

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Aditya Birla Trustee Company Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Trustee Company Private 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 Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

### Opinion

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

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

# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

Auditor's Report  
Aditya Birla Trustee Company Private Limited  
Year Ended March 31, 2014

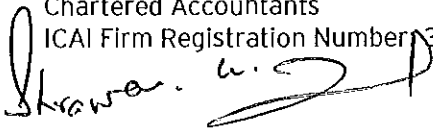
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(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. This report does not include a statement on the matters specified in paragraphs 4 and 5 of the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India, in terms of sub-section (4A) of section 227 of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
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, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
  - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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



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per Shrawan Jalan  
Partner  
Membership Number: 102102  
Mumbai  
May 5, 2014

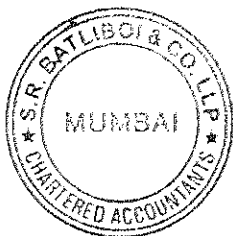
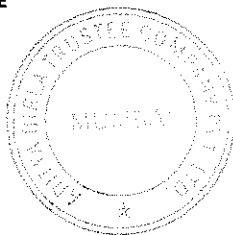
**Aditya Birla Trustee Company Private Limited**  
**Balance Sheet as at 31st March, 2014**

	Note No.	As at 31st March, 2014	₹ In Rs As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>(A) Shareholders' Funds</b>			
Share Capital	1	500,000	500,000
Equity			
Reserves and Surplus	2	1,411,803	955,596
	Sub-Total - (A)	1,911,803	1,455,596
<b>(B) Current Liabilities</b>			
Trade Payables	3	18,000	13,918
Other Current Liabilities	4	2,000	1,547
	Sub-Total - (B)	20,000	15,465
	<b>TOTAL (A)+(B)</b>	<b>1,931,803</b>	<b>1,471,061</b>
<b>ASSETS</b>			
<b>(C) Current Assets</b>			
Current Investments	5	1,900,280	1,421,000
Cash & Bank Balances	6	19,052	23,475
Short-term Loans and Advances	7	12,471	26,586
	Sub-Total - (C)	1,931,803	1,471,061
	<b>TOTAL (C)</b>	<b>1,931,803</b>	<b>1,471,061</b>
Significant Accounting Policies	10		

The accompanying Notes are an integral part of the Financial Statements  
As per our attached Report of even date

FOR S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
ICAI Firm Registration No.301003E

per Shrawan Jalan  
Partner  
Membership no.102102  
Mumbai, May 5, 2014

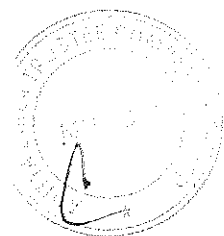


For and on behalf of Board of Directors of  
Aditya Birla Trustee Company Private Limited

Director *Shrawan Jalan* Director *Anil Chirania*

Director

Director



**Aditya Birla Trustee Company Private Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2014**

		₹ in Rs	
	Note No.	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>Revenue from Operations</b>			
Trusteeship fees		700,000	700,000
<b>Other Income</b>			
Dividend from current Investment		129,280	92,983
<b>Total Revenue</b>		<b>829,280</b>	<b>792,983</b>
<b>Expenses</b>			
Other Expenses	8	189,318	145,479
<b>Total Expenses</b>		<b>189,318</b>	<b>145,479</b>
<b>Profit Before Tax</b>		<b>639,962</b>	<b>647,504</b>
<b>Tax Expenses</b>			
- Current Tax		160,366	172,163
- Write Back of Excess Provision for Tax/ Income Tax Refund Related to Earlier Years (Net)		23,389	-
<b>Profit for the Year</b>		<b>456,207</b>	<b>475,341</b>
Basic Earnings per Share			
Diluted Earnings per Share	9		
(Face Value of ₹ 10/- each)			
Significant Accounting Policies	10		

The accompanying Notes are an integral part of the Financial Statements  
As per our attached Report of even date

For and on behalf of Board of Directors of  
Aditya Birla Trustee Company Private Limited

FOR S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
ICAI Firm Registration No.301003E

*Shrawan*

per Shrawan Jalan  
Partner  
Membership no.102102  
Mumbai, May 5, 2014



*Sanjay*

Director

*AC Pril Chinnia*

Director



Aditya Birla Trustee Company Private Limited  
Notes forming part of Financial Statements

