

ADITYA BIRLA

HEALTH INSURANCE

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present their First Report with the audited accounts of your Company for the period ended March 31, 2016.

1. THE COMPANY

Your Company was incorporated on April 22, 2015. Your Company is a wholly owned subsidiary of Aditya Birla Financial Services Limited.

2. FINANCIAL HIGHLIGHTS

Since this is the first year of the operation of Company, previous year figures do not exist. However, the financial highlights for the period under review are as under:

Particulars	For the period ended March 31, 2016 (in Rs.)
Total Income	386,137.00
Total Expenses	152,267,022.00
Excess of Income over Expenditure	151,880,885.00
Tax Expenses	126,220.00
Profit/(Loss) carried to Balance Sheet	(152,007,105.00)

3. OPERATION

Your Company was incorporated on April 22, 2015 under the Companies Act 2013, to act as Standalone Health Insurance Company in accordance with the applicable provisions, schemes and guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI) and shall start the operation once it obtains approvals from IRDAI. During the year your Company applied to IRDAI for Certificate of Registration, which is under consideration of IRDAI.

During the period under review, your Company has not commenced commercial operations.



4. DIVIDEND

This being the first year of operations for the Company and there being no profits, your directors do not recommend any dividend for the period ended 2015-16.

5. SHARE CAPITAL

The Authorized Share Capital of the Company is Rs. 100,00,00,000 (Rupees One hundred crore only). The Issued, Subscribed and Paid up Capital of the Company was Rs.18,00,00,000 (Eighteen crore only) as on March 31, 2016.

6. RESERVES

This being the first year of operation for the Company and there being no profits, your directors do not propose any amount to be carried to Reserves.

7. SUBSIDIARIES

Your Company does not have any subsidiary company.

8. PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposit from the public falling within the ambit of section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Particulars relating to Energy, Technology Absorption as required under the Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable to your company for the period ended March 31, 2016.

There were no foreign exchange earnings and outgo during the period under review.

ADITYA BIRLA

HEALTH INSURANCE

10. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, are not applicable to the Company for the period under review.

11. DIRECTORS

Mr. Ajay Srinivasan, Mr. Sushil Agarwal and Mr. Devajyoti Bhattacharya were the first Directors of the company.

During the year, Mr. S. Ravi and Ms. Sukanya Kripalu were appointed as Additional Independent directors at the Board meeting held on February 25, 2016 and Mr. P. Vijaya Bhaskar was also appointed as Additional Independent Director at Board meeting held on May, 10 2016.

According to the provisions of Section 152 of the Companies Act, 2013, the aforesaid additional directors hold office only up to the date of the First Annual General Meeting ('AGM') and therefore they shall be appointed as Directors of the Company in forthcoming AGM. In this regard, the Company has received notices under Section 160 of the Companies Act, 2013 and other applicable provisions.

The Board recommends their appointment at the AGM.

12. NUMBER OF BOARD MEETINGS

During the period ended 2015-16 ten (10) Board meetings were held.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act 2013 and to the best of their knowledge and belief, your directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;

ADITYA BIRLA

HEALTH INSURANCE

- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis; and
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. AUDITORS AND AUDITORS' REPORT

Messrs. PYS & Co, Chartered Accountants, the first auditors of the Company, who were appointed by the Board of Directors, retire as auditors of the Company at the ensuing Annual General Meeting ('AGM'). Your Company has received certificates from the proposed auditor confirming their eligibility and willingness for the re-appointment pursuant to Section 139 (1) of the Companies Act, 2013.

Accordingly, the Board of Directors recommends to the shareholders, the re-appointment of Messrs. PYS & Co, Chartered Accountants, as the Statutory Auditors of the Company, to hold office from the ensuing AGM till the conclusion of the Second AGM.

The observations, if any, made by the Statutory Auditors of the Company in their report read with relevant notes to the Accounts are self-explanatory and therefore do not call for any further comments.

15. SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, Secretarial Audit is not applicable to your Company for the period ended March 31, 2016.

