

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Aditya Birla Commodities Broking Limited

Report on the Financial Statements

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

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

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

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



# **S.V.GHATALIA & ASSOCIATES LLP**

Chartered Accountants

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to Note 20 to the financial statements with regard to the recoverability of assets in the nature of trade receivables, advances, other assets etc. aggregating to Rs.3,229,900 grouped under advances recoverable in cash or kind. These assets are subject matter of claim under a share purchase agreement entered into between the Company's ultimate parent company and its Erstwhile Promoters, which is currently under arbitration. The Company's ultimate parent company has committed to transfer any funds received on settlement of the claim to the Company. Based on legal opinion received in the previous years, management is of the opinion that the claims made are tenable and expect a favourable outcome in this matter. Pending the final disposition of the matter no adjustments have been made to the financial statements in respect of these assets.

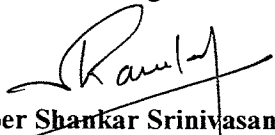
## Report on Other Legal and Regulatory Requirements

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

**For S.V. Ghatalia & Associates LLP**

Chartered Accountants

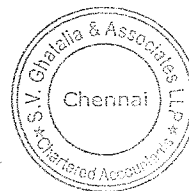
ICAI Firm Registration Number: 103162W

  
per **Shankar Srinivasan**  
Partner

Membership Number: 213271

Place of Signature: Chennai

Date: April 29, 2014



# **S.V.GHATALIA & ASSOCIATES LLP**

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

Re: Aditya Birla Commodities Broking Limited (‘the Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) The Company is a broker on the commodities exchange and therefore does not have any inventories. Accordingly, Clause (ii) of the Companies (Auditors’ Report) Order 2003 is not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to 4(iii) (d) of the Companies (Auditor’s Report) Order, 2003 are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Companies (Auditor’s Report) Order, 2003 are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase and sale of inventories. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v) (b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.



# S.V.GHATALIA & ASSOCIATES LLP

Chartered Accountants

- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, , investor education and protection fund, cess and other material statutory dues applicable to it. The provisions relating to customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, investor education and protection fund, cess and other statutory dues which were outstanding, at the year-end for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues outstanding of provident fund, employees' state insurance, excise duty, wealth-tax, customs duty, income-tax, investor education and protection fund and cess on account of any dispute. Dues outstanding in respect of sales-tax and service tax on account of any dispute are as follows:

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	32,034	April 2006-May 2008	Commissioner of Service Tax
Tamil Nadu Valued Added tax Act ,2006*	Value Added Tax	30,439	April 2006 – March 2007	Appellate Assistant Commissioner of Commercial Taxes
		765,329	April 2007 – March 2008	Appellate Assistant Commissioner of Commercial Taxes
Income tax Act 1961	Income tax	108,452	April 2006 – March 2007	Commissioner of Income Tax



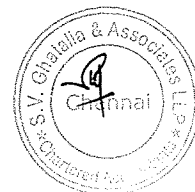
# S.V.GHATALIA & ASSOCIATES LLP

Chartered Accountants

				(Appeals)
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\*excludes deposit of Rs.265,257.

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



# **S.V.GHATALIA & ASSOCIATES LLP**

Chartered Accountants

- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For S.V. Ghatalia & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 103162W



per **Shankar Srinivasan**  
Partner

Membership Number: 213271  
Place of Signature: Chennai  
Date: April 29, 2014



**Aditya Birla Commodities Broking Limited**

**Balance Sheet as at March 31, 2014**

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

	Note No.	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>(A) Shareholders' Funds</b>			
Share Capital	3		
Equity		50,000,000	20,000,000
Reserves and Surplus	4	(31,761,193)	3,575,931
	Sub-Total (A)	<u>18,238,807</u>	<u>23,575,931</u>
<b>(B) Non-Current Liabilities</b>			
Other Long-term Liabilities	5A	2,517,883	1,098,982
Long-term Provisions	6A	2,220,436	2,910,497
	Sub-Total (B)	<u>4,738,319</u>	<u>4,009,479</u>
<b>(C) Current Liabilities</b>			
Short-term Borrowings	7	-	52,000,000
Trade Payables	8	7,402,794	7,957,391
Other Current Liabilities	5B	172,257,536	382,326,261
Short-term Provisions	6B	1,849,421	2,742,542
	Sub-Total (C)	<u>181,509,751</u>	<u>445,026,194</u>
	<b>TOTAL (A)+(B)+(C)</b>	<u><b>204,486,877</b></u>	<u><b>472,611,604</b></u>
<b>ASSETS</b>			
<b>(D) Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	9A	6,645,855	7,981,226
Intangible Assets	9B	-	2,113,223
		<u>6,645,855</u>	<u>10,094,449</u>
Long-term Loans and Advances	10A	24,610,316	23,425,850
	Sub-Total (D)	<u>31,256,171</u>	<u>33,520,299</u>
<b>(E) Current Assets</b>			
Trade Receivables	11	1,733,929	11,960,533
Cash & Bank Balances	12	85,312,937	385,785,458
Short-term Loans and Advances	10B	18,407,663	18,689,031
Other Current Assets	13	67,776,177	22,656,283
	Sub-Total (E)	<u>173,230,706</u>	<u>439,091,305</u>
	<b>TOTAL (D)+(E)</b>	<u><b>204,486,877</b></u>	<u><b>472,611,604</b></u>