₹ in Rs

NOTE: 1

SHARE CAPITAL

Authorised:

Equity shares of ₹ 10/- each of the company

	As at 31st March, 2014	As at 31st March, 2013
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	500,000	500,000
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	<b>500,000</b>	<b>500,000</b>
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Issued, Subscribed & paid-up

EQUITY SHARE CAPITAL

Equity Shares of ₹ 10/- each fully paid-up

	500,000	500,000
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	<b>500,000</b>	<b>500,000</b>
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1 Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year

S. No.	Description	As at 31st March 2014	As at 31st March 2013
1	No of Shares outstanding at the beginning of the year @ ₹ 10 each	50,000	50,000
2	No of Shares outstanding at the end of the year @ ₹ 10 each	50,000	50,000

2 Term/right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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 Preference Shareholders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

3 As per the records of the Company, including the register of shareholder/ members and other declarations received from

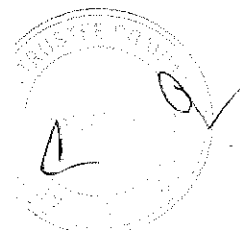
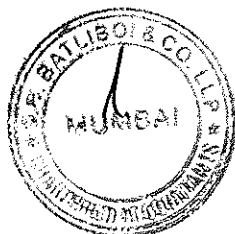
the shareholders regarding the beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

4 The Entire share capital is held by Aditya Birla Financial Services Private Limited, the holding Company and its nominee.

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

i) Equity Shares

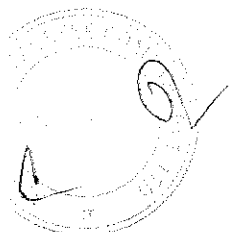
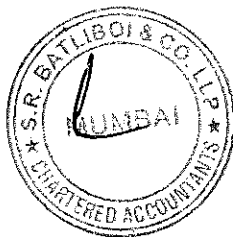
S. No.	Name of Share Holder	As at 31st March 2014		As at 31st March 2013	
		No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Private Limited with its Nominees	50,000	100.00%	50,000	100.00%



**Aditya Birla Trustee Company Private Limited**  
**Notes forming part of Financial Statements**

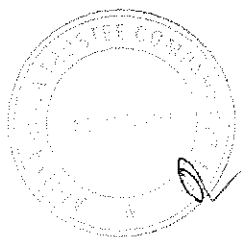
₹ in Rs

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE: 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Surplus/(Deficit) in the statement of Profit and Loss		
Opening Balance as per last audited Financial Statement	955,596	480,255
Addition:		
Profit of the Year	456,207	475,341
	<u>1,411,803</u>	<u>955,596</u>
<b>NOTE: 3</b>		
<b>TRADE PAYABLES</b>		
Trade Payables	18,000	13,918
	<u>18,000</u>	<u>13,918</u>
<b>NOTE: 4</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Other Payables		
Statutory Dues	2,000.00	1,547
	<u>2,000.00</u>	<u>1,547</u>
<b>NOTE: 5</b>		
<b>INVESTMENTS: CURRENT</b>		
Current Investment		
18,984.334 units (previous year 14,196.538) of Birla Sun Life Savings Fund		
Daily Dividend Reinvestment Scheme		
(Aggregate amount of unquoted investments Rs.19,00,280)	1,900,280	1,421,000
	<u>1,900,280</u>	<u>1,421,000</u>



**Aditya Birla Trustee Company Private Limited**  
**Notes forming part of Financial Statements**

	As at 31st March, 2014	₹ in Rs As at 31st March, 2013
<b>NOTE: 6</b>		
<b>CASH AND BANK BALANCES</b>		
Cash & Cash Equivalents		
Balances with Banks		
Current Accounts	19,002	23,285
Cash on Hand	50	190
	<u>19,052</u>	<u>23,475</u>
<b>NOTE: 7</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
Advance tax (Net of Provision Rs.1,60,366/- (Previous year Rs.1,72,163))	12,471	26,586
	<u>12,471</u>	<u>26,586</u>
<b>NOTE: 8</b>		
<b>OTHER EXPENSES</b>		
Rates & Taxes (Refer Point No.10 of note 10)	15,585	1,204
Legal & Profession Expenses	18,539	16,854
Travelling & Conveyance	50,979	26,319
Bank Charges	-	56
Auditors' Remuneration	58,636	57,338
Directors' Fees	44,944	43,708
Miscellaneous Expenses	635	-
	<u>189,318</u>	<u>145,479</u>



