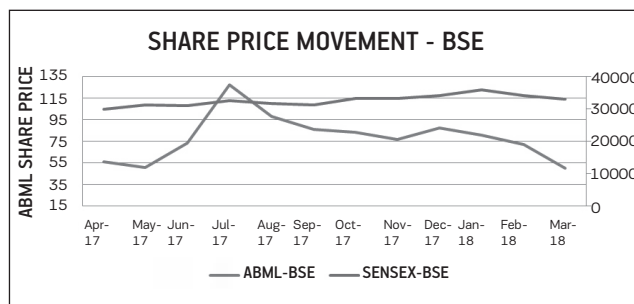
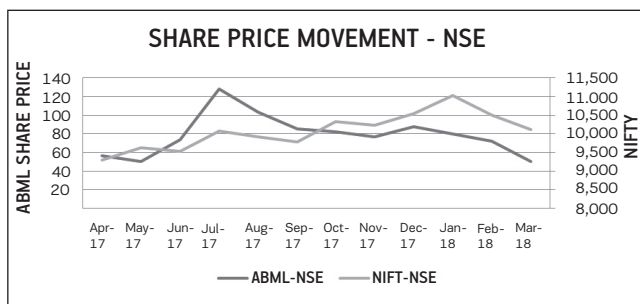
Monthly High & Low during FY 2017-18 in BSE & NSE

(Rs.)

| Month | BSE | | NSE | |
|----------------|------------|-----------|------------|-----------|
| | High Price | Low Price | High Price | Low Price |
| April 2017 | 69.60 | 31.60 | 69.35 | 31.20 |
| May 2017 | 57.25 | 50.15 | 56.50 | 49.75 |
| June 2017 | 73.35 | 50.35 | 73.40 | 50.00 |
| July 2017 | 164.45 | 74.00 | 164.90 | 74.15 |
| August 2017 | 121.35 | 80.65 | 121.60 | 80.80 |
| September 2017 | 106.00 | 78.25 | 106.10 | 78.20 |
| October 2017 | 94.40 | 79.55 | 94.00 | 81.05 |
| November 2017 | 87.35 | 76.00 | 87.40 | 75.85 |
| December 2017 | 94.90 | 74.50 | 94.90 | 74.00 |
| January 2018 | 105.00 | 79.50 | 105.00 | 79.20 |
| February 2018 | 82.10 | 65.00 | 82.30 | 65.80 |
| March 2018 | 75.00 | 50.00 | 75.60 | 50.05 |

19. STOCK PERFORMANCE:

The performance of the Company's share price vis-a-vis the broad based NSE and BSE indices during the year 2017-18 is as under:



20. 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.

CORPORATE GOVERNANCE REPORT

21. DETAILS OF SHARE CAPITAL, DISTRIBUTION OF SHAREHOLDING AND SHAREHOLDING PATTERN

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 | 1,009,300 | 10/- | 1,010,000 |
| 30-11-2000 | 1,260,000 | 10/- | 2,270,000 |
| 03-06-2001 | 500,000 | 10/- | 2,770,000 |
| 26-07-2006 | 2,770,000@ | 10/- | 5,540,000 |
| 18-07-2008# | — | 1/- | 55,400,000 |
| 07-07-2017 | 224,712 | 1/- | 55,624,712 |
| 26-07-2017 | 264,500 | 1/- | 55,889,212 |
| 21-11-2017 | 68,990 | 1/- | 55,958,202 |
| 05-03-2018 | 163,936 | 1/- | 56,122,138 |

@ 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 Capital Limited (Formerly known as Aditya Birla Financial Services Ltd. (Holding Company). During the year, the rights of the 8,00,000 Redeemable Non-Convertible Non-Cumulative Preference shareholders were varied pursuant to Section 106 of the Companies Act, 1956. For details, refer Note 3(3) of the Financial Statements.

CORPORATE GOVERNANCE REPORT

Distribution of Shareholdings as on March 31, 2018

| Equity Shares | Shares | | | | Shareholders | | | |
|------------------|------------|--------|------------|--------|--------------|--------|------------|--------|
| | Physical | | Electronic | | Physical | | Electronic | |
| | Nos. | % | Nos. | % | Nos. | % | Nos. | % |
| 1 - 5000 | 794,807 | 81.52 | 8,934,617 | 16.20 | 1,315 | 98.80 | 25,784 | 98.85 |
| 5001 - 10000 | 70,460 | 7.23 | 1,395,015 | 2.53 | 9 | 0.68 | 188 | 0.72 |
| 10001 - 20000 | 86,904 | 8.91 | 900,550 | 1.63 | 6 | 0.45 | 62 | 0.24 |
| 20001 - 30000 | 22,800 | 2.34 | 516,883 | 0.94 | 1 | 0.08 | 21 | 0.08 |
| 30001 - 40000 | - | - | 260,894 | 0.47 | - | - | 7 | 0.03 |
| 40001 - 50000 | - | - | 184,807 | 0.34 | - | - | 4 | 0.02 |
| 50001 - 100000 | - | - | 926,999 | 1.68 | - | - | 14 | 0.05 |
| 100001 - & above | - | - | 42,027,402 | 76.21 | - | - | 3 | 0.01 |
| Total | 974,971 | 100.00 | 55,147,167 | 100.00 | 1,331 | 100.00 | 26,083 | 100.00 |
| Grand Total | 56,122,138 | | | | 27,414 | | | |

The Shareholding Pattern of the Company as on March 31, 2018

| Category | No. of Shares | % |
|--|-------------------|---------------|
| Promoter | 41,550,000 | 75.03 |
| Bodies Corporate | 1,458,459 | 2.60 |
| Individuals - holding up to Rs.2 Lakhs | 11,769,944 | 20.97 |
| Individuals - holding excess of Rs.2 Lakhs | 350,000 | 0.62 |
| Clearing Members | 225,194 | 0.40 |
| HUF | 351,907 | 0.63 |
| NRI's & OCB's | 416,634 | 0.74 |
| TOTAL | 56,122,138 | 100.00 |

Dematerialisation of Shares and Liquidity

The Equity shares of the Company are compulsorily tradable in dematerialized form through both the Depository in India viz. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2018, 98.26% of the Company's Paid-up Equity Share Capital was held in dematerialised form. The shares of the Company are frequently traded on BSE / NSE.

22. 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

23. 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 Depository Participant (DP).
3. Section 72 of the 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 – 4949 0000 Fax No. : 044 – 2829 0835
E-mail : abml.investorgrievance@adityabirlacapital.com

Registered Office

Indian Rayon Compound, Veraval – 362 266, Gujarat.
Ph. No. : 02876 – 245711
Fax No. : 02876 – 243257
Website : www.stocksandsecurities.adityabirlacapital.com

CORPORATE GOVERNANCE REPORT

CEO/CFO CERTIFICATE

To

The Board of Directors,
Aditya Birla Money Limited.

1. We have reviewed the financial results of Aditya Birla Money Limited for the period ended March 31, 2018 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material act or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the period ended March 31, 2018 are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in the Company's internal control over financial reporting during the period;
 - ii. Significant changes in accounting policies during the period; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : April 26, 2018

Tushar Shah
Director
DIN : 07504267

Pradeep Sharma
Chief Financial Officer
PAN : AHRPS6339L

DECLARATION ON CODE OF CONDUCT

As provided under the provisions of SEBI Listing Regulations, I hereby declare that the Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2018.

Place : Mumbai
Date : April 26, 2018

Tushar Shah
Director
DIN : 07504267

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Money Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Aditya Birla Money Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit, and its cash flows for the year ended on that date.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 it 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 aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi

Partner

Membership Number: 037924

Place : Mumbai

Date : April 26, 2018

INDEPENDENT AUDITOR'S REPORT

Annexure 1 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 Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/fixed assets are held in the name of the company except for immovable properties aggregating Rs.15 lakhs for which the title is in dispute and the matter is sub-judice. Also refer Note No. 9A to the financial statements.
- (ii) The Company does not hold any security in physical form. The securities held as stock in trade by the custodian are verified with the confirmation statement received by the management at regular intervals.
- The Company is maintaining proper records of securities held as stock in trade and no discrepancies were noticed on comparing the statement from the custodian with book records/ books of account.
- (iii) (a) The Company has granted loans to one Company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans that are re-payable on demand, to a Company covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to duty of customs and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months

INDEPENDENT AUDITOR'S REPORT

from the date they became payable. The provisions of duty of customs and duty of excise are not applicable to the Company.

As more fully discussed in Note No. 24 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, 2018 is Rs.12,481,598/-. As the manner of payment of the same has not been notified, we are not in a position to comment if any portion of the stamp duties collected has become due and outstanding for more than six months as at the Balance Sheet date.

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, provident fund, wealth-tax, service-tax, value added tax and cess on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|---|----------------|--------------|------------------------------------|--|
| Finance Act, 1994 | Service Tax | 376,714 | October 2004 – September 2009 | CESTAT |
| | | 248,952 | March 2009 - November 2009 | CESTAT |
| | | 21,821 | October 2009 - March 2010 | CESTAT |
| Karnataka Stamp Act, 1957 | Stamp Duty | 9,060,000 | 2003 – 2008 | Chief Revenue Controlling Authority, Karnataka |
| Employee's Provident Funds and Miscellaneous Provisions Act, 1952 | Provident Fund | 14,036,578* | April 2009 - May 2011 | High Court, Chennai |
| Income Tax Act, 1961 | Income Tax | 741,885 | AY 2010-2011 | Commissioner of Income Tax (Appeals), Chennai |

* Includes payment of Rs.3,509,145/- under protest.

The provisions of duty of customs and excise duty are not applicable to the Company.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of commercial paper for the purposes for which those were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of Section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

INDEPENDENT AUDITOR'S REPORT

- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi

Partner

Membership Number: 037924

Place : Mumbai

Date : April 26, 2018

INDEPENDENT AUDITOR'S REPORT

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ADITYA BIRLA MONEY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Aditya Birla Money Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit

INDEPENDENT AUDITOR'S REPORT

preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi

Partner

Membership Number: 037924

Place : Mumbai

Date : April 26, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

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

| | Note No. | As at 31st March, 2018 | As at 31st March, 2017 |
|---|--------------------------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| (A) Shareholders' Funds | | | |
| Share Capital | 3 | 156,122,138 | 155,400,000 |
| Reserves and Surplus | 4 | 397,409,977 | 277,740,408 |
| Total Equity | Sub-Total - (A) | 553,532,115 | 433,140,408 |
| (B) Non-Current Liabilities | | | |
| Other Long-term Liabilities | 5A | 11,112,279 | 9,131,680 |
| | Sub-Total - (B) | 11,112,279 | 9,131,680 |
| (C) Current Liabilities | | | |
| Short-term Borrowings | 6 | 2,221,357,428 | 347,077,063 |
| Trade Payables- total outstanding dues of | | | |
| - Micro enterprises and small enterprises | 7 | - | - |
| - Trade Payables | 5B | 339,611,741 | 205,208,319 |
| Other Current Liabilities | 8 | 2,008,537,178 | 1,647,323,396 |
| Short-term Provisions | | 12,418,937 | 11,698,270 |
| | Sub-Total - (C) | 4,581,925,284 | 2,211,307,048 |
| | TOTAL (A)+(B)+(C) | 5,146,569,678 | 2,653,579,136 |
| ASSETS | | | |
| (D) Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 9A | 30,880,968 | 38,196,029 |
| Intangible Assets | 9B | 27,600,006 | 32,197,714 |
| Capital Work-in-Progress | | - | 3,224,025 |
| Intangible Assets under Development | | 6,447,500 | 555,000 |
| | | 64,928,474 | 74,172,768 |
| Non-Current Investments | 10A | 55,000,000 | 55,000,000 |
| Deferred Tax Assets (Net) | 11 | 3,271,757 | - |
| Long-term Loans and Advances | 12A | 79,457,933 | 77,498,089 |
| | Sub-Total - (D) | 202,658,164 | 206,670,857 |
| (E) Current Assets | | | |
| Stock in Trade | 13 | 1,156,158,400 | - |
| Current Investments | 10B | 242,500,002 | - |
| Trade Receivables | 14 | 1,333,254,198 | 1,479,557,514 |
| Cash and Cash Equivalents | 15 | 1,956,588,426 | 740,974,592 |
| Short-term Loans and Advances | 12B | 158,655,141 | 192,313,367 |
| Other Current Assets | 16 | 96,755,347 | 34,062,806 |
| | Sub-Total - (E) | 4,943,911,514 | 2,446,908,279 |
| | TOTAL (D)+(E) | 5,146,569,678 | 2,653,579,136 |

Summary of Significant Accounting Policies

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 of Aditya Birla Money Limited

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration No.301003E/E300005

Gopi Krishna Tulsian

Director

DIN : 00017786

Pinky Mehta

Director

DIN : 00020429

Per Jayesh Gandhi

Partner

Membership No. 037924

Place : Mumbai

Date : April 26, 2018

Pradeep Sharma

Chief Financial Officer

PAN : AHRPS6339L

Rajesh Gandhi

Company Secretary

PAN : AFRPG7972H

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

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

| | Note No. | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|----------|--------------------------------|--------------------------------|
| Revenue | | | |
| Revenue from Operations | 17 | 1,569,413,158 | 1,233,649,508 |
| Other Income | 18 | 23,258,109 | 15,339,154 |
| Total Revenue | | <u>1,592,671,267</u> | <u>1,248,988,662</u> |
| Expenses | | | |
| Employee Benefits Expenses | 19 | 525,897,025 | 476,311,408 |
| Finance Cost | 20 | 81,924,332 | 54,402,749 |
| Depreciation and Amortisation Expenses | 21 | 20,771,256 | 30,561,855 |
| Business Partners Payout | | 491,287,787 | 305,243,013 |
| Other Expenses | 22 | 350,170,180 | 312,917,488 |
| Total Expenses | | <u>1,470,050,580</u> | <u>1,179,436,513</u> |
| Profit Before Tax | | 122,620,687 | 69,552,149 |
| Tax Expenses | | | |
| Current Tax | | 40,069,400 | 9,666,044 |
| MAT Credit | | (9,835,436) | (1,594,260) |
| Deferred Tax | | (3,271,757) | - |
| Profit for the Year | | <u>95,658,480</u> | <u>61,480,365</u> |
| Basic Earnings Per Share | | 1.70 | 1.11 |
| Diluted Earnings per Share | 29 | 1.69 | 1.11 |
| (Face Value of Re.1/- each) | | | |

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 of Aditya Birla Money Limited

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Gopi Krishna Tulsian
Director
DIN : 00017786

Pinky Mehta
Director
DIN : 00020429

Per Jayesh Gandhi
Partner
Membership No. 037924

Pradeep Sharma
Chief Financial Officer
PAN : AHRPS6339L

Rajesh Gandhi
Company Secretary
PAN : AFRPG7972H

Place : Mumbai
Date : April 26, 2018

CASH FLOW STATEMENT AS AT MARCH 31, 2018

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

| Particulars | March 31, 2018 Rs. | March 31, 2017 Rs. |
|--|----------------------------|-----------------------|
| Cash Flow from Operating Activities | | |
| Profit/(Loss) Before Tax | 122,620,687 | 69,552,149 |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation/Amortization | 20,771,256 | 30,561,855 |
| Loss/(Profit) on sale of fixed assets | (1,153,117) | (725,000) |
| Provision for doubtful debts made/(written back) | 34,593,456 | 22,955,376 |
| Provision for doubtful deposits and advances | - | 9,600,000 |
| Net (gain)/loss on sale of current investments | (20,893,015) | (12,881,481) |
| Net (gain)/loss on sale of non current investments | - | (840,146) |
| Interest expense | 81,075,176 | 54,402,749 |
| Interest (income) | (100,821,136) | (47,513,874) |
| Operating Profit Before Working Capital Changes | 136,193,307 | 125,111,628 |
| Movements in Working Capital : | | |
| Increase/(decrease) in trade payables | 134,403,422 | 99,503,300 |
| Increase/(decrease) in short-term provisions | 720,667 | (3,205,426) |
| Increase/(decrease) in other current liabilities | 361,213,782 | 544,094,952 |
| Increase/(decrease) in other long-term liabilities | 1,980,599 | 1,316,801 |
| Decrease/(increase) in trade receivables | 111,709,860 | (160,361,092) |
| Decrease/(increase) in long-term loans and advances | (1,959,844) | (14,504,376) |
| Decrease/(increase) in short-term loans and advances | 33,658,226 | 5,520,920 |
| Decrease/(increase) in current investments | (1,267,590,213) | (121,201,364) |
| Decrease/(increase) in Stock in Trade | (1,156,158,400) | - |
| Decrease/(increase) in other current assets | (13,198,955) | 42,120,302 |
| Cash generated from/(used in) Operations | (1,659,027,549) | 518,395,645 |
| Direct Taxes paid (net of refunds) | 31,612,088 | 5,690,349 |
| Cash Flow before Exceptional Items | (1,690,639,637) | 512,705,296 |
| Exceptional Item | - | - |
| Net Cash from/(used in) Operating Activities | (A) (1,690,639,637) | 512,705,296 |
| Cash Flows from Investing Activities | | |
| Purchase of fixed assets, including CWIP and capital advances | (16,481,181) | (40,496,663) |
| Proceeds from sale of fixed assets | 2,639,027 | 2,749,374 |
| Purchase of Mutual Fund | (73,793,500,000) | (46,005,500,000) |
| Proceeds from Sale of Mutual Fund | 73,570,818,709 | 46,018,381,481 |
| Proceeds from Sale of Investments in Equity Shares | - | 870,196 |
| Net Cash Flow from/(used in) Investing Activities | (B) (236,523,445) | (23,995,612) |

CASH FLOW STATEMENT AS AT MARCH 31, 2018

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

| Particulars | March 31, 2018 Rs. | March 31, 2017 Rs. |
|---|-----------------------|-----------------------|
| Cash Flows from Financing Activities | | |
| Proceeds from issuance of equity share capital | 722,138 | - |
| Proceeds from issuance of equity share capital - Securities Premium | 24,011,089 | - |
| Proceeds from Short-term borrowings | - | 4,188,040,215 |
| Repayment of Short-term borrowings | - | (4,242,240,215) |
| Intercompany Loan Given to Subsidiary Company | 99,700,000 | - |
| Intercompany Loan repaid by Subsidiary Company | (99,700,000) | - |
| Proceeds from Issue of Commercial Paper | 7,700,000,000 | 3,850,000,000 |
| Repayment of Commercial Paper | (5,800,000,000) | (4,200,000,000) |
| Interest paid | (49,546,524) | (57,173,251) |
| Net Cash Flow from/(used in) in Financing Activities (C) | 1,875,186,703 | (461,373,251) |
| Net increase/(decrease) in cash and cash equivalents (A +B +C) | (51,976,379) | 27,336,433 |
| Cash and cash equivalents at the beginning of the year | 117,015,308 | 89,678,875 |
| Cash and cash equivalents at the year ended | 65,038,929 | 117,015,308 |
| Components of Cash and Cash Equivalents | | |
| With Banks | | |
| - Current Accounts | 65,038,929 | 117,015,308 |
| Total Cash and Cash Equivalents (Note 15) | 65,038,929 | 117,015,308 |

As per our report of even date

For and on behalf of the Board of Directors of Aditya Birla Money Limited

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Gopi Krishna Tulsian
Director
DIN : 00017786

Pinky Mehta
Director
DIN : 00020429

Per Jayesh Gandhi
Partner
Membership No. 037924

Pradeep Sharma
Chief Financial Officer
PAN : AHRPS6339L

Rajesh Gandhi
Company Secretary
PAN : AFRPG7972H

Place : Mumbai
Date : April 26, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

1. Nature of operations

Aditya Birla Money Limited ('ABML' or 'the Company') was incorporated on July 04, 1995 in Chennai, Tamil Nadu. ABML is a broking and distribution player, offering Equity and Derivative trading through NSE and BSE and Currency Derivative on MCX-SX. It is registered as a Depository Participant with both NSDL and CDSL in terms of the Securities and Exchange Board of India (Depository Participants) Regulations, 1996 and also provides Portfolio Management Services.