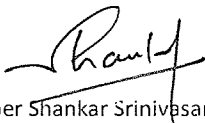
Significant Accounting Policies

2

The accompanying Notes are an integral part of the Financial Statements

As per our Report of even date

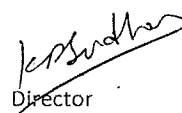
For **S.V. GHATALIA & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 103162W

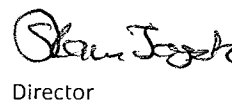


per Shankar Srinivasan  
Partner  
Membership No.: 213271

Date: April 29, 2014  
Place: Chennai

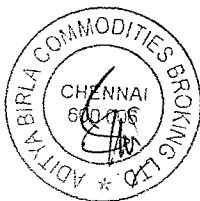
For and on behalf of the Board of Directors

  
Director

  
Director



Manoj Kumar Gandhi  
Chief Finance and Operations Officer



**Aditya Birla Commodities Broking Limited**

**Statement of Profit and Loss for the Year Ended March 31, 2014**

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

	Note No.	Year Ended March 31, 2014	Year Ended March 31, 2013
Revenue from Operations	14	100,887,378	181,895,511
Other Income	15	15,874,834	41,505,974
<b>Total Revenue</b>		<b>116,762,212</b>	<b>223,401,485</b>
<b>Expenses</b>			
Employee Benefits Expenses	16	52,136,111	76,573,303
Finance Cost	17	2,773,651	2,094,513
Depreciation and Amortisation Expenses	18	3,449,594	5,688,452
Business Partners Payout		38,372,960	69,092,673
Other Expenses	19	55,367,020	96,421,232
<b>Total Expenses</b>		<b>152,099,336</b>	<b>249,870,173</b>
<b>Profit/(Loss) Before Tax</b>		<b>(35,337,124)</b>	<b>(26,468,688)</b>
Tax Expenses		-	-
<b>Profit/(Loss) for the Year</b>		<b>(35,337,124)</b>	<b>(26,468,688)</b>
Basic and diluted Earnings per Share (Face Value of Rs. 10/- each)	23	(17.53)	(13.23)

Significant Accounting Policies

2

The accompanying Notes are an integral part of the Financial Statements

As per our Report of even date

For S.V. GHATALIA & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 103162W



per Shankar Srinivasan

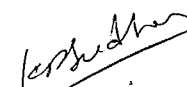
Partner

Membership No.: 213271

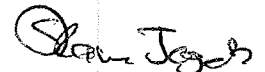
Date: April 29, 2014

Place: Chennai

For and on behalf of the Board of Directors



Director

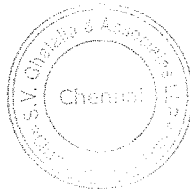


Director



Manoj Kumar Gandhi

Chief Finance and Operations Officer





**Aditya Birla Commodities Broking Limited**  
**Notes to the Financial statements for the year ended March 31, 2014**

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

**1) Nature of operations**

Aditya Birla Commodities Broking Limited ('ABCBL' or 'the Company') was incorporated on October 10, 2003 in Chennai, Tamil Nadu. The Company is principally engaged in Commodities Broking and related activities.

**2) Statement of Significant Accounting Policies**

**a) Basis of preparation**

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

**b) Use of Estimates**

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

**c) Tangible assets, Intangible assets and capital Work-In-Progress**

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

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

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

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

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



**Aditya Birla Commodities Broking Limited**  
**Notes to the Financial statements for the year ended March 31, 2014**

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

**d) Depreciation**

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

<b>Nature of asset</b>	<b>Rate of depreciation followed</b>
Batteries (included under Office equipments)	25% (rates are higher than schedule XIV)
Furniture and fixtures (fitted to premises)	Rate based on the lease period, taking into account the secondary lease period

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

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

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

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

**e) Impairment**

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

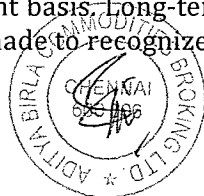
**f) Leases**

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

**g) Investments**

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

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



**Aditya Birla Commodities Broking Limited**  
**Notes to the Financial statements for the year ended March 31, 2014**

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

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

**h) Revenues**

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

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

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

Other interest incomes are recognised on a time proportion basis.

