



# SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

## INDEPENDENT AUDITOR'S REPORT

To the members of Birla Sun Life Pension Management Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Birla Sun Life Pension Management Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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.

#### Auditor's 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.



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**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 31st March, 2017, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors 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 given in Annexure A, a statement on the matters specified in Paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, 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 the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) with respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 13 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Hence the disclosure requirements as envisaged in Notification G.S.R. 308(E) dated 30<sup>th</sup> March, 2017 is not applicable to the Company - Refer Note 22 to the financial statements.

For Sharp & Tannan  
Chartered Accountants  
Firm's Registration No. 109982W



Edwin P. Augustine  
Partner  
(Membership No. 043385)



Mumbai,



**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 of our report of even date)

- (i) The Company does not have any fixed assets as at the Balance Sheet date, except capital work in progress and intangible assets under development and accordingly Paragraph 3(i) of the Order is not applicable to the Company.
- (ii) Since the Company is engaged in service activity, it does not hold any inventory and accordingly Paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, there are no companies, firms, limited liability partnerships and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act") and accordingly Paragraph 3(iii) of the Order concerning grant of loans is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not advanced any loan, made any investment, given any guarantee or provided any security to the parties covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, Paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence in our opinion the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder are not applicable.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended) for the services rendered by the the Company. Accordingly, Paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including income tax, service tax, and any other statutory dues, have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed statutory dues as at 31<sup>st</sup> March, 2017 which have not been deposited on account of a dispute.
- (viii) According to the information and explanations given to us, and the records of the Company examined by us, the Company did not have any loans or borrowing from a financial institution, bank or government. The Company has not issued any debentures. Accordingly Paragraph 3(viii) of the Order is not applicable to the Company.






- (ix) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments). The Company has not taken any term loans during the year. Accordingly, Paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any instances of fraud on the Company by its officers or employees on deputation noticed or reported during the year, nor we have been informed of any such case by the management.
- (xi) According to the information and explanations given to us, the Company has not paid / provided for managerial remuneration during the financial year. Accordingly, Paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, all transactions with the related parties are in compliance with Section 177 and Section 188 of the Act and the relevant details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, Paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and the records of the Company examined by us, the Company had not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, compliance with the provisions of Section 192 of the Act is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not engaged in the business of non banking financial institution and hence is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



Mumbai,

For Sharp & Tannan  
Chartered Accountants  
Firm's Registration No. 109982W

  
Edwin P. Augustine  
Partner  
(Membership No. 043385)



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 2(f) 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 have audited the internal financial controls over financial reporting of **Birla Sun Life Pension Management Limited** ('the Company') as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 ('the Act').

**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" and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 ICAI. 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 of the adequacy of the internal financial control 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 risks that a material weakness exists, and testing and evaluation the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depends on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, 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 issued by ICAI.



For Sharp & Tannan  
Chartered Accountants  
Firm's Registration No. 109982W

Edwin P. Augustine  
Partner  
(Membership No. 043385)

Mumbai,



Birla Sun Life Pension Management Limited

Balance Sheet as at 31st March, 2017

Amount in Rupees

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>I EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholder's funds</b>			
(a) Share Capital	1	270,000,000	270,000,000
(b) Reserves and Surplus	2	669,861	(1,423,090)
<b>Total Shareholders Funds</b>		<b>270,669,861</b>	<b>268,576,910</b>
<b>2 Share Application Money Pending Allotment</b>		-	-
<b>3 Non-current Liabilities</b>			
(a) Long term borrowings		-	-
(b) Deferred Tax Liabilities (net)		-	-
(c) Other long term liabilities		-	-
(d) Long Term Provisions		-	-
<b>Total Non Current Liabilities</b>		-	-
<b>4 Current Liabilities</b>			
(a) Short term borrowings		-	-
(b) Trade payables		-	-
- due to micro and small enterprises		-	-
- due to other than micro and small enterprises		-	-
(c) Other current liabilities	3	12,868,596	1,825,115
(d) Short Term Provisions	4	-	1,300,000
<b>Total Current Liabilities</b>		<b>12,868,596</b>	<b>3,125,115</b>
<b>Total Liabilities</b>		<b>12,868,596</b>	<b>3,125,115</b>
<b>Total Equity and Liabilities</b>		<b>283,538,457</b>	<b>271,702,025</b>
<b>II ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, plant and equipment			
(i) Tangible assets			
(ii) Intangible assets			
(iii) Capital work-in-progress		570,279	-
(iv) Intangible assets under development		3,377,997	-
(b) Non current investment	5	234,332,750	156,480,100
(c) Long-term loans and advances			
(d) Other non current assets			
<b>Total Non-current assets</b>		<b>238,281,026</b>	<b>156,480,100</b>
<b>2 Current Assets</b>			
(a) Current investment	6	28,513,945	95,943,942
(b) Inventories			
(c) Trade receivables			
(d) Cash and bank balances	7	1,580,458	11,769,974
(e) Short-term loans and advances	8	2,243,794	251,128
(f) Other current assets	9	12,919,234	7,256,881
<b>Total Current Assets</b>		<b>45,257,431</b>	<b>115,221,925</b>
<b>Total Assets</b>		<b>283,538,457</b>	<b>271,702,025</b>
<b>Significant Accounting Policies</b>	A		