16. RELATED PARTY TRANSACTIONS

All Related Party Transactions ('RPT') entered into by your Company during the period ended 2015-16 were on an arm's length basis and in the ordinary course of business. The particulars of such transactions with the related parties are not required to be reported by your company in the prescribed form AOC 2.

The details of all related party transactions are set out in Note No.13 of the financial statement forming part of the Annual Report.

ADITYA BIRLA



HEALTH INSURANCE

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, no Loans, Guarantees and Investments were made by the Company pursuant to Section 186 of the Companies Act, 2013.

18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

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

19. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY AFTER THE BALANCE SHEET DATE

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the period ended of the Company i.e. March 31, 2016 and the date of the Directors' report i.e. May 10, 2016.

20. CORPORATE SOCIAL RESPONSIBILITY

The provisions relating to the constitution of the Corporate Social Responsibility ('CSR') are not applicable to your Company.

21. AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE

Pursuant to provisions of section 178(3) of the Companies Act, 2013, the Board has constituted the Nomination and Remuneration Committee at its meeting held on February 25, 2016. The Committee consists of 4 directors viz. (1) Mr. Ajay Srinivasan, (2) Mr. Sushil Agarwal, (3) Mr. S Ravi (Independent Director) and (4) Ms. Sukanya Kripalu (Independent Director).

The Board has also constituted an Audit Committee at its meeting held on May 10, 2016. The Committee consists of 3 directors viz. (1) Mr. Ajay Srinivasan, (2) Mr. S Ravi (Independent Director) and (3) Mr. P Vijaya Bhaskar (Independent Director).

22. INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements.

ADITYA BIRLA

HEALTH INSURANCE

23. RISK MANAGEMENT POLICY

In terms of the requirement of the Act, your Company shall develop and implement the Risk Management Policy after the commencement of the commercial operation.

24. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure A".

25. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as these items were not applicable during the year under review:

1. Statement containing salient features of financial statements of subsidiaries
2. Details of Appointment/Resignation of Key Managerial Personnel
3. Establishment of Vigil Mechanism

Your Directors further state that during the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

26. Acknowledgements

Your Directors thank the Bankers, the various Government agencies, Regulators, Shareholders and all others for their support during the year and look forward to their continued support in the years ahead.

**By order of the Board of Directors
for Aditya Birla Health Insurance Co. Limited**

SD/-

**Ajay Srinivasan
(DIN – 00121181)**

SD/-

**Sushil Agarwal
(DIN – 00060017)**

Mumbai, May 10, 2016

ADITYA BIRLA

HEALTH INSURANCE

Annexure A

**Extract of the Annual Return
MGT 9**

**EXTRACT OF ANNUAL RETURN AS ON THE PERIOD ENDED ON MARCH 31, 2016
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]**

I REGISTRATION AND OTHER DETAILS:

1	CIN	U66000MH2015PLC263677
2	Registration Date	22.04.2015
3	Name of the Company	Aditya Birla Health Insurance Co. Limited
4	Category/Sub-Category of the Company	Indian non-government Company
5	Address of the Registered office and contact details	A-4, Aditya Birla Centre, S K Ahire Marg, Worli, Mumbai 400 030 Tel: + 91 22 6652 5000 Fax: + 91 22 6652 5821 Email: abnlsecretarial@adityabirla.com
6	Whether listed company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharepro Services (I) Pvt. Ltd. Samhita Warehousing Complex, 13AB, Sakinaka Telephone Exchange Lane, Off. Kurla Andheri Road, Sakinaka, Mumbai - 400 072

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/Service	% to total Turnover of the Company
1.	Health Insurance	997132	N.A. as the Company is yet to commence its operations

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Holding Company	Aditya Birla Financial Services Limited
Subsidiary Company	NIL
Associate Company	NIL

ADITYA BIRLA

HEALTH INSURANCE

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) CATEGORY-WISE SHAREHOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical*	Total	% of Total Shares	Demat	Physical*	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	1,80,00,000	1,80,00,000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	-	-	-	-	-	1,80,00,000	1,80,00,000	100	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	-	-	-	-	1,80,00,000	1,80,00,000	100	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

ADITYA BIRLA



HEALTH INSURANCE

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	-	-	-	-	1,80,00,000	1,80,00,000	100	-