2. Statement of Significant Accounting Policies

a) Basis of Preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standard) Amendment Rules 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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) Property Plant and Equipment and Depreciation

Property, plant and Equipment are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on Property Plant and Equipment is provided on Straight Line using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or estimated by the management. The company has used the following useful life to provide depreciation on its fixed assets.

Assets where useful life is same as Schedule II:

| Asset | Useful Life as Prescribed by Schedule II of the Co. Act, 2013 |
|---|---|
| Computers (end user Computers, Laptops) | 3 |
| Servers | 6 |
| V-SAT | 6 |
| Office Equipment (AC, UPS, Generator & Invertors) | 5 |
| Vehicles | 6 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

Useful life of assets different from prescribed in Schedule II has been estimated by management supported by Internal Technical Assessment.

| Asset | Useful Life as Prescribed by Schedule II of the Co. Act, 2013 | Estimated Useful Life |
|--|---|-----------------------|
| Batteries (included under Office Equipments) | 5 Years | 4 Years |
| Furniture & Fixtures* | 10 Years | 7 years |

*In case of Furniture & Fixtures fitted with premises, depreciation calculated based on lease period taking into account the secondary lease period or 7 years whichever is less.

Fixed Assets, individually costing less than Rupees five thousands, are fully depreciated in the year of purchase.

Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on the basis with reference to the date of addition/disposal/discarding.

d) Intangible Assets

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 de-recognition 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.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

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 or net realizable value. Long-term investments are carried at cost, however, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

h) Stock In Trade

Securities acquired with the intention to trade are classified as stock-in-trade. Stock-in-trade is valued at cost, market/fair value whichever is lower. The profit or loss on sale of securities is recognised on trade date in the Statement of Profit and Loss.

i) 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.

Interest earned from income bearing instruments are allocated between pre-acquisition and post-acquisition period and the accrued portion of the pre-acquisition portion is deducted from cost. The post-acquisition portion of interest is considered as revenue. The Profit / Loss earned from sale of securities is recognised on trade date basis.

Other interest incomes are recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

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

Portfolio management fees are recognized on an accrual basis in accordance with the Portfolio Management Agreements entered into with the respective clients.

j) Borrowing Cost

The difference between the issue price and redemption value of commercial papers is apportioned on time basis and recognised as interest expense.

k) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

- 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.

l) Employee Stock Compensation Cost

Employees (including senior executives) of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

m) Income Tax

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

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

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

n) 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.

o) Contingent Liability and Provisions

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.

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.

p) Segment Reporting

The Company's business is to provide brokerage service, the company also trades in security as a part of the business activity and portfolio management services ('PMS') to its clients in the capital markets within India. All other activities of the Company revolve around these activities.

Segment Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses/income".

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

The company prepares its segment information in conformity with the accounting policies adopted.

q) Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

r) 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, 2018

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

| | As at 31st March, 2018 | As at 31st March, 2017 |
|--|---------------------------|---------------------------|
| 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 |
| | 250,000,000 | 250,000,000 |
| Issued, Subscribed & Paid-up | | |
| EQUITY SHARE CAPITAL | | |
| 56,122,138 (Previous Year - 55,400,000) Equity Shares of Re.1/-each Fully paid | 56,122,138 | 55,400,000 |
| PREFERENCE SHARE CAPITAL | | |
| 1,000,000 (Previous Year 1,000,000) 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.100/- each fully paid | 100,000,000 | 100,000,000 |
| | 156,122,138 | 155,400,000 |

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, 2018 | | As at March 31, 2017 | |
|--------|------------------------------------|----------------------|------------|----------------------|------------|
| | | Number of Shares | Amount | Number 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 * | 722,138 | 722,138 | - | - |
| 3 | Outstanding at the end of the year | 56,122,138 | 56,122,138 | 55,400,000 | 55,400,000 |

* Shares issued under ESOP scheme of the Company

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, 2018 | | As at March 31, 2017 | |
|--------|------------------------------------|----------------------|-------------|----------------------|-------------|
| | | Number of Shares | Amount | Number of Shares | Amount |
| 1 | At the beginning of the year | 1,000,000 | 100,000,000 | 1,000,000 | 100,000,000 |
| 2 | Issued during the year | - | - | - | - |
| 3 | Outstanding at the end of the year | 1,000,000 | 100,000,000 | 1,000,000 | 100,000,000 |

2 Terms/Rights attached to Equity Shares

The Company has only one class of Equity shares having at par value of Re.1/- each per share. Each holder of Equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity shares will 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

3 Terms/Rights attached to Preference Shares

- 3.1 Preference shares carry a non-cumulative dividend of 8% per annum. Dividend amounts, declared if any, will be paid 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 Capital Limited (Formerly known as Aditya Birla Financial Services 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. However, basis the written consent of preference shareholders, the period of redemption extended by 39 months from March 2016 to June 2019 and the redemption price of Redeemable Non-Convertible Non-Cumulative Preference Shares shall be varied from Rs.320/- (Face value Rs.100/- and Premium of Rs.220/- per share) to Rs.411/- (Face value Rs.100/- and Premium of Rs.311/- per share).
- 3.2 During 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 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-up and 1,000,000 (Previous Year : 1,000,000) 8% Redeemable Non-Convertible Non-Cumulative Preference Shares Rs.100/- each fully paid-up are held by Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services 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 Shareholder | As at March 31, 2018 | | As at March 31, 2017 | |
|---------|---|-----------------------|---|-----------------------|---|
| | | Number of Shares held | % of total paid-up Equity Share Capital | Number of Shares held | % of total paid-up Equity Share Capital |
| 1 | Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) | 41,550,000 | 74.03 | 41,550,000 | 75.00 |
| 2 | Sucharitha P. Reddy | 350,000 | 0.62 | 5,517,460 | 9.96 |

ii) Preference Share Capital

| Sl. No. | Name of Shareholder | As at March 31, 2018 | | As at March 31, 2017 | |
|---------|---|-----------------------|---|-----------------------|---|
| | | Number of Shares held | % of total paid-up Preference Share Capital | Number of Shares held | % of total paid-up Preference Share Capital |
| 1 | Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) | 1,000,000 | 100 | 1,000,000 | 100 |

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | As at 31st March, 2018 | As at 31st March, 2017 |
|--|---------------------------|---------------------------|
| 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 | 200,000,000 | 200,000,000 |
| Movement for the year | 24,011,089 | - |
| | 224,011,089 | 200,000,000 |
| 3) General Reserve | | |
| Balance as per last audited Financial Statement | 261,376,777 | 261,376,777 |
| 4) Surplus/(Deficit) in the Statement of Profit and Loss | | |
| Balance as per last audited Financial Statement | (195,175,232) | (256,655,597) |
| Addition: Profit of the Year | 95,658,480 | 61,480,365 |
| | (99,516,752) | (195,175,232) |
| | 397,409,977 | 277,740,408 |
| NOTE: 5A | | |
| OTHER LONG-TERM LIABILITIES | | |
| Rent Equalization Liability | 11,112,279 | 9,131,680 |
| | 11,112,279 | 9,131,680 |
| NOTE: 5B | | |
| OTHER CURRENT LIABILITIES | | |
| Income Received in Advance | 8,080,169 | 1,662,898 |
| Other Payables | | |
| Payable to customers | 1,718,677,866 | 1,476,069,312 |
| Payable to exchanges | 163,449,006 | 80,914,178 |
| Book Overdraft | 140 | - |
| Statutory Dues | 10,149,329 | 29,471,151 |
| Deposits | 52,293,970 | 49,791,450 |
| Rent Equalization Liability | 149,422 | 24,857 |
| Other Liabilities | 55,737,276 | 9,389,550 |
| | 2,008,537,178 | 1,647,323,396 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---------------------------|---------------------------|
| NOTE: 6 | | |
| SHORT-TERM BORROWINGS | | |
| UNSECURED | | |
| Commercial Papers *^ | 2,221,357,428 | 347,077,063 |
| | <u>2,221,357,428</u> | <u>347,077,063</u> |
| Maximum balance outstanding during the year | 2,250,000,000 | 1,150,000,000 |

^ Repayable in 27 to 91 days from the date of draw down. The interest on this loan ranges from 6.90 % to 8.32 % and interest on this loan in the previous year ranged from 6.85% to 9.76%

*Commercial Papers shown net of unamortised discounting charges Rs.28,642,572/- and previous year Rs. 2,922,937/-

NOTE: 7

TRADE PAYABLES

| | | |
|--|--------------------|--------------------|
| Salaries, wages, bonus and other employee benefits payable | 126,304,894 | 71,510,026 |
| Trade Payables (Others) | 213,306,847 | 133,698,293 |
| | <u>339,611,741</u> | <u>205,208,319</u> |

There are no Micro, Small & Medium Enterprises, to whom the Company owes dues, which, are outstanding for more than 45 days as at 31st March, 2018 and no interest payment made during the year to any Micro, Small & Medium Enterprises. (Previous year MSME/Interest: Nil). This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE: 8

SHORT-TERM PROVISIONS

Provisions for Employee Benefits:

| | | |
|------------------|-------------------|-------------------|
| Leave Encashment | 12,418,937 | 11,698,270 |
| | <u>12,418,937</u> | <u>11,698,270</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(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 | | | | | | | | |
| As at 1st April 2017 | 1,500,000 | 90,680,527 | 33,215,023 | 39,333,117 | 121,840,744 | 4,534,146 | 291,103,557 | 239,576,741 |
| Additions | - | - | 111,039 | 1,618,253 | 4,365,224 | 852,611 | 6,947,127 | 3,482,571 |
| Deletions | - | 90,680,527 | 6,768,331 | 9,493,678 | 6,916,669 | 1,736,649 | 115,595,855 | 106,600 |
| As at 31st March 2018 | 1,500,000 | - | 26,557,731 | 31,457,692 | 119,289,298 | 3,650,108 | 182,454,829 | 242,952,712 |
| Accumulated Depreciation | | | | | | | | |
| As at 1st April 2017 | - | 90,667,271 | 29,578,200 | 36,216,527 | 95,611,354 | 834,157 | 252,907,509 | 207,379,027 |
| For the year | - | 1,340 | 2,308,062 | 1,761,910 | 7,881,790 | 737,875 | 12,690,977 | 8,080,279 |
| Deletions | - | 90,668,611 | 6,480,155 | 9,403,594 | 6,912,998 | 559,266 | 114,024,624 | 106,600 |
| As at 31st March 2018 | - | - | 25,406,107 | 28,574,843 | 96,580,146 | 1,012,766 | 151,573,861 | 215,352,706 |
| Net block as at 31st March 2017 | 1,500,000 | 13,256 | 3,636,823 | 3,116,590 | 26,229,370 | 3,699,989 | 38,196,029 | 32,197,714 |
| Net block as at 31st March 2018 | 1,500,000 | - | 1,151,624 | 2,882,849 | 22,709,153 | 2,637,342 | 30,880,968 | 27,600,006 |

* The company is in the process of getting the lands registered in its name which is currently under dispute but management expects a favourable outcome in this matter

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | As at 31st March, 2018 | As at 31st March, 2017 |
|--|---------------------------|---------------------------|
| NOTE: 10A | | |
| INVESTMENTS : NON-CURRENT (UNQUOTED) | | |
| In Subsidiary Company (Unquoted, at cost) | | |
| 5,500,000 (Previous year : 5,500,000) Equity Share of Rs.10/- each fully paid in subsidiary- Aditya Birla Commodities Broking Limited. | 55,000,000 | 55,000,000 |
| | <u>55,000,000</u> | <u>55,000,000</u> |
| NOTE: 10B | | |
| CURRENT INVESTMENTS | | |
| Investment in Mutual Fund | 242,500,002 | - |
| TOTAL CURRENT INVESTMENT | <u>242,500,002</u> | <u>-</u> |
| i) Aggregate amount of Unquoted investments | - | - |
| ii) Aggregate amount of Quoted investments | 242,500,002 | - |
| iii) Aggregate market value of Quoted Investments | 242,872,420 | - |
| iv) Aggregate Provision for dimunition in value of investments | - | - |
| NOTE: 11 | | |
| DEFERRED TAX ASSETS (NET) | | |
| Deferred Tax Assets | | |
| Depreciation | 12,065,668 | 11,642,946 |
| Provision for Doubtful Debts | 11,436,597 | 16,383,007 |
| Provision for Expenses | 10,096,001 | - |
| Provision for gratuity & Leave encashment | 116,416 | 2,875,648 |
| Stamp Duty | 631,303 | 867,092 |
| Provision for Bonus & Incentive | 1,700,422 | 817,029 |
| Total Deferred Tax Asset | <u>36,046,407</u> | <u>32,585,723</u> |
| Net Deferred Tax Assets/(Liabilities) | <u>3,271,757</u> | <u>-</u> |
| Based on management judgment, deferred tax asset has been recognized only to the extent it is likely to be utilized. | | |
| NOTE: 12A | | |
| LONG-TERM LOANS AND ADVANCES | | |
| (Unsecured, Considered Good, except otherwise stated) | | |
| Security Deposits | 35,254,330 | 36,068,925 |
| Advance Tax (Net of Provision) | 8,849,360 | 21,889,723 |
| MAT Credit Entitlement | 9,835,436 | - |
| Prepaid Expenses | 670,805 | 514,441 |
| Margins with Exchange | 24,848,002 | 19,025,000 |
| | <u>79,457,933</u> | <u>77,498,089</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---------------------------|---------------------------|
| NOTE: 12B | | |
| SHORT-TERM LOANS AND ADVANCES | | |
| (Unsecured, Considered Good, except otherwise stated) | | |
| Advance for Expenses, Material, Employees and Others | | |
| Considered Good | 3,808,599 | 118,741,842 |
| Considered Doubtful | 4,313,092 | 74,384,299 |
| | <u>8,121,691</u> | <u>193,126,141</u> |
| Less: Provision for Doubtful | (4,313,092) | (74,384,299) |
| | <u>3,808,599</u> | <u>118,741,842</u> |
| Security Deposits | | |
| Secured, Considered Good | 1,463,590 | 797,050 |
| Unsecured, Considered Doubtful | 508,590 | 508,590 |
| | <u>1,972,180</u> | <u>1,305,640</u> |
| Less: Provision for Doubtful | (508,590) | (508,590) |
| | <u>1,463,590</u> | <u>797,050</u> |
| Loans & Advances to Related Parties # | 8,133,438 | 23,502,982 |
| Balances with Govt. Authorities | 3,670,412 | 4,680,350 |
| Margins with Exchange | 97,500,000 | 6,823,002 |
| Advances to Suppliers | 17,882,387 | 3,915,373 |
| Prepaid Expenses | 15,271,301 | 16,096,762 |
| Gratuity (Funded) | 6,960,473 | 12,967,397 |
| Loans & Advances to Employees | | |
| Considered Good | 3,964,941 | 4,788,609 |
| Considered Doubtful | - | 101,033 |
| | <u>3,964,941</u> | <u>4,889,642</u> |
| Less: Provision for Doubtful | - | (101,033) |
| | <u>3,964,941</u> | <u>4,788,609</u> |
| | <u>158,655,141</u> | <u>192,313,367</u> |

Also, refer Note: 32

NOTE: 13

STOCK IN TRADE

| | | |
|-----------------------|-----------------------------|----------|
| Government Securities | 247,625,000 | - |
| Bonds | 908,533,400 | - |
| | <u>1,156,158,400</u> | <u>-</u> |

(Amount in Rs.)

| Particulars/Year | Opening Stock | Purchases | Sales | Closing Stock |
|-------------------------------|---------------|----------------------|----------------------|----------------------|
| Stock of Securities 2017-2018 | | | | |
| - Government Securities | - | 3,218,648,450 | 2,971,023,450 | 247,625,000 |
| - Bonds | - | 2,852,440,075 | 1,943,906,675 | 908,533,400 |
| Total | - | 6,071,088,525 | 4,914,930,125 | 1,156,158,400 |
| Stock of Securities 2016-2017 | | | | |
| - Government Securities | - | - | - | - |
| - Bonds | - | - | - | - |
| Total | - | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | As at 31st March, 2018 | As at 31st March, 2017 |
|--|-----------------------------|-----------------------------|
| NOTE: 14 | | |
| TRADE RECEIVABLES ^ | | |
| Outstanding for a period exceeding Six months from the date they are due | | |
| Secured, Considered Good | 24,478,214 | 37,806,889 |
| Unsecured, Considered Good | | |
| Unsecured, Considered Doubtful | 74,946,435 | 59,162,116 |
| Less: Provision for Doubtful | (74,946,435) | (59,162,116) |
| Others | | |
| Secured, Considered Good | 1,271,127,210 | 1,415,316,741 |
| Unsecured, Considered Good | 37,648,774 | 26,433,884 |
| Unsecured, Considered Doubtful | 4,769,622 | 981,476 |
| Less: Provision for Doubtful | (4,769,622) | (981,476) |
| | <u>1,333,254,198</u> | <u>1,479,557,514</u> |

^ Trade receivable includes pass through amounts representing dues from client and exchanges towards transactions not fully settled as at the reporting date.