The accompanying notes are an integral part of the financial statements

As per our attached Report of even date

**SHARP & TANNAN**  
Chartered Accountants

Firm's Registration No. 109982W

By the hand of



**Edwin P. Augustine**  
Partner

Membership No. 043385

Place : Mumbai

Date : 25th April 2017

For and on behalf of the Board of Directors of  
Birla Sun Life Pension Management Limited

  
Sashi Krishnan  
CEO & CIO

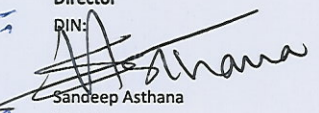
  
Sandhya Upadhyay  
CFO

  
Amber Gupta  
Company Secretary

Place : Mumbai  
Date : 25th April 2017

  
Pankaj Razdan  
Director

DIN:

  
Sandeep Asthana

Director  
DIN:





**Birla Sun Life Pension Management Limited**

Statement of Profit and Loss for the year ended 31st March, 2017

Amount in Rupees

Particulars	Note	Year ended 31st March 2017	Year ended 31st March 2016
<b>Income</b>			
I Revenue from operations (net)	10	24,253,554	8,476,264
II Other income			
<b>Total Revenue (I+II)</b>		<b>24,253,554</b>	<b>8,476,264</b>
<b>III Expenses</b>			
Employee benefits expense	11	10,007,796	1,248,572
Administrative and other expenses	12	3,358,215	3,626,082
<b>IV Total Expenses</b>		<b>13,366,011</b>	<b>4,874,654</b>
<b>V Profit / (Loss) before tax</b>		<b>10,887,543</b>	<b>3,601,610</b>
<b>VI Tax Expense :</b>			
Current tax	21	(7,155,422)	(1,300,000)
Deferred tax		-	-
Taxation adjustments of earlier year		(1,639,170)	-
<b>VII Profit / (Loss) after tax</b>		<b>2,092,951</b>	<b>2,301,610</b>
<b>VIII Earnings per Equity Share</b>			
- Basic	18	0.08	0.13
- Diluted		0.08	0.13
Face value per Equity Share		10.00	10.00
<b>Significant Accounting Policies</b>	A		

The accompanying notes are an integral part of the financial statements

As per our attached Report of even date  
**SHARP & TANNAN**  
 Chartered Accountants  
 Firm's Registration No. 109982W  
 By the hand of



**Edwin P. Augustine**  
 Partner

Membership No. 043385

Place : Mumbai  
 Date : 25th April 2017

For and on behalf of the Board of Directors of  
 Birla Sun Life Pension Management Limited

Sashi Krishnan  
 CEO & CIO

Sandhya Upadhyay  
 CFO

Amber Gupta  
 Company Secretary

Place : Mumbai  
 Date : 25th April 2017

Pankaj Razdan  
 Director

DIN:

Sandeep Asthana  
 Director

DIN:





Particulars	Year ended 31st March 2017	Year ended 31st March 2016
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	10,887,543	3,601,610
<b>Adjustments :</b>		
Interest income	(64,065)	
Profit on sale of current investments	(8,170,003)	(5,943,942)
Interest on long term investments	(16,019,486)	(2,532,322)
<b>Operating loss before working capital changes</b>	<b>(13,366,011)</b>	<b>(4,874,654)</b>
<b>Adjustments for Working Capital Changes :</b>		
(Increase) / decrease in other current assets	1,000,000	(4,724,559)
(Increase) / decrease in loans and advances	(1,745,504)	(251,128)
Increase / (decrease) in other current liabilities	11,043,481	(1,899,584)
	<b>10,297,977</b>	<b>(6,875,271)</b>
Cash generated from / (used in) operations	<b>(3,068,034)</b>	<b>(11,749,925)</b>
Direct taxes paid (net of refunds)	(10,341,754)	-
<b>Net cash generated from / (used) in operations</b>	<b>(A) (13,409,788)</b>	<b>(11,749,925)</b>
<b>(B) CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
<i>Inflows from investing activities</i>		
- Sale proceeds of current investments	98,300,000	170,000,000
- Interest on long term investments	9,421,198	-
<i>Outflows from investing activities</i>		
- Purchase of property, plant and equipment and intangible assets	3,948,276	-
- Purchase of long term investments	77,852,650	156,480,100
- Purchase of current investments	22,700,000	260,000,000
<b>Net cash generated from / (used) in investment activities</b>	<b>(B) 3,220,272</b>	<b>(246,480,100)</b>
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<i>Inflows from financing activities</i>		
- Proceeds from issue of share capital	-	269,500,000
<b>Net cash generated from / (used) in financing activities</b>	<b>(C) -</b>	<b>269,500,000</b>
<b>Net changes in cash and cash equivalents</b>	<b>(A+B+C) (10,189,516)</b>	<b>11,269,974</b>
Cash and cash equivalents - Opening balance	11,769,974	500,000
Cash and cash equivalents - Closing balance	1,580,458	11,769,974
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(10,189,516)</b>	<b>11,269,974</b>

## Notes :

- Cash and cash equivalents are as disclosed under Note 7 of the financial statements
- The aforesaid statement has been prepared under the indirect method, as set out in "Accounting Standard 3 - Cash Flow Statement"
- Additions to fixed assets are stated inclusive of movements in capital work in progress between the beginning and end of the year and treated as part of investment activities.

As per our attached Report of even date

**SHARP & TANNAN****Chartered Accountants**

Firm's Registration No. 109982W

By the hand of


Edwin P. Augustine  
Partner

Membership No. 043385

Place : Mumbai

Date : 25th April 2017

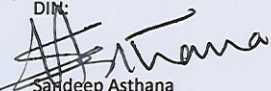
For and on behalf of the Board of Directors of  
Birla Sun Life Pension Management Limited

  
Sashi Krishnan  
CEO & CIO


  
Pankaj Razdan  
Director


  
Sandhya Upadhyay  
CFO

DIN:


  
Sandeep Asthana


  
Amber Gupta  
Company Secretary

Director

DIN:

Place : Mumbai

Date : 25th April 2017





# Birla Sun Life Pension Management Limited

## Notes Forming Part of the Financial Statements

Amount in Rupees

NOTE 1 : SHARE CAPITAL	As at 31st March 2017	As at 31st March 2016
<b>Authorized :</b> 35,000,000 (Previous year 35,000,000) Equity shares of Rs. 10 each	350,000,000	350,000,000
<b>Issued :</b> 27,000,000 (Previous year 27,000,000) equity shares of Rs. 10 each	270,000,000	270,000,000
<b>Subscribed and Paid up :</b> 27,000,000 (Previous year 27,000,000) equity shares of Rs. 10 each	270,000,000	270,000,000
	<b>270,000,000</b>	<b>270,000,000</b>

	As at 31st March 2017	As at 31st March 2016
<b>Reconciliation of number of equity shares outstanding :</b>	Number of shares	Number of shares
Number of shares outstanding as at the beginning of the year	27,000,000	50,000
Number of shares allotted during the year	-	26,950,000
Number of shares outstanding at the end of the year	27,000,000	27,000,000

The Company is 100% wholly owned subsidiary of Birla Sun Life Insurance Company Limited (along with 6 nominees of the Holding Company).

Birla Sun Life Insurance Company Limited holds 26,999,940 (previous year 26,999,940) shares and its nominees hold 60 (previous year 60) shares, face value of shares being Rs. 10 each.

### Details of shareholders holding more than 5% shares in the Company :

Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Birla Sun Life Insurance Company Limited and its nominees	27,000,000	100.00%	27,000,000	100.00%

### Terms / rights attached to equity shares :

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

### Other disclosures :

Since this is the 3rd year of the Company disclosures for the period of five years immediately preceding the date at which the balance sheet is prepared does not arise.