ADITYA BIRLA

HEALTH INSURANCE

(ii) **SHAREHOLDING OF PROMOTERS:**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Aditya Birla Financial Services Limited singly and thru. its nominees	-	-	-	1,80,00,000	100	-	-

- a. *Change in Promoters' Shareholding: No Change*
b. *Shareholding Pattern of top ten-Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): No change*

(iii) **SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NIL**

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NOT APPLICABLE				
i. Principal Amount	NOT APPLICABLE				
ii. Interest due but not paid	NOT APPLICABLE				
iii. Interest accrued but not due	NOT APPLICABLE				
Total(i+ii+iii)					
Change in Indebtedness during the financial year	NOT APPLICABLE				
- Addition	NOT APPLICABLE				
- Reduction	NOT APPLICABLE				
Net Change					
Indebtedness at the end of the financial year	NOT APPLICABLE				
i. Principal Amount	NOT APPLICABLE				
ii. Interest due but not paid	NOT APPLICABLE				
iii. Interest accrued but not due	NOT APPLICABLE				
Total (i+ii+iii)					

Aditya Birla Health Insurance Co. Ltd.
Aditya Birla Centre, 1st Floor, 'C' Wing
S. K. Ahire Marg, Worli, Mumbai 400 030.
CIN U66000MH2015PLC263677

A joint venture with MMI Holdings

ADITYA BIRLA

FINANCIAL SERVICES

Telephone +91 22 43567000

ADITYA BIRLA



HEALTH INSURANCE

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

- A. *Remuneration to Managing Director, Whole-Time Directors and/or Manager: NIL*
- B. *Remuneration to other directors: NIL*
- C. *Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NIL*

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

During the period, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

**INDEPENDENT AUDITORS' REPORT**

To
The Members of
ADITYA BIRLA HEALTH INSURANCE COMPANY LIMITED
(Formerly : Aditya Birla Health Insurance Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Health Insurance Company Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its loss and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far, it appears from our examination of those books.
 - c) The Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as on 31 March 2016.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.





- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For PYS & Co.
Chartered Accountants
ICAI Reg. No. 012388S

D. H. Shah

Dimple Shah Savla
Partner
Membership No. 121502



Place: Mumbai
Dated: 10 MAY 2016



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has regular programme of physically verification of its fixed assets by which all the fixed assets are verified in a phased manner on yearly basis. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed by the management on such verification during the period.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property, Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) Considering the nature of business, the Company does not have Inventory. In view of this, paragraph 3(ii)(a) 3(ii)(b) and 3(ii)(c) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.
- (iv) According to information and explanations given to us, the Company has not granted loans, made investments, given guarantees and security during the period, covered under section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits during the period from the public to which the directives issued by the Reserve Bank of India and provision of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder apply.
- (vi) According to the information and explanations given to us, the requirement for maintenance of cost records specified by the Central Government under Section 148(1) of the Act are not applicable to the Company during the period.
- (vii) (a) According to the information and explanations given to us, the Company has been regular in depositing the undisputed statutory dues including provident fund, income tax, service tax, cess and any other statutory dues as applicable to the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the period for the period of more than six month from the date they became payable. As explained to us, the Company did not have any dues on account of employee state insurance, duty of customs, value added tax, duty of excise and sales tax.
- (b) According to information and explanations given to us, there are no dues on account of income tax, service tax, and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, the Company does not have any loans or borrowings from banks, financial institutions, and government or debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.





- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Based on information and explanations given to us, the Company has not taken any term loan during the period.
- (x) According to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers or employees have been noticed or reported during the period, nor have we been informed of any such cases by the management.
- (xi) The Company has not paid or provided managerial remuneration during the period.
- (xii) The Company is not a Nidhi Company. Accordingly, the paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the period.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For PYS & Co.
Chartered Accountants
ICAI Reg. No. 012388S

D. H. Shah

Dimple Shah Savla
Partner
Membership No. 121502



Place: Mumbai
Dated 10 MAY 2016



ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We were engaged to audit the internal financial controls over financial reporting of Aditya Birla Health Insurance Company Limited as of 31 March 31 2016 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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





Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PYS & Co.
Chartered Accountants
ICAI Reg. No. 012388S

D. H. Shah

Dimple Shah Savla
Partner
Membership No. 121502



Place: Mumbai
Dated: 10 MAY 2016

**Aditya Birla Health Insurance Company Limited
(Formerly Aditya Birla Health Insurance Limited)**

CIN:U66000MH2015PLC263677

Balance Sheet as at 31st March, 2016

	Note No.	Amount in Rs. As at 31-Mar-2016
I. EQUITY AND LIABILITIES		
(1) Shareholders' funds		
(a) Share capital	1	180,000,000
(b) Reserves and surplus	2	(152,007,105)
		<u>27,992,895</u>
(2) Non-current liabilities		
(a) Long-term provisions	3	13,819,319
		<u>13,819,319</u>
(3) Current liabilities		
(a) Trade payables	4	48,291,901
(b) Other current liabilities	5	7,593,096
(c) Short-term provisions	6	2,212,001
		<u>58,096,998</u>
	TOTAL	<u><u>99,909,212</u></u>
II. ASSETS		
(1) Non-current assets		
(a) Fixed assets	7	
(i) Tangible assets		2,515,704
(ii) Intangible asset under development		2,730,000
		<u>5,245,704</u>
(2) Current assets		
(a) Current investments	8	76,392,403
(b) Cash and cash equivalents	9	404,686
(c) Short-term loans and advances	10	17,866,419
		<u>94,663,508</u>
	TOTAL	<u><u>99,909,212</u></u>
Significant accounting policies	15	

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PYS & CO.
Chartered Accountants
D. H. Shah
DIMPLE SHAH SAVLA
Partner
(Membership No. 121502)



For and on behalf of the Board of Directors

Ajay Srinivasan
AJAY SRINIVASAN
Director
DIN-00121181

Sushil Agarwal
SUSHIL AGARWAL
Director
DIN-00060017

Rajiv Joshi
RAJIV JOSHI
Company Secretary

Date: 10 MAY 2016
Place: Mumbai

Date: 10 MAY 2016
Place: Mumbai

Aditya Birla Health Insurance Company Limited
(Formerly Aditya Birla Health Insurance Limited)
 CIN:U66000MH2015PLC263677

Statement of Profit and Loss for the period ended 31st March, 2016

	Note No.	<i>Amount in Rs.</i> Period ended 31-Mar-2016
(1) Income:		
(a) Other income	11	386,137
Total Revenue		386,137
(2) Expenses		
(a) Employee benefits expense	12	57,881,922
(b) Depreciation expense	7	242,582
(c) Other expenses	13	94,142,518
Total Expenses		152,267,022
Loss before tax		(151,880,885)
Tax expenses		
- Current tax		126,220
- Deferred tax		-
Loss after tax for the year		(152,007,105)
Basic and Diluted Earnings per Share (Face Value of Rs 10/- each)		(39.38)
Significant accounting policies	15	

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PYS & CO.
Chartered Accountants



DIMPLE SHAH SAVLA
Partner
(Membership No. 121502)



For and on behalf of the Board of Directors



AJAY SRINIVASAN
Director
DIN-00121181



SUSHIL AGARWAL
Director
DIN-00060017



RAJIV JOSHI
Company Secretary

Date : 10 MAY 2016
Place : Mumbai

Date : 10 MAY 2016
Place : Mumbai

Aditya Birla Health Insurance Company Limited
(Formerly Aditya Birla Health Insurance Limited)
CIN:U66000MH2015PLC263677
Cash Flow Statement for the period ended 31st March 2016

Amount in Rs.