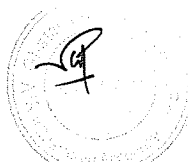
**i) Employment Benefits**

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

**j) Income Tax**

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the



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

earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

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

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

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

#### **k) Earnings Per Share**

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

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

#### **l) Contingent Liability and Provisions**

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

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



**Aditya Birla Commodities Broking Limited**  
**Notes to the Financial statements for the year ended March 31, 2014**

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

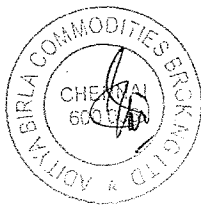
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**m) Segment Reporting**

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

**n) Cash and Cash Equivalents**

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



NOTE: 3

SHARE CAPITAL

Authorised:

5,000,000 (Previous year - 2,500,000) equity shares of Rs.10/- each

	As at March 31, 2014	As at March 31, 2013
	50,000,000	25,000,000
	<b>50,000,000</b>	<b>25,000,000</b>

Issued, Subscribed and paid-up

EQUITY SHARE CAPITAL

5,000,000 (Previous year - 2,000,000) equity shares of Rs.10/- each

	As at March 31, 2014	As at March 31, 2013
	50,000,000	20,000,000
	<b>50,000,000</b>	<b>20,000,000</b>

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

S. No.	Description	As at March 31, 2014		As at March 31, 2013	
		Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
1	Shares outstanding at the beginning of the period	2,000,000	20,000,000	2,000,000	20,000,000
2	Issued during the period	3,000,000	30,000,000	-	-
3	Shares outstanding at the end of the period	5,000,000	50,000,000	2,000,000	20,000,000

2 Term/right attached to equity shares

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

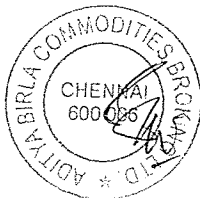
In the event of liquidation of the company, the holders of equity shares will receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

3 Shares held by holding Company 5,000,000 (Previous year - 2,000,000) equity shares of Rs.10/- each fully paid up are held by Aditya Birla Money Limited, the holding company and its nominees. During the year 3,000,000 equity shares of Rs.10/- each issued to Aditya Birla Money Ltd, Holding Company. These shares shall pari pass with the existing equity shares of the company.

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

Equity Shares

S. No.	Name of Share Holder	As at March 31, 2014		As at March 31, 2013	
		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 Money Limited	5,000,000	100	2,000,000	100



**Aditya Birla Commodities Broking Limited**

**Notes to the Financial statements for the Year ended March 31, 2014**

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

**NOTE: 4  
RESERVES & SURPLUS**

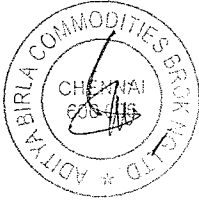
**Surplus/(Deficit) in the statement of Profit and Loss**

Balance as per last audited Financial Statement

Addition:

Profit/(Loss) for the year

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
	3,575,931	30,044,619
	<u>(35,337,124)</u>	<u>(26,468,688)</u>
	<u><b>(31,761,193)</b></u>	<u><b>3,575,931</b></u>
	<u><b>(31,761,193)</b></u>	<u><b>3,575,931</b></u>



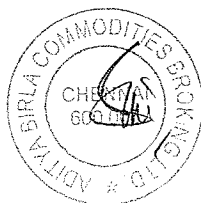
## Aditya Birla Commodities Broking Limited

### Notes to the Financial statements for the Year ended March 31, 2014

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

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
<b>NOTE: 5A</b>		
<b>OTHER LONG-TERM LIABILITIES</b>		
Rent Equalisation Liability	2,517,883	1,098,982
	<u>2,517,883</u>	<u>1,098,982</u>
<b>NOTE: 5B</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Interest Accrued but not due on Borrowings	-	629,572
Other Payables		
Payable to customers	161,428,405	285,665,905
Payable to exchanges	1,270,958	10,115,030
Book Overdraft	6,013,912	55,981,250
Statutory Dues	927,990	1,327,769
Deposits	1,640,766	1,118,978
Others (due to Related Parties) ^	975,505	27,487,757
	<u>172,257,536</u>	<u>382,326,261</u>

^ Rs.975,505 payable to Aditya Birla Money Mart Limited (Previous year : Rs.27,487,757 payable to Aditya Birla Money Limited)





**Aditya Birla Commodities Broking Limited**

**Notes to the Financial statements for the Year ended March 31, 2014**

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

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
<b>NOTE: 6A</b>		
<b>LONG-TERM PROVISIONS</b>		
Provisions for Employee Benefits:		
Gratuity (Unfunded)	2,220,436	2,910,497
	<u>2,220,436</u>	<u>2,910,497</u>
 <b>NOTE: 6B</b>		
<b>SHORT-TERM PROVISIONS</b>		
Provisions for Employee Benefits:		
Leave Encashment	966,140	1,517,444
Gratuity (Unfunded)	43,391	51,695
Others (Deferred Compensation)	-	333,513
Taxation (Net of taxes paid Rs.16,060,110/- (Previous year:Rs.16,060,110/-))	839,890	839,890
	<u>1,849,421</u>	<u>2,742,542</u>