Birla Sun Life Pension Management Limited

Notes Forming Part of the Financial Statements

	Amount in Rupees	
	As at 31st March 2017	As at 31st March 2016
<b>NOTE 2 : Reserves and Surplus</b>		
Balance in Statement of Profit and Loss		
- As per last Balance Sheet	(1,423,090)	(3,724,700)
Profit / (Loss) for the year	2,092,951	2,301,610
	669,861	(1,423,090)
<b>NOTE 3 : Other Current Liabilities</b>		
- Due to holding company	12,535,705	1,748,115
- Liability for expenses	211,815	45,000
- Statutory dues	95,900	32,000
- Liability for assets	25,176	-
	12,868,596	1,825,115
<b>Note 4 : Short Term Provisions</b>		
Provision for Tax (net of advance tax and tax deducted at source)	-	1,300,000
	-	1,300,000
<b>NOTE 5 : Non current investments (at cost)</b>		
- Non convertible debentures (NCD) - Public sector unit bonds		
- 9.34% HDFC 2024 bonds (quoted)	104,800,500	104,800,500
- 8.47% LIC HF 2024 bonds (quoted) (purchased during the year)	77,852,650	-
- 9.24% LIC HF 2024 bonds (quoted)	51,679,600	51,679,600
	234,332,750	156,480,100
Aggregate market value of quoted investment		
- 9.34% HDFC 2024 bonds (quoted)	107,764,800	104,812,700
- 8.47% LIC HF 2024 bonds (quoted)	77,537,475	-
- 9.24% LIC HF 2024 bonds (quoted)	53,596,850	52,307,900
	238,899,125	157,120,600
<b>NOTE 6 : Current investments</b>		
- Mutual funds		
- Birla Sun life cash Plus-Growth Direct plan (unquoted) (91,102 units purchased during the year and 385,187 units redeemed during the year)	28,513,945	95,943,942
	28,513,945	95,943,942
		-
<b>NOTE 7 : Cash and bank balances</b>		
Cash and cash equivalents		
Cash on hand	-	-
Balance with banks		
- on current accounts	580,458	11,769,974
Restricted cash and cash equivalents (Refer note below)		
- Fixed Deposit with maturities between 3 to 12 months	1,000,000	-
	1,580,458	11,769,974
Note :		
The aforesaid fixed deposit is encumbered towards bank guarantee given to Pension Fund Regulatory Development Authority		
<b>Note 8: Short term loans and advances</b>		
- Advance tax and tax deducted at source (net of provision for tax)	247,162	-
- Service tax credit receivable	1,996,632	251,128
	2,243,794	251,128
<b>NOTE 9 : Other current assets</b>		
- Interest accrued and due		
- on non current investments	12,855,169	6,256,881
- on fixed deposits	64,065	-
Prepaid license fees	-	1,000,000
	12,919,234	7,256,881