Trade receivables also includes amount receivable from customers pertaining to amount funded to them for settlement of trades as part of normal business activity.

NOTE: 15

CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances with Banks

Current Accounts

| | |
|------------------------------|---------------------------|
| 65,038,929 | 117,015,308 |
| (A) <u>65,038,929</u> | <u>117,015,308</u> |

Other Bank Balances

Deposit Accounts (with original maturity period of more than three months)

| | |
|---------------------------------------|---------------------------|
| 1,891,549,497 | 623,959,284 |
| (B) <u>1,891,549,497</u> | <u>623,959,284</u> |
| (A) + (B) <u>1,956,588,426</u> | <u>740,974,592</u> |
| <u>1,956,588,426</u> | <u>740,974,592</u> |

Fixed Deposits Placed with Bank towards:

a) Issue of Bank Guarantees

238,761,993 272,728,781

b) Margin with Exchange

1,642,017,436 341,050,000

c) Others

10,770,069 10,180,503

1,891,549,498 **623,959,284**

NOTE: 16

OTHER CURRENT ASSETS

(Unsecured, Considered Good, except otherwise stated)

Accrued Income

18,034,926 6,669,935

Interest Accrued on Fixed Deposits

78,720,421 27,392,871

96,755,347 **34,062,806**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|--|--------------------------------|--------------------------------|
| NOTE: 17 | | |
| REVENUE FROM OPERATIONS | | |
| A. INCOME FROM SERVICES | | |
| Brokerage Income | 1,078,605,072 | 903,261,424 |
| Account Opening Charges | 2,503,880 | 2,189,904 |
| Setup & Management Fee | 72,626,784 | 11,170,381 |
| Income from Depository Services | 46,869,785 | 45,193,145 |
| | <u>1,200,605,521</u> | <u>961,814,854</u> |
| B. OTHER OPERATING INCOME | | |
| V-SAT Rent | 812,359 | 626,344 |
| Interest and Finance Charges | 236,421,348 | 214,420,225 |
| Referral Fee Income | 9,958,696 | 5,294,576 |
| Physical Contract Note Income | 4,409,708 | 4,389,512 |
| Interest on Bank Deposits | 100,625,877 | 45,597,751 |
| Miscellaneous Other Operating Income | 16,579,649 | 1,506,246 |
| | <u>368,807,637</u> | <u>271,834,654</u> |
| Total | <u>1,569,413,158</u> | <u>1,233,649,508</u> |
| NOTE: 18 | | |
| OTHER INCOME | | |
| Other Interest Income | 195,259 | 148,032 |
| Net Gain on Sale of Investments | 20,893,015 | 13,721,627 |
| Profit on Sale of Fixed Assets (Net) | 1,153,117 | 725,000 |
| Miscellaneous Income (Net) | 1,016,718 | 744,495 |
| | <u>23,258,109</u> | <u>15,339,154</u> |
| NOTE: 19 | | |
| EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and Wages | 467,457,448 | 437,498,503 |
| Contribution to Provident and Other Funds (Refer Note: 31) | 28,600,095 | 27,421,864 |
| Staff Welfare Expenses | 29,839,482 | 11,391,041 |
| | <u>525,897,025</u> | <u>476,311,408</u> |
| NOTE: 20 | | |
| OTHER FINANCE COST | | |
| Interest Expenses | 81,075,176 | 54,259,128 |
| Other Borrowing Costs | 849,156 | 143,621 |
| | <u>81,924,332</u> | <u>54,402,749</u> |
| NOTE: 21 | | |
| DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation of Tangible Assets | 12,690,977 | 17,897,873 |
| Amortisation of Intangible Assets | 8,080,279 | 12,663,982 |
| | <u>20,771,256</u> | <u>30,561,855</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|--|--------------------------------|--------------------------------|
| NOTE: 22 | | |
| OTHER EXPENSES | | |
| Rent | 47,167,484 | 51,186,842 |
| Repairs and Maintenance of: | | |
| Buildings | 1,339,796 | 1,314,955 |
| Others | 22,685,981 | 21,850,316 |
| Insurance | 13,514,859 | 16,811,967 |
| Rates and Taxes | 14,645,327 | 7,847,272 |
| Connectivity Charges | 28,844,414 | 30,884,510 |
| Advertisement and Sales Promotion Expenses | 3,932,575 | 2,759,738 |
| Legal and Profession Expenses | 41,290,246 | 30,150,747 |
| Auditors' Remuneration * | 3,630,181 | 3,206,560 |
| Provision for Doubtful Debts and Advances | 34,593,456 | 32,555,376 |
| Printing and Stationery | 4,704,337 | 4,370,677 |
| Travelling and Conveyance | 28,943,032 | 22,669,688 |
| Communication Expenses | 12,812,872 | 12,093,182 |
| Bank Charges | 9,654,364 | 8,722,830 |
| Directors' Fees | 685,000 | 710,000 |
| Postage Expenses | 5,172,663 | 2,966,868 |
| Electricity Charges | 11,524,994 | 12,137,038 |
| Information Technology Expenses | 42,330,247 | 39,360,188 |
| Miscellaneous Expenses | 22,698,352 | 11,318,734 |
| | 350,170,180 | 312,917,488 |

* Auditors' Remuneration includes payments to auditors as under:

As Auditor:

| | | |
|---------------------------|------------------|------------------|
| Audit Fee | 1,050,000 | 800,000 |
| Limited Reviews | 1,350,000 | 1,350,000 |
| Tax Audit Fee | 200,000 | 100,000 |
| Certification Fee | 250,000 | 250,000 |
| Reimbursement of Expenses | 780,181 | 702,702 |
| | 3,630,181 | 3,202,702 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

23) Other Significant Notes – SPA Claims

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 06, 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 05, 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 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, 2017 aggregating Rs.18,40,50,594/- 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 M/s. Deloitte Haskins & Sells were asked to act as Auditors by the Arbitrators with a mandate to submit a report on whether from an accounting perspective, including the accounting treatment that has been given to the items set out in the Statement of Claim, the amounts as claimed are correct as per accounting practice.

The Arbitral Tribunal 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.

During FY 2014-15, Arbitral Tribunal has passed an award, allowing claim of Rs.99,190,697/-, which excluded premature claims pertaining to income tax, service tax, etc. Further, such award directed the Erstwhile Promoters to pay a sum of Rs.55,546,790/- (being 56% of Rs.99,190,697/-, as ABNL has purchased only 56% of shares), along with interest @ 14% from the date of award. This award was received by ABNL on May 27, 2014

Subsequently, both parties have filed petitions under Section 34 of the Arbitration and Conciliation Act, 1996 seeking to set aside the award and the same are admitted and pending on the file of the High Court of Madras.

In respect of such receivables, which exclude premature claims pertaining to income tax, service tax, etc., the Company has created adequate provision, which also includes claims not awarded by the Arbitral Tribunal to the extent of 44%. In respect of tax claims, the company has obtained favorable order for certain assessment years & is confident of recovering such amount in due course. Such amounts are fully recoverable from the income tax department.

Further in the month of October 2015, Supreme Court dismissed the appeal filed by the Company against SAT order directing the company to pay a sum of Rs.16,596,652/- together with interest thereon. Consequently SEBI served a notice of demand on the Company seeking payment of a sum of Rs.16,596,652/- towards turnover fee and a sum of Rs.37,638,304/- and in the month of October 2016, Rs.1,129,149/- towards interest thereon from the respective due dates of payment of the said Turnover Fee.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

As the erstwhile promoters have agreed to indemnify ABNL to the extent of any losses resulting from or consequent upon the civil appeal pending before Supreme Court vide Civil Appeal No. 3441/2007 in the SPA, the demand was communicated to the erstwhile promoters and the erstwhile promoters have paid the total turnover fee of Rs.16,596,652/- to the Company against the payment made by the Company to SEBI.

The request of the Company to SEBI seeking waiver of the interest was not considered favourably and the review petition filed by the Company in Supreme Court was also dismissed. In the meanwhile SEBI issued a Recovery Certificate dated 12.01.2016 seeking to recover the interest amount and the Company remitted the above mentioned interest amount with SEBI under intimation to erstwhile promoters.

During the current financial year all the parties to the agreement have agreed to settle the dispute for a full and final settlement amount of Rs.147,307,418/-. The Company received the settlement amount. Out of this Rs.44,600,000/- has been kept aside by the company towards tax matters relating to period prior to acquisition. All the parties to the dispute have agreed to file the settlement petition with High Court.

24) 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.12,481,598/- (Previous year: Rs.10,572,030/-) collected till March 31, 2018 has been disclosed under Statutory Dues under Other Current Liabilities.

25) Capital and Other Commitment

- Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for is Nil (Previous year - Nil).
- For commitments relating to lease arrangements, please refer Note 30.

26) Contingent Liabilities

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| 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). | 741,885 | 24,000,236 |
| (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). | 647,487 | 674,483 |
| (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: | | |
| Claims against the Company not acknowledged as debts* | 67,413,054 | 69,337,180 |

* 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, 2018

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

27) 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 01, 2008 to March 06, 2009.

During earlier year, the Company has received an order from the Central Government (CG) whereby the CG has rejected excess remuneration of Rs.1,626,614/- (Previous year: Rs.1,626,614/-) and directed the Company to collect the same from the Erstwhile Director. Further the Company has filed a civil suit in the High Court of Judicature at Madras vide C.S. No. 53/2016 seeking recovery of the excess remuneration paid to Mr. P.B. Subramaniyan. Pending the recovery of the same, it has been shown as advances recoverable by the Company in the Balance Sheet.

28) Classified under Loans and Advances include (Running Account):

| Aditya Birla Commodities Broking Limited | Balance as at March 31, 2018 | Balance as at March 31, 2017 | Maximum amount outstanding at any time during the year ended March 31, 2018 | Maximum amount outstanding at any time during the year ended March 31, 2017 |
|---|------------------------------|------------------------------|---|---|
| (Repayable on Demand on account of regular running account balance) | 2,800,187 | -29,012 | 22,470,988 | 12,726,614 |

29) Earnings Per Share

| Particulars | | March 31, 2018 | March 31, 2017 |
|--|-----|----------------|----------------|
| Net Profit (after Tax) as per Statement of Profit and Loss | A | 95,658,480 | 61,480,365 |
| Weighted Average Number of Equity Shares | | | |
| - Basic | B | 56,122,138 | 55,400,000 |
| - Diluted | C | 56,519,430 | 55,400,000 |
| Earnings per share | | | |
| - Basic | A/B | 1.70 | 1.11 |
| - Diluted | A/C | 1.69 | 0.99 |
| Nominal Value of Equity Share (in Rs.) | | Re.1/- | Re.1/- |

30) Lease Disclosures

Operating Leases for Premises:

Lease rentals in respect of premises taken on operating lease during the year ended March 31, 2018 amounts to Rs.45,532,262/- (Previous Year Rs.49,361,872/-).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2018 amounts to Rs.181,716,115/- (Previous Year Rs.206,783,838/-). Details of Lease Rentals payable within one year and thereafter are as under:

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Within one year | 46,044,267 | 42,290,592 |
| Later than one year and not later than five years | 110,033,067 | 121,236,232 |
| Later than five years | 25,638,781 | 43,257,014 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(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. 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, 2018 amounts to Rs.1,792,250/- (Previous Year Rs.2,795,464/-).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2018 amounts to Rs.707,057/- (Previous Year Rs. 2,500,954/-). Details of Lease Rentals payable within one year and thereafter are as under:

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Within one year | 707,057 | 1,793,898 |
| Later than one year and not later than five years | - | 707,057 |
| Later than five years | - | - |

31) Employment Benefit disclosures

The amounts charged to the Statement of profit and loss during the year for Provident fund contribution aggregates to Rs.16,568,304/- (Previous year: Rs.19,066,935/-) and employees' state insurance contribution aggregates to Rs.1,367,939/- (Previous year: Rs.731,827/-).

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 tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Amounts recognized in the Balance Sheet in respect of Gratuity:

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Present value of defined benefit obligation | 47,438,134 | 37,669,955 |
| Fair value of plan assets | 54,398,607 | 50,637,352 |
| Liability/(Asset) recognized in the balance sheet | (6,960,473) | (12,967,397) |

Amounts recognized in the Statement of Profit and Loss in respect of Gratuity

| Particulars | March 31, 2018 | March 31, 2017 |
|--|----------------|----------------|
| Current Service Cost | 5,662,768 | 4,457,695 |
| Interest Cost on benefit obligation | 2,522,103 | 3,024,112 |
| Expected Return on plan assets | NIL | (2,199,187) |
| Net Actuarial (gain) / loss recognized in the year | 1,222,352 | 7,19,993 |
| Net Gratuity Cost | 9,407,223 | 60,02,613 |

Actual Return on Plan Assets:

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Expected return on plan assets | NIL | 2,199,187 |
| Actuarial gains / (losses) on plan assets | 3,761,255 | 2,335,424 |
| Actual return on plan assets | 3,761,255 | 4,534,611 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

Reconciliation of Present Value of the Obligation and the Fair Value of Plan Assets:

| Particulars | March 31, 2018 | March 31, 2017 |
|--|----------------|----------------|
| Opening defined benefit obligation | 37,669,955 | 39,819,206 |
| Interest Cost | 2,522,103 | 3,024,112 |
| Current Service Cost | 5,662,768 | 4,457,695 |
| Actuarial (gains)/ losses on obligation | 4,983,607 | 3,055,417 |
| Benefits paid Including Transfer In /(Out) | (3,400,299) | (12,686,475) |
| Closing defined benefit obligation | 47,438,134 | 37,669,955 |

Change in Fair Value of Plan Assets

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Opening fair value of plan assets | 50,637,352 | 30,751,088 |
| Expected return | NIL | 2,199,187 |
| Actuarial gains/(losses) on plan assets | 3,761,255 | (2,335,424) |
| Contributions by employer | 3,400,299 | 28,038,128 |
| Benefits paid | (3,400,299) | (12,686,475) |
| Closing fair value of plan assets | 54,398,607 | 50,637,352 |

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, 2018 | March 31, 2017 |
|--------------------------------|----------------|----------------|
| Government of India securities | 11% | 12% |
| Corporate Bonds | 0% | 0% |
| Insurer managed funds | 60% | 60% |
| Deposit Scheme | 0% | 2% |
| Others | 29% | 26% |
| | 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, 2018 | March 31, 2017 | March 31, 2016 |
|--------------------------------------|----------------|----------------|----------------|
| Experience Adjustments (loss) / gain | 5,243,111 | 1,667,537 | 1,735,811 |

| Particulars | March 31, 2015 | March 31, 2014 | March 31, 2013 |
|--------------------------------------|----------------|----------------|----------------|
| Experience Adjustments (loss) / gain | (274,235) | (387,351) | 641,862 |

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, 2018 | March 31, 2017 |
|--------------------------------|----------------|----------------|
| Discount Rate (per annum) | 6.80% | 6.70% |
| Salary Growth Rate (per annum) | 10.00% | 10.00% |