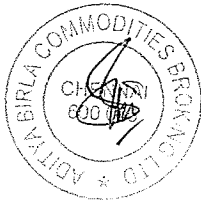
**Aditya Birla Commodities Broking Limited**

**Notes to the Financial statements for the Year ended March 31, 2014**

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

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
<b>NOTE: 7</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>SECURED</b>		
Loan Repayable on Demand		
Banks #	-	36,000,000
	-	36,000,000
<b>UNSECURED</b>		
Inter corporate deposit \$	-	16,000,000
	-	16,000,000
	-	52,000,000

# The bank borrowing is secured against Pledge of Fixed deposits. The loan carries an interest rate of 10.50%  
\$ Borrowed from Aditya Birla Money Limited .



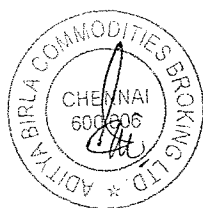
# Aditya Birla Commodities Broking Limited

## Notes to the Financial statements for the Year ended March 31, 2014

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

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
<b>NOTE: 8</b>		
<b>TRADE PAYABLES</b>		
Salaries, wages, bonus and other employee benefits payable	3,081,237	748,109
Trade Payables (Others)	4,321,557	7,209,282
	<u><b>7,402,794</b></u>	<u><b>7,957,391</b></u>

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



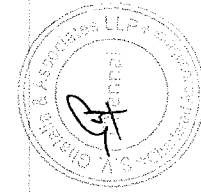
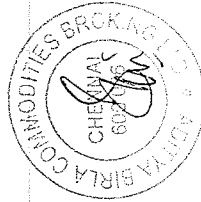
Aditya Birla Commodities Broking Limited  
Notes to the Financial statements for Year ended March 31, 2014  
(All amounts are in Indian Rupees, unless otherwise stated)

Note 9A - Tangible Assets

	V SAT Equipmen ts	Furniture & Fixtures	Office Equipment	Computers	TOTAL
<b>Gross Block</b>					
As at 1st April 2012	283,982	10,491,640	522,636	124,990	11,423,248
Additions	-	-	-	-	-
Deletions/Adjustment	-	-	-	-	-
<b>As at 31st March 2013</b>	<b>283,982</b>	<b>10,491,640</b>	<b>522,636</b>	<b>124,990</b>	<b>11,423,248</b>
<b>Cost</b>					
At 1st April 2013	283,982	10,491,640	522,636	124,990	11,423,248
Additions	-	-	1,000	-	1,000
Deletions/Adjustment	-	-	-	-	-
<b>As at 31st March 2014</b>	<b>283,982</b>	<b>10,491,640</b>	<b>523,636</b>	<b>124,990</b>	<b>11,424,248</b>
<b>Accumulated Depreciation</b>					
As at 1st April 2012	125,498	1,747,309	181,365	118,035	2,172,207
For the year	13,489	1,193,661	55,711	6,955	1,269,816
Deletions/Adjustment	-	-	-	-	-
<b>As at 31st March 2013</b>	<b>138,987</b>	<b>2,940,970</b>	<b>237,076</b>	<b>124,990</b>	<b>3,442,023</b>
Depreciation					
At 1st April 2013	138,987	2,940,970	237,076	124,990	3,442,023
For the year	13,489	1,266,170	56,711	-	1,336,371
Deletions/Adjustment	-	-	-	-	-
<b>As at 31st March 2014</b>	<b>152,476</b>	<b>4,207,140</b>	<b>293,787</b>	<b>124,990</b>	<b>4,778,394</b>
<b>Net block as at 31st March 2013</b>	<b>144,995</b>	<b>7,550,670</b>	<b>285,560</b>	<b>0</b>	<b>7,981,226</b>
<b>Net block as at 31st March 2014</b>	<b>131,506</b>	<b>6,284,500</b>	<b>229,849</b>	<b>-</b>	<b>6,645,855</b>

Note 9B - Intangible Assets

	Computer Software
<b>Gross Block</b>	
As at 1st April 2012	24,105,228
Additions	-
Deletions/Adjustment	-
<b>As at 31st March 2013</b>	<b>24,105,228</b>
<b>Cost</b>	
At 1st April 2013	24,105,228
Additions	-
Deletions/Adjustment	-
<b>As at 31st March 2014</b>	<b>24,105,228</b>
<b>Accumulated Amortization</b>	
As at 1st April 2012	17,573,370
For the year	4,418,636
Deletions/Adjustment	-
<b>As at 31st March 2013</b>	<b>21,992,006</b>
Depreciation	
At 1 April 2012	21,992,006
For the year	2,113,223
Deletions/Adjustment	-
<b>As at 31st March 2014</b>	<b>24,105,229</b>
<b>Net block as at 31st March 2013</b>	<b>2,113,223</b>
<b>Net block as at 31st March 2014</b>	<b>0</b>