Particulars	Period ended 31-Mar-2016
(A) CASH FLOWS FROM OPERATING ACTIVITIES	
Profit / (Loss) before tax	(151,880,885)
Add: Depreciation	242,582
Less: Profit on sale of current investments	(386,137)
Operating loss before working capital changes	(152,024,440)
Adjustments for working capital changes :	
(Increase) in loans and advances	(17,866,419)
Increase in trade payable and other payables	69,110,097
Net change in working capital	51,243,678
Operating cash flows after working capital changes	(100,780,762)
Direct taxes paid	(50,000)
Net cash (used) in operating activities	(100,830,762)
(B) CASH FLOWS FROM INVESTMENT ACTIVITIES	
Redemption of current investments	43,143,734
Purchase of current investments	(119,150,000)
Purchase of fixed assets (including intangible asset under development)	(2,758,286)
Net cash (used) in investment activities	(78,764,552)
(C) CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of equity share capital	180,000,000
Net cash generated from in financing activities	180,000,000
Net changes in cash and cash equivalents (A+B+C)	404,686
Cash and cash equivalents - opening balance (Refer note no. 10)	-
Cash and cash equivalents - closing balance (Refer note no. 10)	404,686
Net increase in cash and cash equivalents	404,686

Note:

The above cash flow statement has been prepared under "Indirect method" as set out in the Accounting standards (AS)-3 on "Cash Flow Statements".

As per our report of even date attached

For PYS & CO.
Chartered Accountants

D.H. Shah
DIMPLE SHAH SAVLA
Partner
(Membership No. 121502)



For and on behalf of the Board of Directors

Ajay Srinivasan
AJAY SRINIVASAN
Director
DIN-00121181

Sushil Agarwal
SUSHIL AGARWAL
Director
DIN-00060017

Rajiv Joshi
RAJIV JOSHI
Company Secretary

Date: 10 MAY 2016
Place: Mumbai

Date: 10 MAY 2016
Place: Mumbai

Aditya Birla Health Insurance Company Limited
Notes forming part of Financial Statements

Amount in Rs.
As at
31-Mar-2016

NOTE: 1

SHARE CAPITAL

Authorised:

100,000,000 equity shares of Rs.10/- each

1,000,000,000
1,000,000,000

Issued, Subscribed & fully paid-up

18,000,000 equity shares of Rs.10/- each

180,000,000
180,000,000

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

S. No.	Description	As at 31st March 2016	
		Equity Shares	
1	At the beginning of the period		-
2	Add: Shares issued during the period		18,000,000
3	No of Shares outstanding at the end of the period		18,000,000

b) Terms/rights 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 of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) All Equity shares are held by Aditya Birla Financial Services Limited along with its nominees- No. of Shares- 18,000,000.

d) 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 shareholder	As at 31st March 2016	
		No of Shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Limited along with its nominees	18,000,000	100.00%



Aditya Birla Health Insurance Company Limited
Notes forming part of Financial Statements

Amount in Rs.
As at
31-Mar-2016

NOTE: 2
RESERVES AND SURPLUS

Deficit in the statement of Profit and Loss

Balance at the beginning of the period

Loss for the period

Total

-
(152,007,105)
(152,007,105)



Aditya Birla Health Insurance Company Limited
Notes forming part of Financial Statements

Amount in Rs.
As at
31-Mar-2016

Note: 3

LONG-TERM PROVISIONS

Provisions for employee benefits:

Gratuity (unfunded) (Refer note no. 19)

13,819,319

13,819,319

NOTE: 4

TRADE PAYABLES

Outstanding dues to micro and small enterprises

Outstanding dues to other than micro and small enterprises

(Includes Rs.1,036,072 due to related parties)

48,291,901

48,291,901

As the Company has not received any intimation from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006, no disclosure has been made.

NOTE: 5

OTHER CURRENT LIABILITIES

Payable for fixed assets

Statutory dues payable

3,212,625

4,380,471

7,593,096

NOTE: 6

SHORT-TERM PROVISIONS

Provisions for employee benefits:

Leave encashment

Gratuity (unfunded) (Refer note no. 19)

Provision for taxes (net of advance tax Rs.50,000)

1,849,401

286,380

76,220

2,212,001



Aditya Birla Health Insurance Company Limited
Notes forming part of Financial Statements

NOTE: 7

Fixed Assets

Tangible Assets

Amount in Rs.