Birla Sun Life Pension Management Limited			
Notes Forming Part of the Financial Statements			
Amount in Rupees			
NOTE 10 : Other income	Year ended 31st March 2017	Year ended 31st March 2016	
	Rs.	Rs.	
Interest income			
- from non current investments	16,019,486	2,532,322	
- from fixed deposits	64,065	-	
Gain on sale of current investments	8,170,003	5,943,942	
	24,253,554	8,476,264	
<b>11 Employee benefits expense and cost sharing arrangement :</b>			
<b>Cost sharing arrangement</b>			
Given the size of its operations, the Company has entered into an arrangement with the holding company for sharing employees and infrastructures to conduct day to day business operation. Under this arrangement, all the appropriate costs attributable to the Company like employee remuneration, rent, utilities etc. are cross charged by the holding company to the Company. All such costs are charged to the Company on arm's length basis. The expenses cross charged to the Company under such agreement have been shown as transactions with related parties under Note 19 of the financial statements.			
<b>Employee benefits expense</b>			
Considering the aforesaid, an amount of Rs. 10,007,796 (Previous year Rs. 1,248,572) has been charged by the holding Company which has been disclosed under "Employee Benefits expense"			
NOTE 12 : Administrative and other expenses	Year ended 31st March 2017	Year ended 31st March 2016	
	Rs.	Rs.	
Rent and utilities	1,080,000	270,000	
Legal and professional fees	129,000	15,724	
Rates and taxes	63,051	19,258	
Registration fees (PFRDA)	-	2,500,000	
License fees (PFRDA)	1,000,000	250,000	
Auditors' remuneration (excluding applicable taxes)			
- Audit fees	50,000	50,000	
- Other matters	40,000	-	
- Out of pocket expenses	4,816	2,500	
Directors sitting fees	770,000	275,000	
Bank charges	12,693	200	
Printing and Stationery	2,769	-	
Preliminary Expenses	-	242,800	
Membership fees	92,000	-	
Miscellaneous expenses	113,886	600	
	3,358,215	3,626,082	
<b>13 Contingent Liabilities and Commitments :</b>			
Bank Guarantee provided to Pension Fund Regulatory Development Authority amounting to Rs 10,00,000 (Previous year Rs. Nil) for being registered as a Pension Fund for managing the funds under the National Pension System.			
Estimated amounts of contracts to be executed on capital account and not provided for (net of advances) amounting to Rs. 22,34,250 (Previous year Rs. Nil)			
<b>14 Disclosures as required by Accounting Standard (AS) 15 - Employee Benefits :</b>			
During the year the Company does not have any employees on its payroll. All employees are on deputation from the holding Company. In view of the above, the reporting requirements pursuant to Accounting Standard (AS) 15 on "Employee Benefits" does not arise. (Previous year - Nil)			
<b>15 Disclosures as required by Accounting Standard (AS) 16 - Borrowing Costs :</b>			
During the year the Company did not incur any borrowing costs. In view of the above, the reporting requirements pursuant to Accounting Standard (AS) 16 - "Borrowing Costs" does not arise. (Previous year - Nil)			
<b>16 Disclosures as required by Accounting Standard (AS) 17 - Segment Reporting :</b>			
The Company is engaged in a single business segment i.e. Pension Fund Management. In the absence of separate reportable business or geographic segment the reporting requirements pursuant to Accounting Standard (AS) 17 - "Segment Reporting" does not arise.			
<b>17 Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) :</b>			
Based on the information and records available with the Company there are no dues payable to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to dues which were outstanding for more than 45 days as at March 31, 2017 together with interest payable under this Act does not arise. ((Previous year - Nil)			
<b>18 Earnings per share [EPS] computed in accordance with Accounting Standard (AS) 20 - Earnings Per Share</b>			
		Year ended 31st March 2017	Year ended 31st March 2016
		Rs.	Rs.
Profit after tax as per Statement of Profit and Loss	Rs.	2,092,951	2,301,610
<b>Number of equity shares outstanding (for basic earnings per share)</b>			
Equity shares at the beginning of the year	No.	27,000,000	50,000
Equity shares issued during the year	No.	-	26,950,000
Equity shares at the close of the year	No.	27,000,000	27,000,000
Weighted average number of equity shares for basic equity share	No.	27,000,000	17,648,497
<b>Number of equity shares outstanding (for diluted earnings per share)</b>			
Equity shares as above	No.	27,000,000	17,648,497
Potential equity shares on allotment of application money	No.	-	-
Total equity share for calculation of diluted earnings per share	No.	27,000,000	17,648,497
Face value of equity share	Rs.	10	10
<b>Earnings per share (basic and diluted) :</b>			
- Basic	Rs.	0.08	0.13
- Diluted	Rs.	0.08	0.13





**Birla Sun Life Pension Management Limited**  
**Notes Forming Part of the Financial Statements**

**19 Disclosures of related parties/ related party transaction as required by Accounting Standard (AS) 18 - Related Party Disclosures :**

(a) Relationships:

List of related parties where control exists and with whom transactions were carried out during the year:

- (i) Holding Company  
 Birla Sun Life Insurance Company Limited (100%)

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

Amount in Rupees

Sr No.	Nature of transaction / relationship	Year ended 31st March 2017	Year ended 31st March 2016
1	Share capital received	-	269,500,000
		-	269,500,000
2	Reimbursement of expenses (including taxes)		
	- salary and benefits	11,508,966	1,429,615
	- rent and utilities	1,242,000	309,150
	- other statutory payments / income tax	10,650,104	97,063
		<b>23,401,070</b>	<b>1,835,828</b>

(c) Amount due to related parties

Amount in Rupees

Sr No.	Nature of transaction / relationship	As at 31st March 2017	As at 31st March 2016
1	Due to Holding Company	12,535,705	1,748,115
		<b>12,535,705</b>	<b>1,748,115</b>

**20 Disclosures as required by Accounting Standard (AS) 19 - Leases :**

During the year the Company has not entered into any operating / finance lease. In view of the above, the reporting requirements pursuant to Accounting Standard (AS) 19 on "Leases" does not arise. (Previous year - Nil)

**21 Disclosures as required by Accounting Standard (AS) 22 - Accounting for Taxes on Income :**


During the year the Company has not recognized any deferred tax asset pursuant to the requirements of Accounting Standard (AS) 22 on "Accounting for Taxes on Income" on the concept of prudence. (Previous year - Nil)

**22 Disclosures as required by Notification G.S.R. 308 (E) dated 30th March, 2017 :**

The Company did not undertake any transactions in cash during the financial year ended 31st March, 2017. Considering the aforesaid, and the cash balance being Nil throughout the year, the disclosure requirements as envisaged in the aforementioned notification is not applicable to the Company.