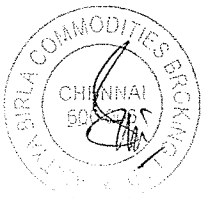
**Aditya Birla Commodities Broking Limited**

**Notes to the Financial statements for the Year ended March 31, 2014**

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

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
<b>NOTE: 10A</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits	8,417,193	7,685,943
Margins with Exchange	8,000,000	8,000,000
Advance Tax (Net of Provision Rs.6,640,873/- (Previous year : Rs.6,640,873/-))	8,193,123	7,739,907
	<u>24,610,316</u>	<u>23,425,850</u>
<b>NOTE: 10B</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good, except otherwise stated)		
Advances recoverable in cash or Kind		
Considered Good	2,918,302	6,454,701
Considered Doubtful	1,089,722	939,722
	<u>4,008,024</u>	<u>7,394,423</u>
Less: Provision for Doubtful	<u>(1,089,722)</u>	<u>(939,722)</u>
	<u>2,918,302</u>	<u>6,454,701</u>
<b>Other Loans and Advances</b>		
Margins with Exchange	10,075,000	8,178,845
Security Deposits	395,500	395,500
Advances to Related Parties ^	328,451	-
Balance with Govt. Authorities	1,045,656	1,992,347
Advance for Expenses & Supplier	2,901,429	595,331
Prepaid Expenses	631,742	993,882
Advances to Employees	111,583	78,425
	<u>18,407,663</u>	<u>18,689,031</u>

^ Rs.328,451 receivable from Aditya Birla Money Limited



**Aditya Birla Commodities Broking Limited****Notes to the Financial statements for the Year ended March 31, 2014**

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

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
<b>NOTE: 11</b>		
<b>TRADE RECEIVABLES ^</b>		
Outstanding for a period exceeding 6 months from due date of payment		
Secured, Considered Good	270,907	564,628
Unsecured, Considered Doubtful	2,836,058	2,634,236
Less: Provision for doubtful	(2,836,058)	(2,634,236)
Others		
Secured, Considered Good	1,463,022	-
Unsecured, Considered Good	-	11,395,905
Unsecured, Considered Doubtful	46,231	-
Less: Provision for doubtful	(46,231)	-
	<u><b>1,733,929</b></u>	<u><b>11,960,533</b></u>

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

**NOTE: 12****CASH AND BANK BALANCES****Cash and Cash Equivalents**

## Balances with Banks

## Current Accounts

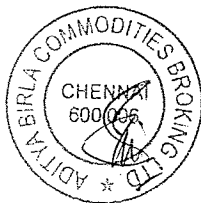
41,910,724	16,131,269
<u><b>41,910,724</b></u>	<u><b>16,131,269</b></u>

**Other Bank Balances**

## Deposit Accounts (with original maturity of more than three months)\*

43,402,213	369,654,189
<u><b>43,402,213</b></u>	<u><b>369,654,189</b></u>
(A) + (B)	<u><b>85,312,937</b></u>
	<u><b>385,785,458</b></u>

\* Fixed deposits have been placed under lien towards bank guarantees Rs.37,877,213 (Previous year : 36,629,189), as margins with exchange Rs.5,525,000 (Previous year : 233,025,000) and loans Nil (Previous year :100,000,000) received.



**Aditya Birla Commodities Broking Limited**

**Notes to the Financial statements for the Year ended March 31, 2014**

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

**NOTE: 13**

**OTHER CURRENT ASSETS**

(Unsecured, Considered Good, except otherwise stated)

Accrued Income (from operations)

Receivable from Exchange

Interest Accrued on Fixed Deposits

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
	264,406	229,996
	66,408,742	-
	1,103,029	22,426,287
	<u>67,776,177</u>	<u>22,656,283</u>



**Aditya Birla Commodities Broking Limited****Notes to the Financial statements for the Year ended March 31, 2014**

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

	<u>Year Ended March 31, 2014</u>	<u>Year Ended March 31, 2013</u>
<b>NOTE: 14</b>		
<b>REVENUE FROM OPERATIONS</b>		
Brokerage income	96,207,458	172,123,694
Account opening charges	491,707	1,608,245
Income from transaction charges	4,188,213	8,163,572
	<u><b>100,887,378</b></u>	<u><b>181,895,511</b></u>
<b>NOTE: 15</b>		
<b>OTHER INCOME</b>		
Interest Income - Others	13,183,334	38,726,845
Net Gain on Sale of Investments	1,273,005	2,629,129
Miscellaneous Income (Net)	1,418,495	150,000
	<u><b>15,874,834</b></u>	<u><b>41,505,974</b></u>
<b>NOTE: 16</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	48,878,895	71,006,108
Contribution to Provident and Other Funds (Refer Note 25)	2,547,031	4,051,766
Staff Welfare Expenses	710,185	1,515,429
	<u><b>52,136,111</b></u>	<u><b>76,573,303</b></u>
<b>NOTE: 17</b>		
<b>FINANCE COST</b>		
Interest Expenses	2,773,651	2,094,513
	<u><b>2,773,651</b></u>	<u><b>2,094,513</b></u>
<b>NOTE: 18</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation of Tangible Assets	1,336,371	1,269,816
Amortisation of Intangible Assets	2,113,223	4,418,636
	<u><b>3,449,594</b></u>	<u><b>5,688,452</b></u>