Particulars	Computer & Peripherals	Office Equipments	Total
Gross Block			
Opening Balance	-	-	-
Additions	1,746,851	1,011,435	2,758,286
Disposals	-	-	-
Balance as at 31 March 2016	1,746,851	1,011,435	2,758,286
Accumulated Depreciation			
Opening Balance	-	-	-
Depreciation for the period	123,284	119,298	242,582
Accumulated depreciation on disposals	-	-	-
Balance as at 31 March 2016	123,284	119,298	242,582
Net Block			
As at 31 March 2016	1,623,567	892,137	2,515,704



Aditya Birla Health Insurance Company Limited
Notes forming part of Financial Statements

Amount in Rs.
As at
31-Mar-2016

NOTE: 8

CURRENT INVESTMENTS

Mutual Fund (Unquoted):

Birla Sun Life Cash Plus - Growth - Direct -Plan (315,822.050 units)	76,392,403
	<u>76,392,403</u>
Aggregate book value - unquoted investments Mutual Fund	76,392,403
Aggregate market value - unquoted investments Mutual Fund	76,843,926



Aditya Birla Health Insurance Company Limited
Notes forming part of Financial Statements

Amount in Rs.
As at
31-Mar-2016

NOTE: 9

CASH AND CASH EQUIVALENTS

Balances with banks	
Current account	403,986
Cash on hand	700
	<u>404,686</u>

NOTE: 10

SHORT TERM LOANS AND ADVANCES

Security deposits	
Unsecured, considered good	1,770,000
Advances recoverable in cash or in kind or for value to be received	
Unsecured, considered good	4,847,575
(Includes Rs.1,904,137 due from related parties)	
Other Loans and Advances	
Balances with statutory/government authorities	11,248,844
	<u>17,866,419</u>



Aditya Birla Health Insurance Company Limited
Notes forming part of Financial Statements

Amount in Rs.
Period ended
31-Mar-2016

NOTE: 11

OTHER INCOME

Profit on sale of current investments

386,137

386,137

Note : 12

EMPLOYEE BENEFITS EXPENSE

Salaries and allowances

53,100,730

Gratuity expenses

3,502,397

Contribution to provident fund and other funds

624,233

Staff welfare expenses

654,562

57,881,922

NOTE: 13

OTHER EXPENSES

Rent

8,561,342

Repairs and maintenance - Building

516,412

Repairs and maintenance - Computers

158,970

Rates and taxes

5,302,840

Legal and professional expenses

41,196,474

Training / conferences expenses

1,336,816

Printing and stationery

40,234

Travelling and conveyance

24,938,192

Auditors' remuneration

For audit fees

50,000

For other service(including limited review fees)

42,500

Directors' fees

100,000

Share Issue expense written off

8,729,500

Preliminary expenses written off

2,626,029

IT Expenses

103,614

Membership and subscriptions

139,905

Miscellaneous expenses

299,690

94,142,518



14. Corporate Information :

Aditya Birla Health Insurance Company Limited ("the Company") is a wholly owned subsidiary of Aditya Birla Financial Services Limited. The Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on April 22, 2015 with Corporate Identification Number (CIN): U66000MH2015PLC263677 with specific purpose of conducting health insurance business. The company was rechristened to its current name on 26 May 2015 and was earlier known as Aditya Birla Health Insurance Limited.

The company has entered into a joint venture with MMI Holdings Limited for the purpose of carrying the Health Insurance Business in India. The necessary regulatory approvals from IRDAI for the purpose of business commencement are under process.

15. Significant Accounting Policies :

a 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 section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014.

The management evaluates all recently issued or revised accounting pronouncements on an ongoing basis.

b Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires that the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure relating to contingent liabilities as on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of the Accounting Standard (AS) 3 Cash Flow Statements. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

d Revenue recognition

Revenue is recognised only when it is reasonably certain that the ultimate collection will be made.

e Income on investments

Profit or loss on sale of mutual fund units is calculated as the difference between the sale consideration net of expenses and weighted average cost as on the date of sale.

f Investments

Investments that are readily realisable and intended to be held for not more than a year from the Balance Sheet date are classified as current investments. All other investments are classified as non-current investments. The cost of investments is calculated on weighted average basis.

g Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on fixed assets is expensed out in the year of expense except where such expenditure increases the future economic benefits from the existing assets.