23 Previous years figures have been regrouped / reclassified wherever necessary, to make them comparable with those of of the present year.


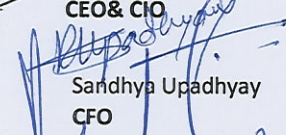
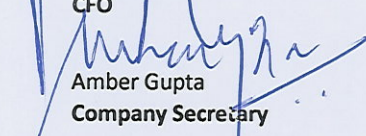
As per our attached Report of even date  
**SHARP & TANNAN**  
**Chartered Accountants**  
 Firm's Registration No. 109982W  
 By the hand of

  
**Edwin P. Augustine**  
**Partner**

Membership No. 043385

Place : Mumbai  
 Date : 25th April 2017

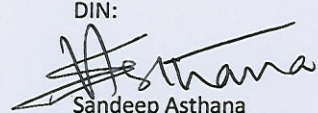
For and on behalf of the Board of Directors of  
**Birla Sun Life Pension Management Limited**

  
**Sashi Krishnan**  
**CEO & CIO**  
  
**Sandhya Upadhyay**  
**CFO**  
  
**Amber Gupta**  
**Company Secretary**

Place : Mumbai  
 Date : 25th April 2017

  
**Pankaj Razdan**  
**Director**

DIN:

  
**Sandeep Asthana**

**Director**

DIN:





## Birla Sun Life Pension Management Limited

### Note A

#### Corporate Information :

Birla Sun Life Pension Management Limited ("the Company") is a wholly owned subsidiary of Birla Sun Life Insurance Company 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 January 09, 2015 with Registration Number U66000MH2015PLC260801 with specific purpose of managing pension fund business. Pension Fund Regulatory and Development Authority ("PFRDA") has granted Certificate of Registration vide a letter dated February 23, 2016 (bearing registration No.: PFRDA/Birla PF/2016) to Birla Sun Life Pension Management Limited to act as pension fund under National Pension System (NPS).

#### Significant Accounting Policies :

##### 1 *Basis of preparation*

The financial statements have been prepared in accordance with generally accepted accounting principles. The management evaluates all recently issued or revised accounting pronouncements on an ongoing basis.

##### 2 *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.

##### 3 *Revenue recognition*

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

##### 3.1 *Income on investment*

Interest income on investments is recognised on accrual basis.

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

##### 4 *Investment*

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. Current investments are carried at lower of cost or market value determined on an individual security basis. Non-current investments are carried at cost. Provision for diminution in value is made to recognise other than temporary decline in the value of investments.

##### 5 *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 the fixed assets is expensed out in the in year of expense except where such expenditure increases the future economic benefits from the existing assets

Advance paid towards acquisition of fixed assets outstanding at each balancesheet date and the cost of fixed assets not ready for its intended use before such date are disclosed under capital work in progress





Note A

**6 Provisions, contingent liabilities and contingent assets**

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.

Contingent liabilities are disclosed in respect of ;

a) possible obligations that arise from past events, the existence or otherwise of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company or

b) present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither accounted for nor disclosed.

**7 Cash and cash equivalents**

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.

**8 Taxes on Income**

The income tax expense comprises Current tax and Deferred tax. Provision for income tax is made in accordance with the provisions of the Income Tax Act, 1961 as applicable to the company carrying on pension business.

In accordance with the provisions of Accounting Standard (AS) 22, "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India, deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient taxable income will be available against which such deferred tax asset can be realised. However, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is a virtual certainty back by convincing evidence that such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably or virtually certain, as the case may be, to be realised.

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.

**9 Earnings per equity share**

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

**10 Cash flow statement**

Cash flows are reported using the indirect method as explained in Accounting Standard (AS) 3, "Cash Flow Statements" issued by The Institute of Chartered Accountants of India, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are separately presented.

**11 Events occurring after the Balance Sheet date**

Where material, events occurring after the date of Balance Sheet are considered upto the date of approval of financial statements by the Board of Directors.