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

32) Related Party Transactions

| | |
|--|---|
| Ultimate Holding Company | Grasim Industries Limited |
| Holding Company | Aditya Birla Capital Limited |
| Subsidiary Company | Aditya Birla Commodities Broking Limited |
| Related parties under AS 18 with whom transactions have taken place during the year | |
| Fellow Subsidiary | Aditya Birla Finance Limited |
| | Aditya Birla Financial Shared Services Limited |
| | Aditya Birla Sun Life Insurance Company Limited (Formerly known as Birla Sun Life Insurance Company Limited) |
| | Aditya Birla MyUniverse Limited |
| | Aditya Birla Insurance Brokers Limited |
| | Birla Sun Life AMC Limited |
| | Aditya Birla Housing Finance Limited |
| | Aditya Birla Idea Payment Bank Limited |
| | Aditya Birla Health Insurance Company Limited |
| | Aditya Birla Money Insurance Advisory Services Limited |
| Key Management Personnel | Mr. Murali Krishnan L.R, Manager |
| | Mr. Pradeep Sharma, CFO |
| | Mr. Vikashh K Agarwal, Company Secretary (ceased to be the Company Secretary with effect from 31.07.2017) |
| | Mr. Rajesh Gandhi, Company Secretary (Appointed as Company Secretary on 01.08.2017) |

| Sr. No. | Particulars | Closing Balance as on March 31, 2018 | Transactions 2017-18* | Closing Balance as on March 31, 2017 | Transactions 2016-17* |
|---------|---|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| I | Grasim Industries Limited | | | | |
| 1 | Reimbursement of Cost - AGM Expenses | | 28,145 | | - |
| 2 | Others Transactions | | 31,360,000 | | - |
| 3 | Outstanding Balances | | | | |
| | - Receivable - Others | - | | - | |
| II | Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) | | | | |
| 1 | Other Transaction - Directors appointment Refundable deposit | | - | | 100,000 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| Sr. No. | Particulars | Closing Balance as on March 31, 2018 | Transactions 2017-18* | Closing Balance as on March 31, 2017 | Transactions 2016-17* |
|------------|---|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| 2 | Reimbursement of Cost - Electricity, Rent, Staff welfare and other expenses | | 194,919 | | 40,585 |
| 3 | ESOP Expenses | | 15,677,101 | | - |
| 4 | ESOP Credit Note against Exit Employee | | 1,016,142 | | - |
| | Outstanding Balances | | | | |
| | - Receivable | 792,375 | | - | |
| | | | | | |
| III | Aditya Birla Finance Limited | | | | |
| 1 | Reimbursement of Cost - Rent, Electricity & Other Expenses | | 1,311,385 | | 4,093,609 |
| 2 | Recovery of Manpower cost | | 15,952,772 | | 57,902,276 |
| 3 | Recovery of Cost - Rent & Other expenses | | 1,138,138 | | 2,241,164 |
| 4 | Bonus Payable | | 1,628,476 | | - |
| 5 | Custodian - Fee Recoverable | | 4,329,333 | | 3,730,007 |
| 6 | Brokerage Income (Debt) | | 1,050,000 | | 3,155,777 |
| 7 | Brokerage Income (Trading) | | 2,820,440 | | 2,558,933 |
| 8 | Referral Fee Expense | | 6,474,948 | | 3,746,403 |
| 9 | Referral Fee Income | | 8,319,126 | | 6,565,485 |
| 10 | Expenses - Commission, - Management Fees | | 138,667,596 | | 38,857,447 |
| 11 | Client settlement | | - | | 1,352,915 |
| 12 | Other Transaction-Trf. of Loan/Deposit | | - | | 2,625,000 |
| 13 | Other Transaction- Gratuity/Leave Encashment liability | | - | | 16,247,115 |
| 14 | Other Transaction - Rental Advances | | - | | 500,000 |
| 15 | Other Transaction - Asset Transfer | | - | | 129,774 |
| 16 | Outstanding Balances | | | | |
| | - Receivables (Trade Receivable) | 409,590 | - | 395,055 | - |
| | - Payables (Advances from customer) | (32,830) | - | (48,229) | - |
| | - Payables (Trade payable) | (503,361) | - | (13,917,329) | - |
| | | | | | |
| IV | Aditya Birla Financial Shared Services Limited | | | | |
| 1 | Reimbursement of Cost - Manpower and other expenses | | 5,373,860 | | 10,155,178 |
| 2 | Reimbursement of Cost - Electricity, Staff welfare and other expenses | | 12,981,612 | | 7,293,775 |
| 3 | Prepaid Expenses | | 4,479,092 | | 6,240,117 |
| 4 | Contribution to Fund | | 103,383 | | 1,126,097 |
| 5 | Outstanding Balances | | | | |
| | - Payables | (2,081,868) | | (5,117,665) | |
| | - Prepaid Expenses Balance | 574,656 | | 231,834 | |
| | | | | | |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| Sr. No. | Particulars | Closing Balance as on March 31, 2018 | Transactions 2017-18* | Closing Balance as on March 31, 2017 | Transactions 2016-17* |
|------------|---|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| V | Aditya Birla Sun Life Insurance Company Limited (Formerly known as Birla Sun Life Insurance Company Limited) | | | | |
| 1 | Income | | 6,255,196 | | 10,160,336 |
| 2 | Asset Transferred | | 1,270,976 | | - |
| 3 | ESOP Expenses | | 201,563 | | - |
| 4 | Reimbursement of Rent & Other Expenses | | 1,633,922 | | - |
| 5 | Other Transaction- Gratuity/Leave Encashment liability Employee Transfer In | | 1,628,767 | | - |
| 6 | Recovery of Rent & Other Expenses | | - | | 46,392 |
| 7 | Other Transaction- Gratuity/Leave Encashment liability | | 361,622 | | 39,751 |
| 8 | NPS Contribution | | 13,333 | | - |
| 9 | Outstanding Balances | | | | |
| | - Payables | (256,356) | | | - |
| VI | Aditya Birla Insurance Brokers Limited | | | | |
| 1 | Recovery of Cost - Rent & Other Expenses | | 317,819 | | 888,591 |
| 2 | Outstanding Balances | | | | |
| | - Receivables | 105,292 | - | 42,249 | - |
| VII | Aditya Birla MyUniverse Limited | | | | |
| 1 | Expenses - Commission, - Management Fees | | 1,958,267 | | 2,116,762 |
| 2 | Recovery of Cost - IT Support, Rent Expenses recovery | | 37,836 | | 377,224 |
| 3 | Recovery of Cost - Manpower expenses | | - | | 2,156,147 |
| 4 | Bonus Recovery | | - | | 207,541 |
| 5 | Bonus Payable | | - | | 278,992 |
| 6 | Reimbursement of Cost - Rent expenses | | 266,112 | | 3,976,074 |
| 7 | Other Transaction - Gratuity /Leave Encashment Liability | | 945,682 | | - |
| 8 | Income | | 50,898 | | 36,093 |
| 9 | Reimbursement of cost - Electricity Expenses, Security Charges and other expenses | | 675,959 | | 782,682 |
| 10 | Transaction Charges NSDL Recovery | | 40,000 | | 13,800 |
| 11 | KRA Service Recovery | | 274,528 | | 606,491 |
| 12 | Other Transaction-Trf. of Loan/Deposit | | 155,000 | | - |
| 13 | Client Settlement | | 142 | | |
| 14 | Outstanding Balances: | | | | |
| | - Payables (Trade payable) | (248,879) | | (944,377) | |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| Sr. No. | Particulars | Closing Balance as on March 31, 2018 | Transactions 2017-18* | Closing Balance as on March 31, 2017 | Transactions 2016-17* |
|-------------|--|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| VIII | Aditya Birla Housing Finance Limited | | | | |
| 1 | Recovery of Cost - Rent | | 519,656 | | 489,549 |
| 2 | Outstanding Balances | | | | |
| | - Receivables | 302,675 | | 65,587 | |
| IX | Aditya Birla Money Insurance Advisory Services Limited | | | | |
| 1 | Other Transaction- Gratuity/Leave Encashment liability | | - | | 108,954 |
| 2 | Other Deposit - Rental Deposit | | - | | 96,000 |
| 3 | Asset Transferred | | 92,014 | | 1 |
| 4 | Reimbursement of Rent and Other Expenses | | 808,765 | | 209,645 |
| 5 | Recovery of Rent and Other Expenses | | 234,476 | | 43,252 |
| 6 | Outstanding Balances | | | | |
| | - Payables | (865,996) | | (142,227) | |
| X | Aditya Birla Idea Payment Bank Limited | | | | |
| 1 | Recovery of Cost - Rent, Electricity, Staff welfare and other expenses | | - | | 815,152 |
| 2 | Gratuity Liability | | - | | 2,252,106 |
| 3 | Leave Encashment Liability | | - | | 156,490 |
| 4 | Festival Advance Recovery | | - | | 137,275 |
| 5 | Outstanding Balances | | | | |
| | - Payables | - | | (2,131,859) | |
| XI | Birla Sun Life AMC Limited | | | | |
| 1 | PMS Income | | 228,261 | | - |
| | - Payables | - | | - | |
| XII | Aditya Birla Health Insurance Company Limited | | | | |
| 1 | Reimbursement of Electricity charges | | 249,016 | - | 267,566 |
| 2 | Group Deposit-GMC | | - | - | 15,236,329 |
| 3 | Group Deposit-Top up | | 1,791,540 | - | 2,093,502 |
| 4 | Outstanding Balances | | | | |
| | - Payable | (589,120) | | (302,348) | |
| | - CD Balance | 4,712,281 | | 17,329,831 | |
| XIII | Aditya Birla Commodities Broking Limited | | | | |
| 1 | Recovery of Cost - Rent, Electricity, Staff welfare and other expenses | | 6,757,200 | | 13,383,803 |
| 2 | Reimbursement of Cost : Manpower Cost | | 1,463,231 | | 1,720,752 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| Sr. No. | Particulars | Closing Balance as on March 31, 2018 | Transactions 2017-18* | Closing Balance as on March 31, 2017 | Transactions 2016-17* |
|--------------|---|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| 3 | Recovery of Cost : Manpower Cost | | 6,274,780 | | 11,615,636 |
| 4 | Liability transfer | | 1,091,719 | | - |
| 5 | Inter corporate loan given | | 99,700,000 | | - |
| 6 | Inter corporate loan repaid | | 99,700,000 | | - |
| 7 | Interest on Inter corporate loan receivable | | 101,630 | | - |
| 8 | Interest Payable on running account | | 45,008 | | 8,786 |
| 9 | Interest receivable on running account | | - | | 77,551 |
| 10 | Rental advance transfer to ABCBL | | 135,350 | | - |
| 11 | Other Advance | | 1,552,582 | | - |
| 12 | Outstanding Balances | | | | |
| | -Payable | | - | (29,012) | |
| | -Receivable | 2,800,186 | | - | |
| XIV | Mr. P. Sudhir Rao | | | | |
| 1 | Director Sitting Fee | - | 270,000 | - | 420,000 |
| 2 | Reimbursement of Cost | - | - | - | - |
| XV | Mr. G. Vijayaraghavan | | | | |
| 1 | Director Sitting Fee | - | 415,000 | - | 320,000 |
| 2 | Reimbursement of Cost | - | - | - | - |
| XVI | Mr. Tushar Harendra Shah | | | | |
| 1 | PMS Management Fees | - | 144,888 | - | 64,466 |
| 2 | Brokerage Income | - | 660 | - | 2,988 |
| 3 | Outstanding Balances | | | | |
| | - Payables | | | | |
| XVII | Mr. Ajay Srinivasan | | | | |
| 1 | PMS Management Fees | - | 261,124 | - | 76,496 |
| 2 | Brokerage Income | - | - | - | 255 |
| XVIII | Mr. Pradeep Sharma | | | | |
| 1 | Remuneration | - | 9,646,681 | - | 6,212,770 |
| 2 | Reimbursement of Cost | - | 30,286 | - | 16,033 |
| 3 | Brokerage Income | - | 997 | - | - |
| XIX | Mr. Vikashh K Agarwal | | | | |
| 1 | Remuneration | - | 1,811,351 | - | 3,602,602 |
| 2 | Reimbursement of Cost | - | 31,749 | - | 37,354 |
| XX | Mr. Murali Krishnan L.R. | | | | |
| 1 | Remuneration | - | 2,369,171 | - | 2,282,494 |
| 2 | Reimbursement of Cost | - | - | - | - |
| 3 | Brokerage Income | - | 900 | - | 21 |
| XXI | Mr. Rajesh Gandhi | | | | |
| 1 | Remuneration | - | 943,150 | - | - |
| 2 | Reimbursement of Cost | - | 8,477 | - | - |

*Amounts excluding Service Tax/GST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

33) Foreign Currency Transactions

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

34) Stock Options Granted

The objective of the Employee Stock Option Scheme is to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability.

In accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'SEBI ESOP Regulations') and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense recognized as at the beginning and end of that period and is to be recognized in employee benefits expense.

i) ABML – Employee Stock Option Scheme – 2014

The Company had formulated the ABML Employee Stock Option Scheme – 2014 (ABML ESOP Scheme – 2014) with the approval of the shareholders at the Annual General Meeting dated September 09, 2014. The Scheme provides that the total number of options granted there under will be 27,70,000 and to follow the Market Value Method (Intrinsic Value) for valuation of the Options. Each option, on exercise, is convertible into one equity share of the Company having face value of Re.1 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on December 02, 2014 has granted 25,09,341 stock options to its eligible employees under the ABML ESOP Scheme – 2014 at an exercise price of Rs.34.25/-. The Exercise Price was based on the latest available closing price, prior to the December 02, 2014 (the date of grant by the Nomination & Remuneration Committee) on the recognized stock exchanges on which the shares of the Company are listed with the highest trading volume.

Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under

| | As on 31st March 2018 |
|--|---|
| Options granted on December 02, 2014 | 2,509,341 |
| Options outstanding as on April 01 2017 | 1,445,845 |
| No. of options granted during the year | NIL |
| Method of Accounting | Intrinsic Value |
| Vesting Plan | 25% every year |
| Exercise period | Within 5 years from the date of vesting of respective options |
| Grant/Exercise price (Rs. per share) | 34.25/- |
| Market price as on the date of the grant | 34.25/- (previous day closing price on the recognized stock exchange) |
| Options forfeited/lapsed during the year | 24,176 |
| Options exercised during the year | 722,138 |
| Options outstanding as on March 31, 2018 | 699,531 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | As on 31st March 2017 |
|--|---|
| Options granted on December 02, 2014 | 2,509,341 |
| Options outstanding as on April 01 2016 | 1,979,120 |
| No. of options granted during the year | NIL |
| Method of Accounting | Intrinsic Value |
| Vesting Plan | 25% every year |
| Exercise period | Within 5 years from the date of vesting of respective options |
| Grant/Exercise price (Rs. per share) | 34.25/- |
| Market price as on the date of the grant | 34.25/- (previous day closing price on the recognized stock exchange) |
| Options forfeited/lapsed during the year | 450,859 |
| Options exercised during the year | NIL |
| Options outstanding as on March 31, 2017 | 1,445,845 |

The vesting period in respect of the options granted under ABML ESOP Scheme – 2014 is as follows:

| Sr. No | Vesting Dates | % of options that shall vest |
|--------|----------------------------------|------------------------------|
| 1 | 12 months from the date of grant | 25% of the grant |
| 2 | 24 months from the date of grant | 25% of the grant |
| 3 | 36 months from the date of grant | 25% of the grant |
| 4 | 48 months from the date of grant | 25% of the grant |

The Company has granted options to the eligible employees at an exercise price of Rs.34.25/- per share being the market price as per SEBI ESOP Regulations. In view of this, there being no intrinsic value (being the excess of the market price of share under ESOP over the exercise price of the option), on the date of grant, the Company is not required to account the accounting value of option as per SEBI ESOP Regulations.

Fair Valuation:

The fair value of the options on the date of grant has been done by an independent valuer using Black-Scholes Formula.

The key assumptions are as under:

| | |
|---|------------|
| Risk-free interest rate (%) | 8.13% |
| Expected life (No. of years) | 5 |
| Expected volatility (%) | 54.26% |
| Dividend yield (%) | - |
| The price of the underlying share in market at the time of option grant | Rs.34.25/- |

Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Net Profit (As reported) | 95,658,480 | 61,480,365 |
| Less: Impact of Incremental cost under Fair value approach | 1,597,342 | 6,404,136 |
| Adjusted Net Profit | 94,061,138 | 55,076,229 |
| Number of Equity Shares (Basic) | 56,122,138 | 55,400,000 |
| Number of Equity Shares (Diluted) | 56,518,054 | 55,400,000 |
| Basic earnings per share (as reported) (in Rs.) | 1.70 | 1.11 |
| Basic earnings per share (as adjusted) (in Rs.) | 1.68 | 0.99 |
| Diluted earnings per share (as reported) (in Rs.) | 1.69 | 1.11 |
| Diluted earnings per share (as adjusted) (in Rs.) | 1.66 | 0.99 |

ii) ABCL – Employee Stock Option Scheme – 2017

Pursuant to ESOP Plan being established by the holding company (i.e. Aditya Birla Capital Limited), stock options were granted to the employees of the Company during the financial year. Total cost incurred by the holding company till date is being recovered from the Company over the period of vesting. Accordingly, a sum of Rs.14,862,522/- has been recovered from the Company during the year, which has been charged to the Statement of Profit and Loss.

- 35) i) The Company has a process whereby periodically all long term contracts, if any, are assessed for material foreseeable losses. As at the balance sheet date, there were no long term contracts (including derivative contracts) (Previous Year: Nil)
- ii) The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax and other statutory authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. Refer Note 26 for details on contingent liabilities.