Intangible assets are recognised only if it is probable that the future economic benefits are attributable to the assets which will flow to the enterprise and the cost of the asset can be measured easily.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for its intended use before such date are disclosed under capital work-in-progress/intangible assets under development.



Notes forming part of the financial statements for the period ended 31st March 2016

Depreciation on fixed assets is provided using the straight-line method based on the economic useful life of assets as determined by the management is as below;

S No.	Asset Type	Estimated Useful life (Years)
1	Furniture & Fixtures	7
2	Vehicles	4
3	Computer & Peripherals	4
4	Office Equipment-Electronic	4
5	Office Equipment-Others	5
6	Specialised Software	3

The useful lives of tangible fixed assets are assessed taking into account technical advice, the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes etc. Further, for the class of assets, the management believe that the useful lives as given above best represent the period our which management expects to use these assets. Hence, the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

h Impairment of Assets:

At each balance sheet date, management assesses whether there is any indication, based on internal / external factors, that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal.

i Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand.

j Taxes on Income

- i) Provision for income tax is made on the basis of the estimated taxable income for the accounting year in accordance with the provisions of the Income tax act, 1961 .
- ii) Deferred income tax is recognized for future tax consequences attributable to timing differences between income as determined by the financial statements and the recognition for income tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.
- iii) Deferred tax assets arising from timing differences are recognised only to the extent that there is a reasonable certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. In the event of unabsorbed losses, deferred tax assets are recognised to the extent of virtual certainty that sufficient future income will be available to realise such assets.

k Earnings per equity share

Basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year available for the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year available for equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

l Provisions and contingent liabilities

Provisions are recognised in respect of present obligations that arise as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

m Retirement Benefits

- i) Retirement benefits in the form of provident fund and superannuation scheme are charged to the Statement of profit and loss on accrual basis.
- ii) Gratuity liability under the Payment of Gratuity Act is accrued and unfunded on the basis of actuarial valuation made by the Projected Unit Credit Method at the end of each financial year.
- iii) Provision for accrued leave is made on the basis of actuarial valuation at the end of each financial year.
- iv) Actuarial gains and losses are recognised in the Statement of Profit and Loss.

n Operating lease

As a lessee :

Leases where significant portion of risk and reward of ownership are retained by lessor, are classified as Operating Leases and lease rentals thereon are charged to the statement of Profit and Loss on a straight line basis over the lease term.



Aditya Birla Health Insurance Company Limited

Notes forming part of the financial statements for the period ended 31st March 2016

16 Contingent liabilities (to the extent not provided for)

There are no contingent liability as at the period end.

17 Capital commitment

Amount in Rs.

Particulars	As at 31 March 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	22,765,000

18 Earnings per equity share

Basic and Diluted	Current Period
Loss after taxation attributable to equity shareholders (Rs.)	(152,007,105)
Weighted Average Number of equity shares	3,860,036
Nominal Value of equity shares (Rs.)	10
Basic and diluted Earnings/(Loss) per share (Rs.)	(39.38)



19 Employee benefits**Defined Benefit Plans (Gratuity)**

The scheme (non funded) is a non-contributory defined benefit arrangement providing gratuity benefits expressed in terms of final monthly salary and service. The following table shows the amounts recognised in the 'Balance Sheet and the Statement of Profit and Loss.'

		<i>Amount in Rs.</i>
a	Change in benefit obligation	As at 31 March 2016
	Liability at the beginning of the year	-
	Transfer In/Out	10,603,302
	Past Service cost	3,148,719
	Interest cost	120,735
	Current Service cost	232,943
	Benefits paid	-
	Benefits payable	-
	Actuarial (gain) / loss on obligations	-
	Liability at the end of the year	14,105,699
b	Net actuarial (gain) / loss	
	Actuarial gain / (loss) on obligations	-
	Actuarial gain / (loss) on plan assets	-
	Net actuarial gain / (loss)	-
c	Amount recognised in the Balance Sheet	
	Defined benefit obligation as at end of the year	14,105,699
	Fair value of plan assets at the end of the year	-
	Net liability / (asset)	
	Current Liability	286,380
	Non Current Liability	13,819,319
d	Expense recognised in the Statement of Profit and Loss	
	Past Service cost	3,148,719
	Current Service Out	232,943
	Interest cost	120,735
	Expected return on plan assets	
	Net actuarial (gain) / loss	
	Total included in "employee benefits"	3,502,397
e	Principal actuarial assumptions	
	Discount rate	7.70%
	Salary escalation rate	7.00%
	Mortality Rate (% of IALM 06-08)	100.00%
		As at 31 March 2016
	Experience history	14,105,699
	Defined benefit obligation	14,105,699
	Experience adjustment arising on plan liabilities (gain)/ loss	-