4

**Aditya Birla Trustee Company Private Limited**  
**Notes forming part of Financial Statements**

₹ in Rs

As at  
31st March, 2014                      As at  
31st March, 2013

**NOTE: 9**

**Disclosure pursuant to Accounting Standard-20 - Earnings Per Share**

Earnings per Share (EPS) is calculated as under:

Net Profit as per the Statement of Profit and Loss

456,207                      475,341

**Net Profit for EPS**

(A)                      456,207                      475,341

Weighted average number of Equity Shares for calculation of Basic EPS

(B)                      50,000                      50,000

**Basic EPS (₹)**

(A/B)                      9.12                      9.51

Weighted average number of Equity Shares Outstanding

50,000                      50,000

Weighted average number of Equity Shares for calculation of Diluted EPS

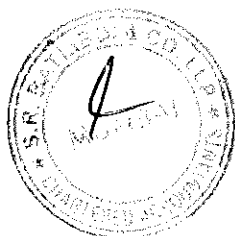
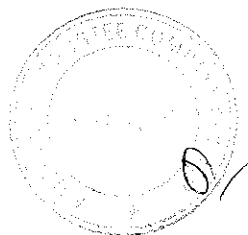
(C)                      50,000                      50,000

**Diluted EPS (₹)**

(A/C)                      9.12                      9.51

Nominal Value of Shares (₹)

10.00                      10.00





**Aditya Birla Trustee Company Private Limited**  
**Cash Flow Statement for the period ended March 31, 2014**

PARTICULARS	Year ended March 30, 2014	Year ended March 31, 2013
	(Amount Rs)	(Amount Rs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES -</b>		
Net Profit (Loss) before tax	639,962	647,504
Less: Income from investing activity	129,280	92,983
<b>Operating (Loss) before working capital changes</b>	<b>510,682</b>	<b>554,521</b>
Adjustment for :		
Increase/(Decrease) in Current liabilities	4,082	1,677
(Increase)/Decrease in other liabilities	813	-
<b>Cash from operating activities</b>	<b>515,577</b>	<b>556,198</b>
Adjustment for Tax	(170,000)	(175,000)
<b>NET CASH(USED IN)/ FROM OPERATING ACTIVITIES      A</b>	<b>345,577</b>	<b>381,198</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES                      B</b>		
Purchase of investments	(450,000)	(475,000)
Redemption of Investments	100,000	80,000
	<b>(350,000)</b>	<b>(395,000)</b>
<b>Net increase/(Decrease) in Cash and Cash equivalent (A+B+C)</b>	<b>(4,423)</b>	<b>(13,802)</b>
Cash and Cash equivalent at beginning of the year	23,475	37,277
Cash and Cash equivalent at end of the year	19,052	23,475
Notes :		
<b>Cash and Cash equivalent includes :</b>		
Cash in hand	50	190
Balance with Banks	19,002	23,285
<b>Total</b>	<b>19,052</b>	<b>23,475</b>

As per our Report of even date

FOR S.R.BATLIBOI & CO.LLP  
 ICAI Firm Registration No.301003E  
 Chartered Accountants

*Shrawan*

For and on behalf of the Board of Directors of  
 Aditya Birla Trustee Company Private Limited

Per Shrawan Jalan  
 Partner  
 Membership No.102102

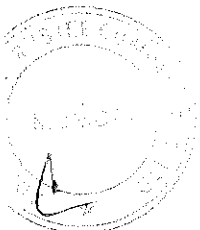
*S.S x Shrawan Jalan*

Director

*A.O x Nil Khanna*

Director

Mumbai, May 5, 2014



**Aditya Birla Trustee Company Private Limited**  
**Note 10: Significant Accounting Policies and Notes to Accounts**

**1. Corporate Information**

Aditya Birla Trustee Company Private Limited (the 'Company') was incorporated on September 11, 2008 under the provisions of Companies Act, 1956 (the 'Act'). The main object of the Company is to act as trustee and provide trustee related services.

**2. Basis of preparation**

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**3. Summary of significant accounting policies**

**(a) Use of estimate**

The preparation of financial statements is in conformity with generally accepted accounting principles and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**(b) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, 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.