**Aditya Birla Commodities Broking Limited****Notes to the Financial statements for the Year ended March 31, 2014**

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

	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
<b>NOTE: 19</b>		
<b>OTHER EXPENSES</b>		
Rent	12,750,999	15,201,117
Repairs & Maintenance of:		
Buildings	188,264	-
Others	952,618	2,244,289
Insurance	2,260,498	4,469,259
Rates and Taxes	322,974	174,595
Connectivity Charges	3,981,875	9,376,006
Advertisement	449,489	776,543
Legal & Professional Expenses	9,623,371	32,792,836
Provision for Doubtful Debts	248,053	-
Provision for Doubtful Deposits and Advances	150,000	292,148
Printing and Stationery	302,916	521,819
Travelling & Conveyance	2,183,507	3,206,423
Communication Expenses	887,889	2,784,098
Bank Charges	629,258	641,637
Auditors' Remuneration *	348,947	320,130
Directors' Fees	50,000	30,000
Postage Expenses	51,437	41,872
Electricity Charges	2,548,027	2,061,823
Information Technology Expenses	15,759,963	20,685,211
Miscellaneous Expenses	1,676,935	801,426
	<b>55,367,020</b>	<b>96,421,232</b>

\* Auditors' Remuneration includes payments to auditors as under:

As auditor:

Audit fee	300,000	300,000
Certification fees	25,000	-
Reimbursement of expenses	23,947	20,130
	<b>348,947</b>	<b>320,130</b>



**Aditya Birla Commodities Broking Limited**  
**Notes to the Financial statements for the year ended March 31, 2014**

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

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

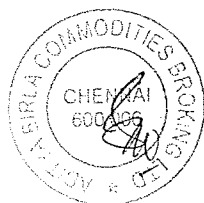
Pursuant to a Share Purchase agreement ('SPA') between Aditya Birla Nuvo Limited ('ABNL' or 'the Purchaser') and Mr Prataph C Reddy and others ("Erstwhile Promoters") dated August 28, 2008, ABNL had agreed to acquire 31 million equity shares in Aditya Birla Money Limited ("the Parent Company"). The transaction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

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

Subsequent to the completion of the above transaction, the Purchaser noted several breaches of representations and warranties including but not limited to non-recovery of debtors, irrecoverable advances, missing fixed assets etc. Accordingly, ABNL based on its internal assessment of the recoverability of receivables, fixed assets, other assets and matters relating to tax and other contingencies arrived at an amount of Rs 3,229,900 as Losses incurred on account of breach of representation / warranties in the SPA. ABNL invoked the arbitration mechanism and filed their Statement of Claim on February 26, 2011 with the Arbitration Tribunal.

Pending the final outcome of the arbitration proceedings, the Company has identified all such receivables, assets etc which are have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of accounts of the Company as at March 31, 2014 aggregating Rs 3,229,900 (previous year: Rs 3,229,900) and disclosed the same in Advances recoverable in cash or kind under Schedule 10B of the Balance Sheet, as these amounts would be paid directly to the Company by the Erstwhile Promoters at the direction of ABNL as and when the settlement happens.

Based on legal opinion received and internal assessment, ABNL is confident of recovering the entire dues through the arbitration process and passing the benefit thereof to the Company against which these loss assets can be set-off in the future. Accordingly, the Company is of the view that these amounts are recoverable and hence not written off in the books of accounts of the Company.



**Aditya Birla Commodities Broking Limited**  
**Notes to the Financial statements for the year ended March 31, 2014**

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

**21) Capital and other commitments**

- a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for is Rs Nil (Previous year - Rs. Nil).
- b) For commitments relating to lease arrangements, please refer note 24.