36) Portfolio Management Scheme

The Company holds several accounts under Portfolio Management Scheme (PMS). These accounts are held by the company under fiduciary capacity and all services are rendered as per PMS Guidelines issued by the Security & Exchange Board of India (SEBI). In return for PMS services the Company is entitled to professional fee. The accounts of each PMS client is maintained by the company and is annually audited by an independent Chartered Accountant. Since the company renders PMS services under fiduciary capacity, the financials of each PMS clients does not form part of the financials of the Company. This has been done based on the opinion obtained from the Expert Advisory Committee of the Institute of Chartered Accountants of India (ICAI). A brief summary of the aggregated quantum of the funds received, funds invested, services fee charged and the balance available in the PMS accounts are produced below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| Net quantum of funds received under PMS Scheme | 4,497,962,066 | 553,682,090 |
| Payable to Exchange(obligation) | 11,496,909 | 43,748,139 |
| Service charges received by the company | (109,422,709) | (17,412,101) |
| | 4,400,036,266 | 580,018,128 |
| Funds Invested | 4,338,003,890 | 536,899,074 |
| Closing Bank Balance | 62,032,376 | 43,119,054 |
| | 4,400,036,266 | 580,018,128 |

37) Segment Reporting:

The Company's business is to provide brokerage service, trading in securities and portfolio management services ('PMS') to its clients in the capital markets within India. All other activities of the Company revolve around these activities.

| Particulars | March 31, 2018 | March 31, 2017 |
|--|-----------------------|-----------------------|
| Segment Results | | |
| Broking | 1,48,39,39,863 | 1,22,09,72,619 |
| Trading in Securities | 1,28,46,508 | |
| Others | 7,26,26,787 | 1,11,70,381 |
| Total Segment Revenue from Operations (Net) | 1,56,94,13,158 | 1,23,21,43,000 |

| Particulars | March 31, 2018 | March 31, 2017 |
|--|--------------------|--------------------|
| Segment Revenue | | |
| Broking | 231,329,979 | 118,403,116 |
| Trading in Securities | (3,529,004) | - |
| Others | (58,528,223) | (8,169,582) |
| Total Segment Result | 169,272,753 | 110,232,534 |
| Less: Finance Costs | 66,480,081 | 54,403,000 |
| Add: Other Un-allocable (Expenditure) / Income - Net | 19,828,015 | 13,722,615 |
| Profit Before Tax | 122,620,687 | 69,552,149 |

| Segment Assets | March 31, 2018 | March 31, 2017 |
|-----------------------------------|----------------------|----------------------|
| Broking | 3,736,453,055 | 2,652,053,172 |
| Trading in Securities | 1,156,158,400 | - |
| Others | 11,458,221 | 1,525,964 |
| Total Segment Assets | 4,904,069,276 | 2,653,579,136 |
| Add: Unallocated Corporate Assets | 242,500,402 | - |
| Total Assets | 5,146,569,678 | 2,653,579,136 |

| Segment Liabilities | March 31, 2018 | March 31, 2017 |
|--|----------------------|----------------------|
| Broking | 2,347,766,856 | 1,864,229,985 |
| Trading in Securities | 1,163,119,015 | - |
| Others | 12,800,000 | - |
| Total Segment Liabilities | 3,523,685,871 | 1,864,229,985 |
| Add: Unallocated Corporate Liabilities | 1,058,239,413 | 347,077,063 |
| Total Liabilities | 4,581,925,284 | 2,211,307,048 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

38) Disclosure required under Sec 186(4) of the Companies Act 2013 for the year ended March 31, 2018

For the year ended March 31, 2018

| Name of the Loanee | Rate of Interest | Loan Amount | Secured/unsecured | As at March 31, 2018 Rs. | As at March 31, 2017 Rs. |
|--------------------|------------------|-------------|-------------------|--------------------------|--------------------------|
| ABCBL | 7.10% | 5,000,000 | Unsecured | - | - |
| ABCBL | 6.99% | 20,000,000 | Unsecured | - | - |
| ABCBL | 6.99% | 30,000,000 | Unsecured | - | - |
| ABCBL | 6.99% | 2,500,000 | Unsecured | - | - |
| ABCBL | 6.99% | 12,000,000 | Unsecured | - | - |
| ABCBL | 6.99% | 4,500,000 | Unsecured | - | - |
| ABCBL | 7.06% | 5,700,000 | Unsecured | - | - |
| ABCBL | 7.06% | 1,000,000 | Unsecured | - | - |
| ABCBL | 7.15% | 1,000,000 | Unsecured | - | - |

For the year ended March 31, 2017

| Name of the Loanee | Rate of Interest | Loan Amount | Secured/unsecured | As at March 31, 2017 Rs. | As at March 31, 2016 Rs. |
|--------------------|------------------|-------------|-------------------|--------------------------|--------------------------|
| - | - | - | - | - | - |

39) 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 of Aditya Birla Money Limited

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No.301003E/E300005

Gopi Krishna Tulsian
Director
DIN : 00017786

Pinky Mehta
Director
DIN : 00020429

Per Jayesh Gandhi
Partner
Membership No. 037924

Pradeep Sharma
Chief Financial Officer
PAN : AHRPS6339L

Rajesh Gandhi
Company Secretary
PAN : AFRPG7972H

Place : Mumbai
Date : April 26, 2018

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Aditya Birla Money Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Aditya Birla Money Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendments Rules, 2016. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2018, their consolidated profit, and their consolidated cash flows for the year ended on that date.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of the written representations received from the directors of the Holding Company and the Subsidiary Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and Subsidiary Company respectively, none of the directors of the Group's companies, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company, refer to our separate report in "**Annexure 1**" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 26 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary during the year ended March 31, 2018.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi

Partner

Membership Number: 037924

Place : Mumbai

Date : April 26, 2018

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ADITYA BIRLA MONEY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Aditya Birla Money Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Aditya Birla Money Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi

Partner

Membership Number: 037924

Place : Mumbai

Date : April 26, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

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

| | Note No. | As at 31st March, 2018 | As at 31st March, 2017 |
|---|--------------------------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| (A) Shareholders' Funds | | | |
| Share Capital | 3 | 156,122,138 | 155,400,000 |
| Reserves and Surplus | 4 | 391,248,440 | 266,586,252 |
| Total Equity | Sub-Total - (A) | 547,370,578 | 421,986,252 |
| (B) Non-Current Liabilities | | | |
| Other Long-term Liabilities | 5A | 11,112,279 | 9,134,456 |
| Long-term Provisions | 6A | 530,403 | 477,300 |
| | Sub-Total - (B) | 11,642,682 | 9,611,756 |
| (C) Current Liabilities | | | |
| Short-term Borrowings | 7 | 2,221,357,428 | 347,077,063 |
| Trade Payables- total outstanding dues of | | | |
| - Micro enterprises and small enterprises | | | - |
| - Trade Payables | 8 | 351,024,622 | 214,014,671 |
| Other Current Liabilities | 5B | 2,200,490,106 | 1,855,112,688 |
| Short-term Provisions | 6B | 13,172,700 | 12,348,285 |
| | Sub-Total - (C) | 4,786,044,856 | 2,428,552,707 |
| | TOTAL (A)+(B)+(C) | 5,345,058,116 | 2,860,150,715 |
| ASSETS | | | |
| (D) Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 9A | 31,496,115 | 39,805,224 |
| Intangible Assets | 9B | 27,600,005 | 32,197,714 |
| Capital Work-in-Progress | | | 3,224,025 |
| Intangible Assets under Development | | 6,447,500 | 555,000 |
| | | 65,543,620 | 75,781,963 |
| Deferred Tax Assets (Net) | 10 | 3,731,347 | - |
| Long-term Loans and Advances | 11A | 130,155,903 | 112,656,784 |
| Other Non-Current Assets | 12A | 65,509,047 | 65,509,047 |
| | Sub-Total - (D) | 264,939,917 | 253,947,794 |
| (E) Current Assets | | | |
| Stock in Trade | 13 | 1,156,158,400 | - |
| Current Investments | 14 | 242,500,002 | - |
| Trade Receivables | 15 | 1,335,128,199 | 1,480,745,294 |
| Cash and Cash Equivalents | 16 | 2,069,910,411 | 878,806,556 |
| Short-term Loans and Advances | 11B | 175,197,589 | 209,420,204 |
| Other Current Assets | 12B | 101,223,597 | 37,230,867 |
| | Sub-Total - (E) | 5,080,118,198 | 2,606,202,921 |
| | TOTAL (D)+(E) | 5,345,058,116 | 2,860,150,715 |

Summary of Significant Accounting Policies

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 of Aditya Birla Money Limited

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration No.301003E/E300005

Gopi Krishna Tulsian

Director

DIN : 00017786

Pinky Mehta

Director

DIN : 00020429

Per Jayesh Gandhi

Partner

Membership No. 037924

Place : Mumbai

Date : April 26, 2018

Pradeep Sharma

Chief Financial Officer

PAN : AHRPS6339L

Rajesh Gandhi

Company Secretary

PAN : AFRPG7972H

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

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

| | <u>Note No.</u> | <u>Year Ended 31st March, 2018</u> | <u>Year Ended 31st March, 2017</u> |
|--|-----------------|--|--|
| Revenue | | | |
| Revenue from Operations | 17 | 1,621,508,283 | 1,311,699,464 |
| Other Income | 18 | 24,925,089 | 19,461,233 |
| Total Revenue | | <u>1,646,433,372</u> | <u>1,331,160,697</u> |
| Expenses | | | |
| Employee Benefits Expenses | 19 | 541,596,439 | 499,848,476 |
| Business Partners Payout | | 509,793,783 | 330,542,385 |
| Finance Cost | 20 | 81,924,332 | 54,480,300 |
| Depreciation and Amortisation Expenses | 21 | 21,765,304 | 31,592,043 |
| Other Expenses | 22 | 363,658,637 | 333,863,512 |
| Total Expenses | | <u>1,518,738,495</u> | <u>1,250,326,716</u> |
| Profit Before Tax | | 127,694,877 | 80,833,981 |
| Tax Expenses | | | |
| Current Tax | | 41,070,151 | 9,666,044 |
| MAT Credit | | (10,295,026) | (1,594,260) |
| Deferred Tax | | (3,731,347) | - |
| Profit for the Year | | <u>100,651,099</u> | <u>72,762,197</u> |
| Basic Earnings Per Share | | 1.79 | 1.31 |
| Diluted Earnings Per Share | 29 | 1.78 | 1.31 |
| (Face Value of Re.1/- each) | | | |

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 of Aditya Birla Money Limited

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No.301003E/E300005

Gopi Krishna Tulsian
Director
DIN : 00017786

Pinky Mehta
Director
DIN : 00020429

Per Jayesh Gandhi
Partner
Membership No. 037924

Pradeep Sharma
Chief Financial Officer
PAN : AHRPS6339L

Rajesh Gandhi
Company Secretary
PAN : AFRPG7972H

Place : Mumbai
Date : April 26, 2018

CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31, 2018

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

| Particulars | March 31, 2018 Rs. | March 31, 2017 Rs. |
|--|----------------------------|-----------------------|
| Cash Flow from Operating Activities | | |
| Profit / (Loss) Before Tax | 127,694,877 | 80,833,981 |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation/Amortization | 21,765,304 | 31,592,043 |
| Loss / (Profit) on sale of fixed assets | (1,153,117) | (725,000) |
| Provision for doubtful debts made/(written back) | 34,771,173 | 23,320,906 |
| Provision for doubtful deposits and advances | - | 9,600,000 |
| Net (gain) / loss on sale of current investments | (22,644,346) | (16,207,434) |
| Net (gain) / loss on sale of non current investments | - | (840,146) |
| Interest expense | 81,075,176 | 54,480,300 |
| Interest (income) | (109,239,165) | (54,880,489) |
| Operating Profit Before Working Capital Changes | 132,269,902 | 127,174,161 |
| Movements in working capital : | | |
| Increase / (decrease) in trade payables | 137,009,951 | 99,682,619 |
| Increase / (decrease) in long-term provisions | 53,103 | (34,469) |
| Increase / (decrease) in short-term provisions | 824,415 | (1,714,850) |
| Increase / (decrease) in other current liabilities | 345,377,418 | 547,430,340 |
| Increase / (decrease) in other long-term liabilities | 1,977,823 | 973,049 |
| Decrease / (increase) in trade receivables | 110,845,922 | (157,201,663) |
| Decrease / (increase) in long-term loans and advances | (16,501,773) | (15,582,605) |
| Decrease / (increase) in short-term loans and advances | 34,222,615 | (3,297,089) |
| Decrease / (increase) in Current Investements | (1,289,788,484) | (122,791,094) |
| Decrease / (increase) in Stock in Trade | (1,156,158,400) | - |
| Decrease / (increase) in other current assets | (6,622,275) | 49,751,933 |
| Cash generated from /(used in) Operations | (1,706,489,783) | 524,390,332 |
| Direct Taxes paid (net of refunds) | 32,609,434 | 10,783,757 |
| Cash Flow before Exceptional Items | (1,739,099,217) | 513,606,575 |
| Exceptional item | | |
| Net Cash from / (used in) Operating Activities | (A) (1,739,099,217) | 513,606,575 |
| Cash Flows from Investing Activities | | |
| Purchase of fixed assets, including CWIP and capital advances | (16,481,181) | (40,496,663) |
| Proceeds from sale of fixed assets | 2,639,027 | 2,749,374 |
| Purchase of Mutual Fund | (80,474,300,000) | (57,282,800,000) |
| Proceeds from Sale of Mutual Fund | 80,253,370,040 | 57,299,007,434 |
| Proceeds from Sale of Investments in equity shares | - | 870,196 |
| Net Cash Flow from / (used in) Investing Activities | (B) (234,772,114) | (20,669,659) |

CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31, 2018

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

| Particulars | March 31, 2018 Rs. | March 31, 2017 Rs. |
|---|-----------------------|-----------------------|
| Cash Flows from Financing Activities | | |
| Proceeds from issuance of equity share capital | 722,138 | - |
| Proceeds from issuance of equity share capital - Securities Premium | 24,011,089 | - |
| Proceeds from Short-term borrowings | - | 4,188,040,215 |
| Repayment of Short-term borrowings | - | (4,242,240,215) |
| Proceeds from Issue of Commercial Paper | 7,700,000,000 | 3,850,000,000 |
| Repayment of Commercial Paper | (5,800,000,000) | (4,200,000,000) |
| Interest paid | (49,546,524) | (57,250,802) |
| Net Cash Flow from / (used in) in Financing Activities | 1,875,186,703 | (461,450,802) |
| Net increase/(decrease) in cash and cash equivalents (A +B +C) | (98,684,628) | 31,486,114 |
| Cash and cash equivalents at the beginning of the year | 172,345,542 | 140,859,428 |
| Cash and cash equivalents at the year ended | 73,660,914 | 172,345,542 |
| Components of Cash and Cash Equivalents | | |
| With Banks | | |
| - Current Accounts | 73,660,914 | 172,345,542 |
| Total Cash and Cash Equivalents (Note 16) | 73,660,914 | 172,345,542 |

As per our report of even date

For and on behalf of the Board of Directors of Aditya Birla Money Limited

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No.301003E/E300005

Gopi Krishna Tulsian
Director
DIN : 00017786

Pinky Mehta
Director
DIN : 00020429

Per Jayesh Gandhi
Partner
Membership No. 037924

Pradeep Sharma
Chief Financial Officer
PAN : AHRPS6339L

Rajesh Gandhi
Company Secretary
PAN : AFRPG7972H

Place : Mumbai
Date : April 26, 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

1) Principles of Consolidation

- i) The Consolidated Financial Statements ('CFS') relate to Aditya Birla Money Limited ('the Company') and its 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, 2018.
- 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.

2) Statement of Significant Accounting Policies

a) Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standard) Amendment Rules 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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) Property, Plant & Equipment and Depreciation

Property, Plant & Equipment are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

Depreciation on Property, Plant & Equipment is provided on Straight Line using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or estimated by the management. The company has used the following useful life to provide depreciation on its fixed assets.

Assets where useful life is same as Schedule II:

| Asset | Useful Life as Prescribed by Schedule II of the Co. Act, 2013 |
|---|---|
| Computers (end user computers, Laptops) | 3 |
| Servers | 6 |
| V-SAT | 6 |
| Office Equipment (AC, UPS, Generator & Invertors) | 5 |
| Vehicles | 6 |

Useful life of assets different from prescribed in Schedule II has been estimated by management supported by Internal Technical Assessment.

| Asset | Useful Life as Prescribed by Schedule II of the Co. Act, 2013 | Estimated Useful Life |
|--|---|-----------------------|
| Batteries (included under office Equipments) | 5 Years | 4 Years |
| Furniture & Fixtures* | 10 Years | 7 years |

*In case of Furniture & Fixtures fitted with premises, depreciation calculated based on lease period taking into account the secondary lease period or 7 years whichever is less.

Fixed Assets, individually costing less than Rupees five thousands, are fully depreciated in the year of purchase.

Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on the basis with reference to the date of addition/disposal/discarding.

Intangible Assets

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 de-recognition 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.

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

d) Impairment

- 1) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

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.

- 2) 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 or net realizable value. 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) Stock In Trade

Securities acquired with the intention to trade are classified as stock-in-trade. Stock-in-trade is valued at cost, market/ fair value whichever is lower. The profit or loss on sale of securities is recognised on trade date in the Statement of Profit and Loss.

h) Revenues

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

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

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

Interest earned from income bearing instruments are allocated between pre-acquisition and post-acquisition period and the accrued portion of the pre-acquisition portion is deducted from cost. The post-acquisition portion of interest is considered as revenue. The Profit / Loss earned from sale of securities is recognised on trade date basis.

Other interest incomes are recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

Portfolio management fees are recognized on an accrual basis in accordance with the Portfolio Management Agreements entered into with the respective clients.

i) Borrowing Cost

The difference between the issue price and redemption value of commercial papers is apportioned on time basis and recognised as interest expense.

j) 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.

k) Employee Stock Compensation Cost

Employees (including senior executives) of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

l) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

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

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

m) 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.

n) Contingent Liability and Provisions

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

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.

o) Segment Reporting

The Company's business is to provide Brokerage service and portfolio management services ('PMS') to its clients within India. Further, the Company also trades in security as part of the business activity.

Segment Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Business segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses/income".