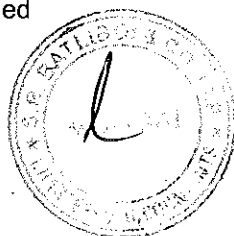
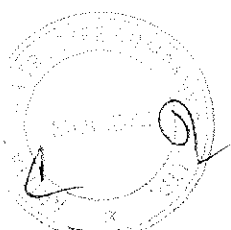
Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments.

**(c) Revenue recognition**

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

Revenue from rendering of trusteeship services has been recognised on accrual basis in accordance with the Private Placement Memorandum of the Aditya Birla Private Equity - Fund I and Aditya Birla Private Equity – Sunrise Fund.

Dividends from investments in units of mutual fund are recognised when right to receive payment is established



**(d) Income taxes**

Tax expense comprises of 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. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

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

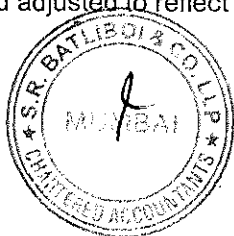
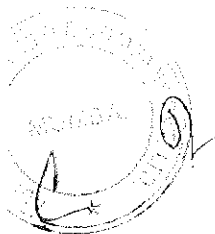
MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit

**(e) Earnings per share**

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

**(f) Provisions**

Provision is recognized when the 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 their 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.



**(g) Contingent Liabilities**

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 recognize a contingent liability but discloses its existence in the financial statements.

**(h) Cash and Cash equivalent**

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

**4. Related Party Disclosure**

**Name and relationship with the parties:-**

**Parties where control exists:**

Ultimate Holding Company : Aditya Birla Nuvo Limited

Holding Company : Aditya Birla Financial Services Private Limited

**Other Parties:**

Entity being governed by the Company as Trustee

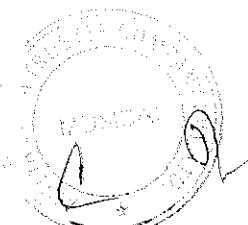
1. Aditya Birla Private Equity - Fund I (A scheme floated by the Aditya Birla Private Equity Trust)
2. Aditya Birla Private Equity - Sunrise Fund (A Scheme floated by the Aditya Birla Private Equity Trust)

Fellow Subsidiary

3. Aditya Birla Capital Advisors Private Limited

The following transactions were carried out with the related parties in the ordinary course of business:

Nature of Transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Entity being governed by Company as Trustee
<b>Transactions:</b>				
Amount paid to Aditya Birla Capital Advisors Private Limited for TDS payment on behalf of the Company (Previous Year)	Nil	Nil	Rs.1,21,418	Nil
	Nil	Nil	(Rs.1,19,167)	Nil
Receipt of trusteeship fee from M/s. Aditya Birla Private Equity Fund I and Aditya Birla Private Equity - Sunrise Fund (Including receipt in advance) (Previous Year)	Nil	Nil	Nil	Rs.7,00,000
	Nil	Nil	Nil	(Rs.7,00,000)
Closing balance as at				



<b>March 31, 2014:</b>				
Equity share capital held (Previous Year)	Nil	Rs.500,000	Nil	Nil
	Nil	(Rs.500,000)	Nil	Nil

\* (figures in bracket relates to previous year)

**5. Segmental Reporting**

Since the Company operates in single segment (i.e. rendering of trusteeship services), no further disclosure is required to be given as per the notified AS -17 'Segmental Reporting'.

**6. Contingent Liabilities**

The Company has no contingent liabilities as at March 31, 2014. (Previous year NIL)

**7. Audit Fees**

During the year Company has paid following amount to Auditors:

Particulars	March 31, 2014	March 31, 2013
Audit Fees	50,000	50,000
Reimbursement of expenses	8,636	7,338

**8. Micro and Small Scale Business Entities:**

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 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.

**9. Additional Information Pursuant To Schedule VI**

Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of the Schedule VI to the Companies Act, 1956 is not provided, as these provisions do not apply to the Company.

10. Rates and taxes includes Professional tax amounting to Rs.12,500/- paid for earlier years.

**11. Previous year figures**

Previous year figures have been regrouped / reclassified wherever necessary.

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

For and on behalf of the Board of Directors  
Aditya Birla Trustee Company Private Limited

*Shrawan Jalan*

*Sya Ram Jyoti*

*ACK Aditya Birla*

per Shrawan Jalan  
Partner  
Membership No. 102102

Director

Director

Place: Mumbai  
Date: 05/05/2014