**22) Contingent liabilities**

Particulars	March 31, 2014	March 31, 2013
<b>Disputed tax liability not provided for:</b>		
(a) Service tax - for various assessment years in respect of which Company has gone on appeal. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	32,034	32,034
(b) 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
(c) Income tax - for Assessment year 2007-08 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.	108,452	-

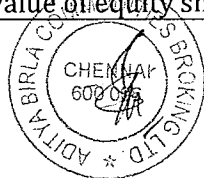
**Contingent liability not provided for on account of:**

- (i) Claims against the Company not acknowledged as debts\* 972,120 4,374,355

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

**23) Earnings per share**

Particulars		March 31, 2014	March 31, 2013
Net profit / (loss) as per Statement of profit and loss	A	(35,337,124)	(26,468,688)
Weighted average number of equity shares			
- Basic and diluted	B	2,016,438	2,000,000
Earnings per share			
- Basic and diluted	A/B	(17.53)	(13.23)
Nominal value of equity share (in Rs.)		Rs. 10/-	Rs. 10/-



**Aditya Birla Commodities Broking Limited**  
**Notes to the Financial statements for the year ended March 31, 2014**

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

**24) Lease disclosures**

**Operating leases for premises:**

Lease rentals in respect of premises taken on operating lease during the year ended March 31, 2014 amounts to Rs.12,750,999 (Previous Year : Rs.15,201,117).

Future obligations towards lease rentals under non cancellable lease agreements as on March 31, 2014 amounts to Rs.47,201,788/- (Previous Year: Rs.39,930,644). Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2014	March 31, 2013
Within one year	7,631,092	8,063,424
Later than one year and not later than five years	36,675,440	26,867,163
Later than five years	2,895,256	5,000,057

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

**25) Employment Benefit disclosures**

The amounts charged to the Statement of profit and loss during the year for Provident fund contribution aggregates to Rs. 2,299,036 (Previous year - Rs. 35,46,156) and employees' state insurance contribution aggregates to Rs. 247,995 (Previous year - Rs. 505,610).

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

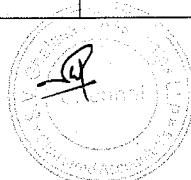
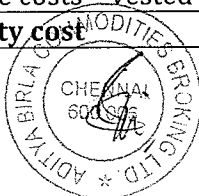
The following table summarises the components of net benefit expense recognized in the Statement of profit and loss and the amounts recognized in the balance sheet for gratuity plan.

**Amounts recognized in the Balance sheet in respect of gratuity**

	March 31, 2014	March 31, 2013
Present value of defined benefit obligation	2,263,827	2,962,192
Fair value of plan assets	-	-
<b>Liability recognized in the balance sheet</b>	<b>2,263,827</b>	<b>2,962,192</b>

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

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



**Aditya Birla Commodities Broking Limited**  
**Notes to the Financial statements for the year ended March 31, 2014**

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

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

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

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

	<b>March 31, 2014</b>	<b>March 31, 2013</b>
Discount rate	8.25%	8.25%

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

**Experience adjustments**

	<b>March 31, 2014</b>	<b>March 31, 2013</b>
Experience adjustments (loss) / gain	(550,145)	(301,776)



**Aditya Birla Commodities Broking Limited**  
**Notes to the Financial statements for the year ended March 31, 2014**

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

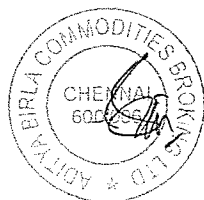
**26) Related party transactions**

List of related parties:

Ultimate holding Company	Aditya Birla Nuvo Limited
	Aditya Birla Financial Services Private Limited
Holding Company	Aditya Birla Money Limited

<b>Related parties with whom transactions have taken place during the year</b>	
Fellow Subsidiary	Aditya Birla Money Mart Limited

Sr. No.	Particulars	Closing Balance As on 31.03.14	Transactions 2013-2014	Closing Balance As on 31.03.13	Transactions 2012-2013
1	<b>Aditya Birla Money Mart Limited</b>				
	Management Fees	-	9,549,864		17,798,520
	Total outstanding balance payable	(975,505)	-	(1,667,146)	-
2	<b>Aditya Birla Money Ltd</b>				
	- Inter corporate loan given	-	37,500,000	-	30,000,000
	- Inter corporate loan receipt	-	37,500,000	-	30,000,000
	- Inter corporate loan taken	-	681,087,570	-	218,000,000
	- Inter corporate loan repaid	-	697,087,570	(16,000,000)	202,000,000
	- Interest on Inter corporate loan receivable	-	33,781	-	19,726
	- Interest on Inter corporate loan payable	-	1,653,922	-	234,795
	- Interest payable on running account	-	791,137	-	792,850
	- Interest receivable on running account	-	14,854	-	-
	- Rental advances transfer from ABML	-	1,029,050	-	696,640
	Reimbursement of Cost - Expenses payable	-	36,127,561	-	81,072,588
	Total outstanding balance payable	-	-	(27,487,756)	-
	Total outstanding balance Receivables	328,451			



**Aditya Birla Commodities Broking Limited**  
**Notes to the Financial statements for the year ended March 31, 2014**

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

**27) Foreign currency transactions**

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

**28) 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. 219,208/- collected till March 31, 2014 has been disclosed under Statutory Dues under Other Current Liabilities.