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

p) Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

q) 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, 2018

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

| | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---------------------------|---------------------------|
| NOTE: 3 | | |
| SHARE CAPITAL | | |
| Authorised: | | |
| 150,000,000 (Previous year 150,000,000) Equity Shares of Re.1/-each | 150,000,000 | 150,000,000 |
| 1,000,000 (Previous Year 1,000,000) 8% Redeemable Non convertible Non cumulative Preference Shares of Rs.100/- each | 100,000,000 | 100,000,000 |
| | <u>250,000,000</u> | <u>250,000,000</u> |
| Issued, Subscribed & Paid-up | | |
| EQUITY SHARE CAPITAL | | |
| 56,122,138 (Previous Year - 55,400,000) Equity Shares of Re.1/-each Fully paid | 56,122,138 | 55,400,000 |
| PREFERENCE SHARE CAPITAL | | |
| 1,000,000 (Previous Year 1,000,000) 8% Redeemable Non convertible Non cumulative Preference Shares of Rs.100/- each fully paid | 100,000,000 | 100,000,000 |
| | <u>156,122,138</u> | <u>155,400,000</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, 2018 | | As at March 31, 2017 | |
|--------|------------------------------------|----------------------|------------|----------------------|------------|
| | | Number of Shares | Amount | Number 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 * | 722,138 | 722,138 | - | - |
| 3 | Outstanding at the end of the year | 56,122,138 | 56,122,138 | 55,400,000 | 55,400,000 |

* Shares issued under ESOP scheme of the Company

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, 2018 | | As at March 31, 2017 | |
|--------|------------------------------------|----------------------|-------------|----------------------|-------------|
| | | Number of Shares | Amount | Number of Shares | Amount |
| 1 | At the beginning of the year | 1,000,000 | 100,000,000 | 1,000,000 | 100,000,000 |
| 2 | Issued during the year | - | - | - | - |
| 3 | Outstanding at the end of the year | 1,000,000 | 100,000,000 | 1,000,000 | 100,000,000 |

2 Terms/Rights attached to Equity Shares

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

3 Terms/Rights attached to Preference Shares

- 3.1 Preference shares carry a non-cumulative dividend of 8% per annum. Dividend amounts, declared if any, will be paid 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 Capital Limited (Formerly known as Aditya Birla Financial Services 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. However, basis the written consent of preference share holder, the period of redemption extended by 39 months from March 2016 to June 2019 and The redemption price of Redeemable Non-Convertible Non-Cumulative Preference Shares shall be varied from Rs.320/- (Face value Rs.100/- and Premium of Rs.220/- per share) to Rs.411/- (Face value Rs.100/- and Premium of Rs.311/- per share)
- 3.2 During 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 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-up and 1,000,000 (Previous Year : 1,000,000) 8% Redeemable Non-Convertible Non-Cumulative Preference shares Rs.100/-each fully paid-up are held by Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services 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 Shareholder | As at March 31, 2018 | | As at March 31, 2017 | |
|---------|--|-----------------------|---|-----------------------|---|
| | | Number of Shares held | % of total paid-up Equity Share Capital | Number of Shares held | % of total paid-up Equity Share Capital |
| 1 | Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) | 41,550,000 | 74.03 | 41,550,000 | 75.00 |
| 2 | Sucharitha P. Reddy | 350,000 | 0.62 | 5,517,460 | 9.96 |

ii) Preference Share Capital

| Sl. No. | Name of Shareholder | As at March 31, 2018 | | As at March 31, 2017 | |
|---------|--|-----------------------|---|-----------------------|---|
| | | Number of Shares held | % of total paid-up Preference Share Capital | Number of Shares held | % of total paid-up Preference Share Capital |
| 1 | Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) | 1,000,000 | 100 | 1,000,000 | 100 |

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | <u>As at 31st March, 2018</u> | <u>As at 31st March, 2017</u> |
|--|-----------------------------------|-----------------------------------|
| 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 | 200,000,000 | 200,000,000 |
| Add: Premium of Issue of Shares pursuant to ESOS | 24,011,089 | - |
| | <u>224,011,089</u> | <u>200,000,000</u> |
| 3) General Reserve | | |
| Balance as per last audited Financial Statement | 261,376,777 | 261,376,777 |
| 4) Surplus/(Deficit) in the Statement of Profit and Loss | | |
| Balance as per last audited Financial Statement | (206,329,388) | (279,091,585) |
| Addition: Profit of the Year | 100,651,099 | 72,762,197 |
| | <u>(105,678,289)</u> | <u>(206,329,388)</u> |
| TOTAL | <u>391,248,440</u> | <u>266,586,252</u> |
| NOTE: 5A | | |
| OTHER LONG-TERM LIABILITIES | | |
| Rent Equalization Liability | 11,112,279 | 9,134,456 |
| | <u>11,112,279</u> | <u>9,134,456</u> |
| NOTE: 5B | | |
| OTHER CURRENT LIABILITIES | | |
| Income Received in Advance | 8,080,169 | 1,662,898 |
| Other Payables | | |
| Payables to Customers | 1,906,711,226 | 1,681,561,944 |
| Payables to Exchanges | 164,267,312 | 81,299,861 |
| Book Overdraft | 140 | - |
| Statutory Dues | 12,062,483 | 30,203,165 |
| Deposits | 53,482,078 | 50,970,413 |
| Rent Equalization Liability | 149,422 | 24,857 |
| Other Liabilities | 55,737,276 | 9,389,550 |
| | <u>2,200,490,106</u> | <u>1,855,112,688</u> |
| NOTE: 6A | | |
| LONG-TERM PROVISIONS | | |
| Provisions for Employee Benefits: | | |
| Gratuity (Unfunded) (Refer Note No.31) | 530,403 | 477,300 |
| | <u>530,403</u> | <u>477,300</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | <u>As at 31st March, 2018</u> | <u>As at 31st March, 2017</u> |
|--|-----------------------------------|-----------------------------------|
| NOTE: 6B | | |
| SHORT-TERM PROVISIONS | | |
| Provision for Employee Benefits | | |
| Leave Encashment | 12,595,449 | 11,903,685 |
| Gratuity (Unfunded)(Refer Note No.31) | 577,251 | 444,600 |
| | <u>13,172,700</u> | <u>12,348,285</u> |

NOTE: 7

SHORT-TERM BORROWINGS

UNSECURED

| | | |
|---------------------|----------------------|--------------------|
| Commercial Papers^* | <u>2,221,357,428</u> | <u>347,077,063</u> |
| | <u>2,221,357,428</u> | <u>347,077,063</u> |

| | | |
|---|---------------|---------------|
| Maximum balance outstanding during the year | 2,250,000,000 | 1,150,000,000 |
|---|---------------|---------------|

^ Repayable in 27 to 91 days from the date of draw down. The interest on this loan ranges from 6.90 % to 8.32 % and interest on this loan in the previous year ranged from 6.85% to 9.76%

*Commercial Papers shown net of unamortised discounting charges Rs.28,642,572/- and previous year Rs.2,922,937/-

NOTE: 8

TRADE PAYABLES

| | | |
|--|--------------------|--------------------|
| Salaries, wages, bonus and other employee benefits payable | 127,618,224 | 73,098,083 |
| Trade Payables (Others) | 223,406,398 | 140,916,588 |
| | <u>351,024,622</u> | <u>214,014,671</u> |

There are no Micro, Small & Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2018 and no interest payment made during the year to any Micro, Small & Medium Enterprises. (Previous year MSME/Interest: Nil). This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

NOTE: 9B - Intangible Assets

| NOTE: 9A - Tangible Assets | | NOTE: 9B - Intangible Assets | | | | | | |
|---------------------------------|------------------|------------------------------|----------------------|-------------------|--------------------|------------------|--------------------|--------------------|
| | Freehold Land * | V SAT Equipments | Furniture & Fixtures | Office Equipment | Computers | Vehicles | TOTAL | Computer Software |
| Gross Block | | | | | | | | |
| As at 1st April 2017 | 1,500,000 | 90,964,509 | 43,706,663 | 39,856,753 | 121,965,734 | 4,534,146 | 302,527,805 | 263,681,969 |
| Additions | - | - | 111,039 | 1,618,253 | 4,365,224 | 852,611 | 6,947,127 | 3,482,571 |
| Deletions | - | 90,964,509 | 6,768,331 | 9,493,678 | 6,916,669 | 1,736,649 | 115,879,837 | 106,600 |
| As at 31st March 2018 | 1,500,000 | - | 37,049,371 | 31,981,328 | 119,414,288 | 3,650,108 | 193,595,095 | 267,057,940 |
| Accumulated Depreciation | | | | | | | | |
| As at 1st April 2017 | - | 90,951,252 | 38,460,644 | 36,740,162 | 95,736,364 | 834,157 | 262,722,579 | 231,484,255 |
| For the year | | 1,340 | 3,302,110 | 1,761,910 | 7,881,790 | 737,875 | 13,685,025 | 8,080,279 |
| Deletions | | 90,952,593 | 6,480,155 | 9,403,594 | 6,913,016 | 559,266 | 114,308,624 | 106,599 |
| As at 31st March 2018 | - | - | 35,282,599 | 29,098,478 | 96,705,138 | 1,012,766 | 162,098,979 | 239,457,935 |
| Net block as at 31st March 2017 | 1,500,000 | - | 1,609,196 | - | - | 3,699,989 | 6,809,185 | 32,197,714 |
| As at 31st March 2018 | 1,500,000 | - | 1,766,772 | 2,882,850 | 22,709,151 | 2,637,342 | 31,496,115 | 27,600,005 |

* The company is in the process of getting the lands registered in its name which is currently under dispute but management expects a favorable outcome in this matter

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | <u>As at</u> <u>31st March, 2018</u> | <u>As at</u> <u>31st March, 2017</u> |
|---|---|---|
| NOTE: 10 | | |
| DEFERRED TAX ASSETS (NET) | | |
| Deferred Tax Assets | | |
| Depreciation | 10,507,572 | 10,213,882 |
| Provision for Doubtful Debts | 11,495,350 | 16,503,852 |
| Provision for Expenses | 10,096,001 | - |
| Provision for gratuity & Leave encashment | 117,270 | 2,829,975 |
| Unabsorbed Depreciation & Business loss | 10,461,480 | 10,622,665 |
| Stamp Duty | 631,303 | 867,092 |
| Provision for Bonus & Incentive | 1,728,523 | 1,184,758 |
| Total Deferred Tax Asset | <u>45,037,499</u> | <u>4,22,22,223</u> |
| Net Deferred Tax Assets/(Liabilities) | <u>3,731,347</u> | <u>-</u> |
| Based on management Judgement, Deferred tax asset has been recognized only to the extent it is likely to be utilized. | | |
| NOTE: 11A | | |
| LONG-TERM LOANS AND ADVANCES | | |
| (Unsecured, Considered Good, except otherwise stated) | | |
| Security Deposits | 37,849,973 | 39,494,681 |
| Margins with Exchanges | 62,433,002 | 40,910,000 |
| Considered Doubtful | 1,875,000 | 1,875,000 |
| | <u>64,308,002</u> | <u>42,785,000</u> |
| Less: Provision for Doubtful | (1,875,000) | (1,875,000) |
| | <u>62,433,002</u> | <u>40,910,000</u> |
| Advance Tax (Net of Provision) | 13,700,932 | 26,531,497 |
| MAT Credit Entitlement | 15,501,191 | 5,206,165 |
| Prepaid Expenses | 670,805 | 514,441 |
| | <u>130,155,903</u> | <u>112,656,784</u> |
| NOTE: 11B | | |
| SHORT-TERM LOANS AND ADVANCES | | |
| (Unsecured, Considered Good, except otherwise stated) | | |
| Advances recoverable in cash or in kind | | |
| Considered Good | 5,267,806 | 122,181,569 |
| Considered Doubtful | 3,964,231 | 75,939,203 |
| | <u>9,232,037</u> | <u>198,120,772</u> |
| Less: Provision for Doubtful | (3,964,231) | (75,939,203) |
| | <u>5,267,806</u> | <u>122,181,569</u> |
| Security Deposits | | |
| Secured, Considered Good | | - |
| Unsecured, Considered Good | 588,500 | 826,050 |
| Unsecured, Considered Doubtful | 875,090 | 875,090 |
| | <u>1,463,590</u> | <u>1,701,140</u> |
| Less: Provision for Doubtful | (875,090) | (875,090) |
| | <u>588,500</u> | <u>826,050</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | <u>As at 31st March, 2018</u> | <u>As at 31st March, 2017</u> |
|---|-----------------------------------|-----------------------------------|
| Loans & Advances to Related Parties(Unsecured)# | 5,533,080 | 24,148,609 |
| Margin with Exchanges | 113,621,070 | 17,866,847 |
| Balances with Govt. Authorities | 5,357,302 | 4,989,528 |
| Advances to Suppliers | 18,386,898 | 4,778,099 |
| Prepaid Expenses | 15,517,519 | 16,856,389 |
| Gratuity (Funded) | 6,960,473 | 12,967,397 |
| Advances to Employees | 3,964,941 | 4,805,716 |
| Considered Doubtful | - | 170,080 |
| | 3,964,941 | 4,975,796 |
| Less: Provision for Doubtful | - | (170,080) |
| | 3,964,941 | 4,805,716 |
| | 175,197,589 | 209,420,204 |

Also, refer Note No.32

NOTE: 12A

OTHER NON-CURRENT ASSETS

(Unsecured, Considered Good, Except otherwise stated)

| | | |
|---------------------------|-------------------|-------------------|
| Receivables from Exchange | <u>65,509,047</u> | <u>65,509,047</u> |
| | 65,509,047 | 65,509,047 |

NOTE: 12B

OTHER CURRENT ASSETS

(Unsecured, Considered Good, Except otherwise stated)

| | | |
|--|--------------------|-------------------|
| Accrued Income | 18,884,059 | 6,922,676 |
| Interest Accrued on Investments and Fixed Deposits | <u>82,339,538</u> | <u>30,308,191</u> |
| | 101,223,597 | 37,230,867 |

NOTE: 13

STOCK IN TRADE

Government securities

| | | |
|-----------------------|----------------------|----------|
| Government securities | 247,625,000 | - |
| Bonds | <u>908,533,400</u> | <u>-</u> |
| | 1,156,158,400 | - |

Movement during the year

(Amount in Rs.)

| Particulars/Year | Opening Stock | Purchases | Sales | Closing Stock |
|-------------------------------|---------------|----------------------|----------------------|----------------------|
| Stock of Securities 2017-2018 | | | | |
| - Government securities | - | 3,218,648,450 | 2,971,023,450 | 247,625,000 |
| - Bonds | - | 2,852,440,075 | 1,943,906,675 | 908,533,400 |
| Total | - | 6,071,088,525 | 4,914,930,125 | 1,156,158,400 |
| Stock of Securities 2016-2017 | | | | |
| - Government securities | - | - | - | - |
| - Bonds | - | - | - | - |
| Total | - | - | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | <u>As at</u> <u>31st March, 2018</u> | <u>As at</u> <u>31st March, 2017</u> |
|---|---|---|
| NOTE: 14 | | |
| CURRENT INVESTMENTS | | |
| Investment in Mutual Fund | 242,500,002 | - |
| | <u>242,500,002</u> | <u>-</u> |
| i) Aggregate amount of Unquoted investments | - | - |
| ii) Aggregate amount of Quoted investments | 242,500,002 | - |
| iii) Aggregate market value of Quoted Investments | 242,872,420 | - |
| iv) Aggregate Provision for diminution in value of investments | - | - |
| NOTE: 15 | | |
| TRADE RECEIVABLES ^ | | |
| Due for period exceeding Six months from the due date of payment | | |
| Secured, Considered Good | 25,116,449 | 38,371,377 |
| Unsecured, Considered Good | | |
| Unsecured, Considered Doubtful | 75,649,888 | 63,133,083 |
| Less: Provision for doubtful | (75,649,888) | (63,133,083) |
| Others | | |
| Secured, Considered Good | 1,272,337,438 | 1,415,882,313 |
| Unsecured, Considered Good | 37,674,312 | 26,491,604 |
| Unsecured, Considered Doubtful | 4,769,884 | 1,029,170 |
| Less: Provision for doubtful | (4,769,884) | (1,029,170) |
| | <u>1,335,128,199</u> | <u>1,480,745,294</u> |
| ^Trade receivables includes pass through amounts representing dues from client and exchanges towards transactions not fully settled at the reporting date. | | |
| Trade receivables includes amount receivable from customers pertaining to amount funded to them for settlement of trades as part of normal business activity. | | |
| NOTE: 16 | | |
| CASH AND BANK BALANCES | | |
| Cash and Cash Equivalents | | |
| Balances with Banks | | |
| Current Accounts | 73,660,914 | 172,345,543 |
| Cash on Hand | - | - |
| | <u>(A) 73,660,914</u> | <u>172,345,543</u> |
| Other Bank Balances | | |
| Deposit Accounts (with original maturity period of more than three months)# | 1,996,249,497 | 706,461,013 |
| | <u>(B) 1,996,249,497</u> | <u>706,461,013</u> |
| | <u>(A) + (B) 2,069,910,411</u> | <u>878,806,556</u> |
| # Fixed Deposits Placed with Bank towards: | | |
| a) Issue of Bank Guarantees | 273,761,993 | 312,998,781 |
| b) Margin with Exchange | 1,711,717,436 | 383,281,729 |
| c) Others | 10,770,068 | 10,180,503 |
| | <u>1,996,249,497</u> | <u>706,461,013</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | <u>Year Ended</u> <u>31st March, 2018</u> | <u>Year Ended</u> <u>31st March, 2017</u> |
|--|--|--|
| NOTE: 17 | | |
| REVENUE FROM OPERATIONS | | |
| A. Income from Services | | |
| Brokerage Income | 1,121,091,008 | 968,995,071 |
| Income from Transaction Charges | 180,556 | 3,157,012 |
| Account Opening Charges | 2,557,998 | 2,298,864 |
| Setup & Management Fee | 72,626,784 | 11,170,381 |
| Income from Depository Charges | 46,869,785 | 45,193,145 |
| | <u>1,243,326,131</u> | <u>1,030,814,473</u> |
| B. Other Operating Income | | |
| V-SAT Rent | 812,359 | 626,344 |
| Interest Income | 236,421,348 | 214,420,225 |
| Referral Fee Income | 9,958,696 | 5,294,576 |
| Physical Contract Note Income | 5,219,555 | 6,073,234 |
| Interest on Bank Deposits | 109,190,545 | 52,964,366 |
| Miscellaneous Other Operating Income | 16,579,649 | 1,506,246 |
| | <u>378,182,152</u> | <u>280,884,991</u> |
| | <u>1,621,508,283</u> | <u>1,311,699,464</u> |
| NOTE: 18 | | |
| OTHER INCOME | | |
| Interest Income - Others | 48,620 | 61,695 |
| Net Gain on Sale of Investments | 22,644,346 | 17,047,580 |
| Profit on Sale of Fixed Assets (Net) | 1,153,117 | 725,000 |
| Miscellaneous Income (Net) | 1,079,006 | 1,626,958 |
| | <u>24,925,089</u> | <u>19,461,233</u> |
| NOTE: 19 | | |
| EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and Wages | 481,913,574 | 460,043,174 |
| Contribution to Provident and Other Funds (Refer Note: 31) | 29,273,144 | 28,144,355 |
| Expense on Employee Stock Options Scheme (Refer Note: 33) | 15,099,023 | - |
| Staff Welfare Expenses | 15,310,698 | 11,660,947 |
| | <u>541,596,439</u> | <u>499,848,476</u> |
| NOTE: 20 | | |
| OTHER FINANCE COST | | |
| Interest Expenses | 81,075,176 | 54,336,679 |
| Other Borrowing Costs | 849,156 | 143,621 |
| | <u>81,924,332</u> | <u>54,480,300</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---|--------------------------------|--------------------------------|
| NOTE: 21 | | |
| DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation of Tangible Assets | 13,685,025 | 18,928,061 |
| Amortisation of Intangible Assets | 8,080,279 | 12,663,982 |
| | 21,765,304 | 31,592,043 |