Notes forming part of the financial statements for the period ended 31 March 2016

20 In accordance with the Accounting Standard (AS) - 22 "Accounting for taxes on Income" prescribed by the Companies (Accounting Standards) Rules, 2006 notified by the Central Government, the deferred tax assets has to be determined. However, in the opinion of Management, as there is no virtual and reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized, hence deferred tax assets as at 31 March 2016 have not been recognized.

21 Related Party Disclosures

i) Related party relationships :

Nature of relationship	Name of related parties
Holding company	Aditya Birla Nuvo Limited (upto 27 March 2016) Aditya Birla Financial Services Limited (w.e.f. 28 March 2015)
Fellow Subsidiaries	Birla Sun Life Insurance Company Limited Aditya Birla Financial Services Limited (upto 27 March 2016) Aditya Birla Financial Shared Services Limited Birla Sunlife Asset Management Company Limited
Notes:	
a) No amounts in respect of related parties have been written off/back during the period.	
b) The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the period.	
c) Related party relationships have been determined on the basis of the requirement of the Accounting Standard (AS) - 18 "Related Party Disclosure" and the same have been identified by the management and relied upon by the auditors.	

ii) Transaction with related parties :

During the year, the following transactions were carried out with the related parties in the ordinary course of business :

Sr. No.	Transaction/ Nature of Relationship	Amount in Rs.	
			Period Ended 31st March 2016
1	<u>Allotment of Equity Shares</u> Aditya Birla Nuvo Limited Aditya Birla Financial Services Limited		100,000,000
			80,000,000
			180,000,000
2	<u>Insurance Expenses</u> Birla Sun Life Insurance Company Limited		203,237
			203,237
3	<u>Reimbursement of Expenses Paid</u> Aditya Birla Nuvo Limited Birla Sun Life Insurance Company Limited Aditya Birla Financial Services Limited		12,299,747
			11,992,910
			12,738,254
			37,030,911
4	<u>Reimbursement of Expenses Recovered</u> Birla Sun Life Insurance Company Limited Aditya Birla Financial Shared Services Limited Birla Sunlife Asset Management Company Limited		13,684,265
			719,331
			1,184,806
			15,588,402



Amount in Rs.

Sr. No.	Transaction/ Nature of Relationship	Period Ended 31st March 2016
5	Closing Balance As On 31.03.2016	
	Other Receivables	
	Aditya Birla Financial Shared Services Limited	719,331
	Birla Sunlife Asset Management Company Limited	1,184,806
		1,904,137
	Other Payables	
	Aditya Birla Financial Services Limited	562,974
	Birla Sun Life Insurance Company Limited	473,098
		1,036,072
	Share Capital	
Aditya Birla Financial Services Limited	180,000,000	
	180,000,000	

22 There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Accounting Standard (AS)-28 'Impairment of Assets'.

23 The Company has been incorporated on 22 April 2015. This being the first financial statements presented by the Company, there are no previous year's figures.

Signatures to Notes 1 to 23

As per our report of even date attached

For PYS & CO.
Chartered Accountants

T.H. Shah
DIMPLE SHAH SAVLA
Partner
(Membership No. 121502)



For and on behalf of Board of Directors

Ajay Srinivasan
AJAY SRINIVASAN
Director
DIN-00121181

Rajiv Joshi
RAJIV JOSHI
Company Secretary

Sushil Agarwal

SUSHIL AGARWAL
Director
DIN-00060017

Date : 10 MAY 2016
Place : Mumbai

Date : 10 MAY 2016
Place : Mumbai