**29) Previous year figures**


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

**As per our report of even date**

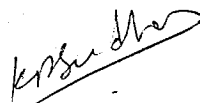
**For S. V. GHATALIA & ASSOCIATES LLP.**

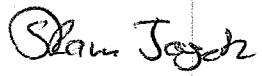
**For and on behalf of the Board of Directors**

Chartered Accountants  
ICAI Firm Registration Number: 103162W


  
per Shankar Srinivasan

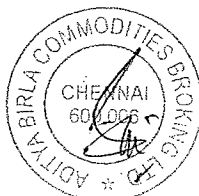
Partner  
Membership No.: 213271

  
Director

  
Director

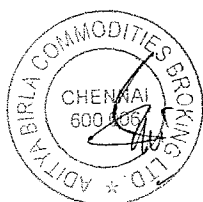
Place: Chennai  
Date: April 29, 2014

  
**Manoj Kumar Gandhi**  
Chief Finance and Operations Officer



**Aditya Birla Commodities Broking Limited**
**Cash Flow Statement as at 31st Mar 2014**
*(All amounts are in Indian rupees, unless otherwise stated)*

	March 31, 2014 Rs	March 31, 2013 Rs
<b>Cash flow from operating activities</b>		
<b>Profit / (Loss) before tax</b>	<b>(35,337,124)</b>	<b>(26,468,688)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	3,449,594	5,688,452
Provision for doubtful debts made/(written back)	248,053	-
Provision for doubtful deposits and advances	150,000	292,148
Net (gain)/ loss on sale of current investments	(1,273,005)	(2,629,129)
Interest expense	2,773,651	2,094,513
Interest (income)	(13,183,334)	(38,726,845)
<b>Operating profit before working capital changes</b>	<b>(43,172,165)</b>	<b>(59,749,549)</b>
Movements in working capital :		
Increase/ (decrease) in trade payables	(554,597)	7,055,776
Increase / (decrease) in short-term provisions	(893,121)	(16,759)
Increase/ (decrease) in other current liabilities	(209,439,153)	(121,539,829)
Increase/ (decrease) in other long-term liabilities	1,418,901	505,114
Decrease / (increase) in trade receivables	9,978,551	(11,347,141)
Decrease / (increase) in Other Bank Current Account Balance	(14,970,146)	89,636,503
Decrease / (increase) in long-term loans and advances	(1,184,466)	(1,972,041)
Decrease / (increase) in short-term loans and advances	131,368	(3,800,211)
Decrease / (increase) in other current assets	(66,443,152)	597,032
<b>Cash generated from / (used in) operations</b>	<b>(325,818,041)</b>	<b>(100,262,412)</b>
<b>Direct taxes paid (net of refunds)</b>	-	-
<b>Cash flow before exceptional items</b>	<b>(325,818,041)</b>	<b>(100,262,412)</b>
Exceptional item		
<b>Net cash from/ (used in) operating activities (A)</b>	<b>(325,818,041)</b>	<b>(100,262,412)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(1,000)	-
Purchase of Mutual Fund	(2,126,500,000)	(5,312,806,998)
Proceeds from Sale of Mutual Fund	2,127,773,005	5,315,436,127
Investment in subsidiaries		
Investments in bank deposits (having original maturity of more than three months) and lien deposits	(108,777,213)	(66,296,766)
Maturity of bank deposits (having original maturity of more than three months) and lien deposits	435,029,189	75,000,000
Interest received	34,506,592	38,726,845
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>362,030,573</b>	<b>50,059,208</b>





**Aditya Birla Commodities Broking Limited****Cash Flow Statement as at 31st Mar 2014***(All amounts are in Indian rupees, unless otherwise stated)*


	March 31, 2014 Rs	March 31, 2013 Rs
<b>Cash flows from financing activities</b>		
Proceeds from Short-term borrowings	-	56,000,000
Repayment of Short-term borrowings	(36,000,000)	(20,000,000)
Interest paid	(3,403,223)	(2,094,513)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>(25,403,223)</b>	<b>49,905,487</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>10,809,309</b>	<b>(297,717)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,110,278</b>	<b>2,407,995</b>
<b>Cash and cash equivalents at the year ended</b>	<b>12,919,587</b>	<b>2,110,278</b>
<b>Components of cash and cash equivalents</b>		
With banks		
- Current account	12,919,587	2,110,278
<b>Total cash and cash equivalents (Note 12)</b>	<b>12,919,587</b>	<b>2,110,278</b>

As per our attached Report of even date

For S.V. GHATALIA &amp; ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 103162W

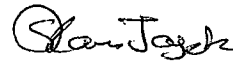
  
per Shankar Srinivasan  
Partner

Membership No.: 213271

Date: April 29, 2014

Place: Chennai

For and on behalf of Board of Directors

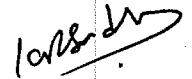


Director



Manoj Kumar Gandhi

Chief Finance and Operations Officer



Director