NOTE: 22

OTHER EXPENSES

| | | |
|--|--------------------|--------------------|
| Rent | 50,605,981 | 57,148,409 |
| Repairs and Maintenance of: | | |
| Buildings | 1,440,002 | 1,452,475 |
| Others | 24,028,095 | 24,217,775 |
| Insurance | 13,950,560 | 17,547,219 |
| Rates and Taxes | 14,912,682 | 8,353,649 |
| Connectivity Charges | 30,071,082 | 33,588,508 |
| Advertisement and Sales Promotion Expenses | 3,932,575 | 2,770,955 |
| Legal and Profession Expenses | 42,118,744 | 30,832,344 |
| Auditors' Remuneration* | 4,208,600 | 3,779,702 |
| Provision for Doubtful Debts and Advances | 34,771,173 | 32,920,906 |
| Printing and Stationery | 4,817,614 | 4,370,677 |
| Travelling and Conveyance | 29,130,624 | 23,126,937 |
| Communication Expenses | 13,325,033 | 13,121,805 |
| Bank Charges | 10,932,181 | 9,942,483 |
| Directors' Fees | 715,000 | 760,000 |
| Postage Expenses | 5,332,355 | 2,966,868 |
| Electricity Charges | 12,462,340 | 13,778,354 |
| Information Technology Expenses | 43,961,805 | 41,411,821 |
| Miscellaneous Expenses | 22,942,191 | 11,772,625 |
| | 363,658,637 | 333,863,512 |

* Auditors' Remuneration includes payments to auditors as under:

As Auditor:

| | | |
|---------------------------|------------------|------------------|
| Audit Fee | 1,450,000 | 1,200,000 |
| Limited Reviews | 1,350,000 | 1,350,000 |
| Tax Audit Fee | 300,000 | 200,000 |
| Certification Fee | 300,000 | 250,000 |
| Reimbursement of Expenses | 808,600 | 779,702 |
| | 4,208,600 | 3,779,702 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

23) Other Significant Notes – SPA Claims

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 06, 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.166,634,149/- as Losses incurred on account of breach of representation warranties in the SPA. Further, ABNL vide its letter dated March 05, 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, 2017 aggregating Rs.187,597,255/- 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 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.

During the FY 2014-15, Arbitral Tribunal has passed an award, allowing claim of Rs.102,395,606/-, which excluded premature claims pertaining to income tax, service tax, etc. Further, such award directed the Erstwhile Promoters to pay a sum of Rs.57,341,539/- (being 56% of Rs.102,395,606/-, as ABNL has purchased only 56% of shares), along with interest @ 14% from the date of award. This award was received by ABNL on May 27, 2014.

Subsequently, during the year both parties have filed petitions under Section 34 of the Arbitration and Conciliation Act, 1996 seeking to set aside the award and the same are admitted and pending on the file of the High Court of Madras.

In respect of such receivables, which exclude premature claims pertaining to income tax, service tax, etc., the Company has created adequate provision, which also includes claims not awarded by the Arbitral Tribunal to the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

extent of 44%. In respect of tax claims, the company has obtained favorable order for certain assessment years & is confident of recovering such amount in due course. Such amounts are fully recoverable from the income tax department.

Further in the month of October 2015, Supreme Court dismissed the appeal filed by the Company against SAT order directing the company to pay a sum of Rs.16,596,652/- together with interest thereon. Consequently SEBI served a notice of demand on the Company seeking payment of a sum of Rs. 16,596,652/- towards turnover fee and a sum of Rs.37,638,304/- and in the month of October 2016, Rs.1,129,149/- towards interest thereon from the respective due dates of payment of the said Turnover Fee.

As the erstwhile promoters have agreed to indemnify ABNL to the extent of any losses resulting from or consequent upon the civil appeal pending before Supreme Court vide Civil Appeal No. 3441/2007 in the SPA, the demand was communicated to the erstwhile promoters and the erstwhile promoters have paid the total turnover fee of Rs.16,596,652/- to the Company against the payment made by the Company to SEBI.

The request of the Company to SEBI seeking waiver of the interest was not considered favorably and the review petition filed by the Company in Supreme Court was also dismissed. In the meanwhile SEBI issued a Recovery Certificate dated 12.01.2016 seeking to recover the interest amount and the Company remitted the above mentioned interest amount with SEBI under intimation to erstwhile promoters.

During the current financial year all the parties to the agreement have agreed to settle the dispute for a full and final settlement amount of Rs.148,860,000/-. The Company received the settlement amount. The Company received the settlement amount. Out of this Rs.44,600,000/- has been kept aside by the company towards tax matters relating to period prior to acquisition. All the parties to the dispute have agreed to file the settlement petition with High Court.

24) 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.13,528,853/- (Previous year: Rs.10,572,030/-) collected till March 31, 2018 has been disclosed under statutory dues in other current liabilities.

25) Capital and Other Commitments

- a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for is Nil (Previous year – Nil).
- b) For commitments relating to lease arrangements, please refer Note 30.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

26) Contingent Liabilities

| Particulars | March 31, 2018 | March 31, 2017 |
|---|-------------------|-------------------|
| 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. | 741,885 | 24,108,688 |
| (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. | 679,521 | 706,517 |
| (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: | | |
| Claims against the Company not acknowledged as debts* | 67,413,054 | 69,680,322 |

* 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.

27) 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. Subramanian, the erstwhile whole time director ('Erstwhile Director') of the Company for the period from April 01, 2008 to March 06, 2009.

During the earlier year, the Company has received an order from the Central Government (CG) whereby the CG has rejected excess remuneration of Rs.1,626,614/- (Previous year: Rs.1,626,614/-) and directed the Company to collect the same from the Erstwhile Director. Further the Company has filed a civil suit in the High Court of Judicature at Madras vide C.S. No. 53/2016 seeking recovery of the excess remuneration paid to Mr. P.B. Subramanian. Pending the recovery of the same, it has been shown as advances recoverable by the Company in the Balance Sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

28) Foreign Currency Transactions

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

29) Earnings Per Share

| Particulars | | March 31, 2018 | March 31, 2017 |
|--|-----|----------------|----------------|
| Net Profit (after Tax) as per Statement of Profit and Loss | A | 100,651,099 | 72,762,197 |
| Weighted Average Number of Equity Shares | | | |
| - Basic | B | 56,122,138 | 55,400,000 |
| - Diluted | C | 56,519,430 | 55,400,000 |
| Earnings / (Loss) per share | | | |
| - Basic | A/B | 1.79 | 1.31 |
| - Diluted | A/C | 1.78 | 1.31 |
| Nominal Value of Equity Share (in Rs.) | | Re.1/- | Re.1/- |

30) Lease Disclosures

Operating Leases for Premises:

Lease rentals in respect of premises taken on operating lease during the year ended March 31, 2018 amounts to Rs.48,824,173/- (Previous Year Rs.55,161,283/-).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2018 amounts to Rs.181,716,115/- (Previous Year Rs.207,762,771/-). Details of Lease Rentals payable within one year and thereafter are as under:

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Within one year | 46,044,267 | 43,269,525 |
| Later than one year and not later than five years | 110,033,067 | 121,236,232 |
| Later than five years | 25,638,781 | 43,257,014 |

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, 2018 amounts to Rs.1,792,250/- (Previous Year Rs.2,795,464/-).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2018 amounts to Rs.707,057/- (Previous Year Rs.2,500,954/-). Details of Lease Rentals payable within one year and thereafter are as under:

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Within one year | 707,057 | 1,793,898 |
| Later than one year and not later than five years | - | 707,057 |
| Later than five years | - | - |

31) Employment Benefit Disclosures

The amounts charged to the Statement of Profit and Loss during the year for Provident fund contribution aggregates to Rs.16,937,073/- (Previous year Rs.19,523,266/-) and employees' state insurance contribution aggregates to Rs.1,463,965/- (Previous year Rs.780,510/-).

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 Aditya Birla Commodities Broking Limited ('the Subsidiary').

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan of ABML.

Amounts recognized in the Balance Sheet in respect of Gratuity:

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Present value of defined benefit obligation | 47,438,134 | 37,669,955 |
| Fair value of plan assets | 54,398,607 | 50,637,352 |
| Liability/(Asset) recognized in the balance sheet | (6,960,473) | (12,967,397) |

Amounts recognized in the Statement of Profit and Loss in respect of Gratuity

| Particulars | March 31, 2018 | March 31, 2017 |
|--|----------------|----------------|
| Current service cost | 5,662,768 | 4,457,695 |
| Interest cost on benefit obligation | 2,522,103 | 3,024,112 |
| Expected return on plan assets | NIL | (2,199,187) |
| Net actuarial (gain) / loss recognized in the year | 1,222,352 | 719,993 |
| Net gratuity cost | 9,407,223 | 6,002,613 |

Actual Return on Plan Assets:

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Expected return on plan assets | NIL | 2,199,187 |
| Actuarial gains / (losses) on plan assets | 3,761,255 | 2,335,424 |
| Actual return on plan assets | 3,761,255 | 4,534,611 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

Reconciliation of Present Value of the Obligation and the Fair Value of Plan Assets:

| Particulars | March 31, 2018 | March 31, 2017 |
|--|----------------|----------------|
| Opening defined benefit obligation | 37,669,955 | 39,819,206 |
| Interest Cost | 2,522,103 | 3,024,112 |
| Current Service Cost | 5,662,768 | 4,457,695 |
| Actuarial (gains)/ losses on obligation | 4,983,607 | 3,055,417 |
| Benefits paid Including Transfer In /(Out) | (3,400,299) | (12,686,475) |
| Closing defined benefit obligation | 47,438,134 | 37,669,955 |

Change in Fair Value of Plan Assets

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Opening fair value of plan assets | 50,637,352 | 30,751,088 |
| Expected return | NIL | 2,199,187 |
| Actuarial gains/(losses) on plan assets | 3,761,255 | (2,335,424) |
| Contributions by employer | 3,400,299 | 28,038,128 |
| Benefits paid | (3,400,299) | (12,686,475) |
| Closing fair value of plan assets | 54,398,607 | 50,637,352 |

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, 2018 | March 31, 2017 |
|--------------------------------|----------------|----------------|
| Government of India Securities | 11% | 12% |
| Corporate Bonds | 0% | 0% |
| Insurer managed funds | 60% | 60% |
| Deposit Scheme | 0% | 2% |
| Others | 29% | 26% |
| | 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, 2018 | March 31, 2017 | March 31, 2016 |
|--------------------------------------|----------------|----------------|----------------|
| Experience adjustments (loss) / gain | 5,243,111 | 1,667,537 | 1,735,811 |

| Particulars | March 31, 2015 | March 31, 2014 | March 31, 2013 |
|--------------------------------------|----------------|----------------|----------------|
| Experience adjustments (loss) / gain | (274,235) | (387,351) | 641,862 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

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, 2018 | March 31, 2017 |
|--------------------------------|----------------|----------------|
| Discount rate (per annum) | 6.80% | 6.70% |
| Salary Growth Rate (per annum) | 10.00% | 10.00% |

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

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and amounts recognized in the balance sheet for the gratuity plan of the ABCBL which is unfunded.

Amounts recognized in the Balance Sheet in respect of Gratuity

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Present value of defined benefit obligation | 1,107,654 | 921,900 |
| Fair value of plan assets | - | - |
| Liability / recognized in the balance sheet | 1,107,654 | 921,900 |

Amounts recognized in the Statement of Profit and Loss in respect of Gratuity

| Particulars | March 31, 2018 | March 31, 2017 |
|--|----------------|----------------|
| Current service cost | 124,258 | 104,162 |
| Interest cost on benefit obligation | 61,724 | 75,944 |
| Expected return on plan assets | NIL | NIL |
| Net actuarial (gain) / loss recognized in the year | 22,272 | 41,342 |
| Past service costs – vested benefits | NIL | NIL |
| Net gratuity cost | 208,254 | 221,448 |

Reconciliation of Present Value of the Obligation

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Opening defined benefit obligation | 921,900 | 999,979 |
| Interest cost | 61,724 | 75,944 |
| Current service cost | 124,258 | 104,162 |
| Actuarial (gains) / losses on obligation | 22,272 | 41,342 |
| Benefits paid Including Transfer In / (Out) | (22,500) | (299,527) |
| Closing defined benefit obligation | 1,107,654 | 921,900 |

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

| Particulars | March 31, 2018 | March 31, 2017 |
|--------------------------------|----------------|----------------|
| Discount rate (per annum) | 6.80% | 6.70% |
| Salary Growth Rate (per annum) | 10.00% | 10.00% |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

32) Related Party Transaction

| | |
|--|--|
| Ultimate Holding Company | Grasim Industries Limited |
| Holding Company | Aditya Birla Capital Limited |
| Subsidiary Company | Aditya Birla Commodities Broking Limited |
| Related Parties under AS 18 with whom transactions have taken place during the year | |
| Fellow Subsidiary | Aditya Birla Finance Limited |
| | Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) |
| | Aditya Birla Financial Shared Services Limited |
| | Aditya Birla Sun Life Insurance Company Limited (Formerly known as Birla Sun Life Insurance Company Limited) |
| | Aditya Birla MyUniverse Limited |
| | Aditya Birla Insurance Brokers Limited |
| | Birla Sun Life AMC Limited |
| | Aditya Birla Housing Finance Limited |
| | Aditya Birla Idea Payment Bank Limited |
| | Aditya Birla Health Insurance Company Limited |
| | Aditya Birla Money Insurance Advisory Services Limited |
| Key Management Personnel | Mr. Murali Krishnan L.R, Manager |
| | Mr. Pradeep Sharma, CFO |
| | Mr. Vikashh K Agarwal, Company Secretary (ceased to be the Company Secretary with effect from 31.07.2017) |
| | Mr. Rajesh Gandhi, Company Secretary (Appointed as Company Secretary on 01.08.2017) |

| Sr. No. | Particulars | Closing Balance as on March 31,2018 | Transactions 2017-18* | Closing Balance as on March 31,2017 | Transactions 2016-17* |
|---------|---|-------------------------------------|-----------------------|-------------------------------------|-----------------------|
| I | Grasim Industries Limited | | | | |
| 1 | Reimbursement of Cost - AGM Expenses | | 28,145 | | - |
| 2 | Others Transactions | | 31,360,000 | | - |
| 3 | Outstanding Balances | | | | |
| | - Receivable - Others | - | | - | |
| II | Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) | | | | |
| 1 | Other Transaction - Directors appointment Refundable deposit | | - | | 100,000 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| Sr. No. | Particulars | Closing Balance as on March 31, 2018 | Transactions 2017-18* | Closing Balance as on March 31, 2017 | Transactions 2016-17* |
|------------|---|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| 2 | Reimbursement of Cost - Electricity, Rent, Staff welfare and other expenses | | 194,919 | | 40,585 |
| 3 | ESOP Expenses | | 15,913,602 | | - |
| 4 | ESOP Credit Note against Exit Employee | | 1,016,142 | | - |
| | Outstanding Balances | | | | |
| | - Receivable | 792,375 | | - | - |
| III | Aditya Birla Finance Limited | | | | |
| 1 | Reimbursement of Cost - Rent, Electricity & Other Expenses | | 1,311,385 | | 4,093,609 |
| 2 | Recovery of Manpower cost | | 15,952,772 | | 57,902,276 |
| 3 | Recovery of Cost - Rent & Other expenses | | 1,138,138 | | 2,241,164 |
| 4 | Bonus Payable | | 1,628,476 | | - |
| 5 | Custodian - Fee Recoverable | | 4,329,333 | | 3,730,007 |
| 6 | Brokerage Income (Debt) | | 1,050,000 | | 3,155,777 |
| 7 | Brokerage Income (Trading) | | 2,820,440 | | 2,558,933 |
| 8 | Referral Fee Expense | | 6,474,948 | | 3,746,403 |
| 9 | Referral Fee Income | | 8,319,126 | | 6,565,485 |
| 10 | Expenses - Commission, - Management Fees | | 138,787,597 | | 39,235,955 |
| 11 | Client settlement | | - | | 1,352,915 |
| 12 | Other Transaction-Trf. of Loan/Deposit | | - | | 2,625,000 |
| 13 | Other Transaction- Gratuity/Leave Encashment liability | | - | | 16,247,115 |
| 14 | Other Transaction - Rental Advances | | - | | 500,000 |
| 15 | Other Transaction - Asset Transfer | | - | | 129,774 |
| 16 | Outstanding Balances | | | | |
| | - Receivables (Trade Receivable) | 409,590 | | 395,055 | |
| | - Payables (Advances from customer) | (32,830) | | (48,229) | |
| | - Payables (Trade payable) | (512,356) | | (14,316,138) | |
| IV | Aditya Birla Financial Shared Services Limited | | | | |
| 1 | Reimbursement of Cost - Manpower and other expenses | | 5,373,860 | | 10,155,178 |
| 2 | Reimbursement of Cost - Electricity, Staff welfare and other expenses | | 12,981,612 | | 7,293,775 |
| 3 | Prepaid Expenses | | 4,479,092 | | 6,240,117 |
| 4 | Contribution to Fund | | 103,383 | | 1,126,097 |
| 5 | Outstanding Balances | | | | |
| | - Payables | (2,081,868) | | (5,117,665) | |
| | - Prepaid Expenses Balance | 574,656 | | 231,834 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| Sr. No. | Particulars | Closing Balance as on March 31, 2018 | Transactions 2017-18* | Closing Balance as on March 31, 2017 | Transactions 2016-17* |
|------------|---|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| V | Aditya Birla Sun Life Insurance Company Limited (Formerly known as Birla Sun Life Insurance Company Limited) | | | | |
| 1 | Income | | 6,255,196 | | 10,160,336 |
| 2 | Asset Transferred | | 1,270,976 | | - |
| 3 | ESOP Expenses | | 201,563 | | - |
| 4 | Reimbursement of Rent & Other Expenses | | 1,633,922 | | - |
| 5 | Other Transaction- Gratuity/Leave Encashment liability Employee Transfer In | | 1,628,767 | | - |
| 6 | Recovery of Rent & Other Expenses | | - | | 46,392 |
| 7 | Other Transaction- Gratuity/Leave Encashment liability | | 361,622 | | 39,751 |
| 8 | NPS Contribution | | 13,333 | | - |
| 9 | Outstanding Balances | | | | |
| | - Payables | (256,356) | | | |
| VI | Aditya Birla Insurance Brokers Limited | | | | |
| 1 | Recovery of Cost - Rent & Other Expenses | | 317,819 | | 888,591 |
| 2 | Outstanding Balances | | | | |
| | - Receivables | 105,292 | | 42,249 | |
| VII | Aditya Birla MyUniverse Limited | | | | |
| 1 | Expenses - Commission, - Management Fees | | 1,970,308 | | 2,146,137 |
| 2 | Recovery of Cost - IT Support, Rent Expenses recovery | | 37,836 | | 377,224 |
| 3 | Recovery of Cost - Manpower expenses | | - | | 2,156,147 |
| 4 | Bonus Recovery | | - | | 207,541 |
| 5 | Bonus Payable | | - | | 278,992 |
| 6 | Reimbursement of Cost - Rent expenses | | 266,112 | | 3,976,074 |
| 7 | Other Transaction - Gratuity /Leave Encashment Liability | | 945,682 | | - |
| 8 | Income | | 50,898 | | 36,093 |
| 9 | Reimbursement of cost - Electricity Expenses, Security Charges and other expenses | | 675,959 | | 782,682 |
| 10 | Transaction Charges NSDL Recovery | | 40,000 | | 13,800 |
| 11 | KRA Service Recovery | | 274,528 | | 606,491 |
| 12 | Other Transaction-Trf. of Loan/Deposit | | 155,000 | | - |
| 13 | Client Settlement | | 142 | | - |
| 14 | Outstanding Balances: | | | | |
| | - Payables (Trade payable) | (248,879) | | (975,193) | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| Sr. No. | Particulars | Closing Balance as on March 31, 2018 | Transactions 2017-18* | Closing Balance as on March 31, 2017 | Transactions 2016-17* |
|-------------|--|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| VIII | Aditya Birla Housing Finance Limited | | | | |
| 1 | Recovery of Cost - Rent | | 519,656 | | 489,549 |
| 2 | Outstanding Balances | | | | |
| | - Receivables | 302,675 | - | 65,587 | - |
| IX | Aditya Birla Money Insurance Advisory Services Limited | | | | |
| 1 | Other Transaction- Gratuity/Leave Encashment liability | | - | | 108,954 |
| 2 | Other Deposit - Rental Deposit | | - | | 96,000 |
| 3 | Asset Transferred | | 92,014 | | 1 |
| 4 | Reimbursement of Rent and Other Expenses | | 808,765 | | 209,645 |
| 5 | Recovery of Rent and Other Expenses | | 234,476 | | 43,252 |
| 6 | Outstanding Balances | | | | |
| | - Payables | (865,996) | | (142,227) | |
| X | Aditya Birla Idea Payment Bank Limited | | | | |
| 1 | Recovery of Cost - Rent, Electricity, Staff welfare and other expenses | | - | | 815,152 |
| 2 | Gratuity Liability | | - | | 2,252,106 |
| 3 | Leave Encashment Liability | | - | | 156,490 |
| 4 | Festival Advance Recovery | | - | | 137,275 |
| 5 | Outstanding Balances | | | | |
| | - Payables | | - | (2,131,859) | |
| XI | Birla Sun Life AMC Limited | | | | |
| 1 | PMS Income | | | | |
| 2 | Outstanding Balances | | 228,261 | | - |
| | - Payables | | - | - | |
| XII | Aditya Birla Health Insurance Company Limited | | | | |
| 1 | Reimbursement of Electricity charges | | 249,016 | | 267,566 |
| 2 | Group Deposit-GMC | | - | | 15,768,833 |
| 3 | Group Deposit-Top up | | 1,810,515 | | 2,148,600 |
| 4 | Outstanding Balances | | | | |
| | - Payable | (589,120) | | (302,348) | |
| | - CD Balance | 4,912,110 | | 17,917,433 | |
| XIII | Mr. P. Sudhir Rao | | | | |
| 1 | Director Sitting Fee | | 270,000 | - | 420,000 |
| 2 | Reimbursement of Cost | | - | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| Sr. No. | Particulars | Closing Balance as on March 31, 2018 | Transactions 2017-18* | Closing Balance as on March 31, 2017 | Transactions 2016-17* |
|------------------------------------|---------------------------------|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| XIV | Mr. G. Vijayaraghavan | | | | |
| 1 | Director Sitting Fee | - | 415,000 | - | 320,000 |
| 2 | Reimbursement of Cost | - | - | - | - |
| XV | Mr. Tushar Harendra Shah | | | | |
| 1 | PMS Management Fees | - | 144,888 | - | 64,466 |
| 2 | Brokerage Income | - | 660 | - | 2,988 |
| XVI | Mr. Ajay Srinivasan | | | | |
| 1 | PMS Management Fees | - | 261,124 | - | 76,496 |
| 2 | Brokerage Income | - | - | - | 255 |
| XVII | Mr. Pradeep Sharma | | | | |
| 1 | Remuneration | - | 9,646,681 | - | 6,212,770 |
| 2 | Reimbursement of Cost | - | 30,286 | - | 16,033 |
| 3 | Brokerage Income | - | 997 | - | - |
| XVIII | Mr. Vikashh K Agarwal | | | | |
| 1 | Remuneration | - | 1,811,351 | - | 3,602,602 |
| 2 | Reimbursement of Cost | - | 31,749 | - | 37,354 |
| XIX | Mr. Murali Krishnan L.R. | | | | |
| 1 | Remuneration | - | 2,369,171 | - | 2,282,494 |
| 2 | Brokerage Income | - | 900 | - | 21 |
| XX | Mr. Rajesh Gandhi | | | | |
| 1 | Remuneration | - | 943,150 | - | - |
| 2 | Reimbursement of Cost | - | 8,477 | - | - |
| *Amounts excluding Service Tax/GST | | | | | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

33) Stock Options

The objective of the Employee Stock Option Scheme is to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability.

In accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'SEBI ESOP Regulations') and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense recognized as at the beginning and end of that period and is to be recognized in employee benefits expense. However, there is no expense that is incurred during the year by the Company for this purpose since the exercise price at which the options have been granted by the Company to eligible employees were at the market.

i) ABML – Employee Stock Option Scheme – 2014

The Company had formulated the ABML Employee Stock Option Scheme – 2014 (ABML ESOP Scheme – 2014) with the approval of the shareholders at the Annual General Meeting dated September 09, 2014. The Scheme provides that the total number of options granted there under will be 2,770,000 and to follow the Market Value Method (Intrinsic Value) for valuation of the Options. Each option, on exercise, is convertible into one equity share of the Company having face value of Rs.1 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on December 2, 2014 has granted 25,09,341 stock options to its eligible employees under the ABML ESOP Scheme – 2014 at an exercise price of Rs.34.25/-. The Exercise Price was based on the latest available closing price, prior to the December 02, 2014 (the date of grant by the Nomination & Remuneration Committee) on the recognized stock exchanges on which the shares of the Company are listed with the highest trading volume.

Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under

| | As on 31st March 2018 |
|--|--|
| Options granted on December 02, 2014 | 2,509,341 |
| Options outstanding as on April 01, 2017 | 1,445,845 |
| No. of options granted during the year | NIL |
| Method of Accounting | Intrinsic Value |
| Vesting Plan | 25% every year |
| Exercise period | Within 5 years from the date of vesting of respective options |
| Grant/Exercise price (Rs. per share) | 34.25/- |
| Market price as on the date of the grant | 34.25/-(previous day closing price on the recognized stock exchange) |
| Options forfeited/lapsed during the year | 24,176 |
| Options exercised during the year | 722,138 |
| Options outstanding as on March 31, 2018 | 699,531 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| | As on 31st March 2017 |
|--|--|
| Options granted on December 02, 2014 | 2,509,341 |
| Options outstanding as on April 01, 2016 | 1,979,120 |
| No. of options granted during the year | NIL |
| Method of Accounting | Intrinsic Value |
| Vesting Plan | 25% every year |
| Exercise period | Within 5 years from the date of vesting of respective options |
| Grant/Exercise price (Rs. per share) | 34.25/- |
| Market price as on the date of the grant | 34.25/-(previous day closing price on the recognized stock exchange) |
| Options forfeited/lapsed during the year | 450,859 |
| Options exercised during the year | NIL |
| Options outstanding as on March 31, 2017 | 1,445,845 |

The vesting period in respect of the options granted under ABML ESOP Scheme – 2014 is as follows:

| Sr. No | Vesting Dates | % of options that shall vest |
|--------|----------------------------------|------------------------------|
| 1 | 12 months from the date of grant | 25% of the grant |
| 2 | 24 months from the date of grant | 25% of the grant |
| 3 | 36 months from the date of grant | 25% of the grant |
| 4 | 48 months from the date of grant | 25% of the grant |

The Company has granted options to the eligible employees at an exercise price of Rs.34.25/- per share being the latest market price as per SEBI ESOP Regulations. In view of this, there being no intrinsic value (being the excess of the market price of share under ESOP over the exercise price of the option), on the date of grant, the Company is not required to account the accounting value of option as per SEBI ESOP Regulations.

Fair Valuation:

The fair value of the options on the date of grant has been done by an independent valuer using Black-Scholes Formula.

The key assumptions are as under:

| | |
|---|------------|
| Risk-free interest rate (%) | 8.13% |
| Expected life (No. of years) | 5 |
| Expected volatility (%) | 54.26% |
| Dividend yield (%) | - |
| The price of the underlying share in market at the time of option grant | Rs.34.25/- |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Net Profit (As reported) | 100,651,099 | 72,762,197 |
| Less: Impact of Incremental cost under Fair value approach | 1,597,342 | 6,404,136 |
| Adjusted Net Profit | 99,053,757 | 66,358,061 |
| Number of Equity Shares (Basic) | 56,122,138 | 55,400,000 |
| Number of Equity Shares (Diluted) | 56,519,430 | 55,400,000 |
| Basic earnings per share (as reported) (in Rs.) | 1.79 | 1.31 |
| Basic earnings per share (as adjusted) (in Rs.) | 1.76 | 1.20 |
| Diluted earnings per share (as reported) (in Rs.) | 1.78 | 1.31 |
| Diluted earnings per share (as adjusted) (in Rs.) | 1.75 | 1.20 |

ii) ABCL – Employee Stock Option Scheme – 2017

Pursuant to ESOP Plan being established by the holding company (i.e. Aditya Birla Capital Limited), stock options were granted to the employees of the Company during the financial year. Total cost incurred by the holding company till date is being recovered from the Company over the period of vesting. Accordingly, a sum of Rs.15,099,023/- has been recovered from the Company during the year, which has been charged to the Statement of Profit and Loss.

34) i) The Company has a process whereby periodically all long term contracts, if any, are assessed for material foreseeable losses. As at the balance sheet date, there were no long term contracts (including derivative contracts) (Previous Year: Nil)

ii) The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax and other statutory authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. Refer Note 26 for details on contingent liabilities.

35) Portfolio Management Scheme

The Company holds several accounts under Portfolio Management Scheme (PMS). These accounts are held by the company under fiduciary capacity and all services are rendered as per PMS Guidelines issued by the Security & Exchange Board of India (SEBI). In return for PMS services the Company is entitled to professional fee. The accounts of each PMS client are maintained by the company and are annually audited by an independent Chartered Accountant. Since the company renders PMS services under fiduciary capacity, the financials of each PMS clients does not form part of the financials of the Company. This has been done based on the opinion obtained from the Expert Advisory Committee of the Institute of Chartered Accountants of India (ICAI). A brief summary of the aggregated quantum of the funds received, funds invested, services fee charged and the balance available in the PMS accounts are produced below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| Net quantum of funds received under PMS Scheme | 4,497,962,066 | 553,682,090 |
| Payable to Exchange(obligation) | 11,496,909 | 43,748,139 |
| Service charges received by the company | (109,422,709) | (17,412,101) |
| | 4,400,036,266 | 580,018,128 |
| Funds Invested | 4,338,003,890 | 536,899,074 |
| Closing Bank Balance | 62,032,376 | 43,119,054 |
| | 4,400,036,266 | 580,018,128 |

36) Segment Reporting:

The Company's business is to provide brokerage service, trading in securities and portfolio management services ('PMS') to its clients in the capital markets within India. All other activities of the Company revolve around these activities.

| Particulars | March 31, 2018 | March 31, 2017 |
|--|----------------------|----------------------|
| Segment Revenue | | |
| Broking | 1,536,035,491 | 1,299,022,619 |
| Trading in Securities | 12,846,508 | - |
| Others | 72,626,784 | 11,170,381 |
| Total Segment Revenue from Operations (Net) | 1,621,508,783 | 1,310,193,000 |

| Particulars | March 31, 2018 | March 31, 2017 |
|--|--------------------|--------------------|
| Segment Results | | |
| Broking | 234,653,838 | 126,349,826 |
| Trading in Securities | (3,529,004) | - |
| Others | (58,528,223) | (8,169,582) |
| Total Segment Result | 172,597,112 | 118,180,244 |
| Less: Finance Costs | 66,480,081 | 54,394,000 |
| Add: Other Un-allocable (Expenditure) / Income - Net | 21,577,846 | 17,047,737 |
| Profit Before Tax | 127,694,877 | 80,833,981 |

| Segment Assets | March 31, 2018 | March 31, 2017 |
|-----------------------------------|----------------------|----------------------|
| Broking | 3,934,941,993 | 2,858,624,751 |
| Trading in Securities | 1,156,158,400 | - |
| Others | 11,458,221 | 1,525,964 |
| Total Segment Assets | 5,102,557,614 | 2,860,150,715 |
| Add: Unallocated Corporate Assets | 242,500,502 | - |
| Total Assets | 5,345,058,116 | 2,860,150,715 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

| Segment Liabilities | March 31, 2018 | March 31, 2017 |
|--|----------------------|----------------------|
| Broking | 2,551,887,928 | 2,081,475,644 |
| Trading in Securities | 1,163,119,015 | - |
| Others | 12,800,000 | - |
| Total Segment Liabilities | 3,727,806,943 | 2,081,475,644 |
| Add: Unallocated Corporate Liabilities | 1,058,237,913 | 347,077,063 |
| Total Liabilities | 4,786,044,856 | 2,428,552,707 |

37) Previous Year Figures

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

As per our report of even date

For and on behalf of the Board of Directors of Aditya Birla Money Limited

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration No.301003E/E300005

Gopi Krishna Tulsian

Director

DIN : 00017786

Pinky Mehta

Director

DIN : 00020429

Per Jayesh Gandhi

Partner

Membership No. 037924

Pradeep Sharma

Chief Financial Officer

PAN : AHRPS6339L

Rajesh Gandhi

Company Secretary

PAN : AFRPG7972H

Place : Mumbai

Date : April 26, 2018

