



Birla Sun Life

Pension Management Limited

Birla Sun Life Pension Management Limited

Balance Sheet as at 31st March 2016

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
		Rs.	Rs.
<b>I EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholder's funds</b>			
(a) Share Capital	1	270,000,000	500,000
(b) Reserves and Surplus	2	(1,423,090)	(3,724,700)
<b>Total Shareholders Funds</b>		<b>268,576,910</b>	<b>(3,224,700)</b>
<b>2 Share Application Money Pending Allotment</b>		-	-
<b>3 Non-current Liabilities</b>			
(a) Long term borrowings		-	-
(b) Deferred Tax Liabilities (net)	18	-	-
(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		-	-
(c) Other current liabilities	3	3,125,115	3,724,700
(d) Short Term Provisions		-	-
<b>Total Current Liabilities</b>		<b>3,125,115</b>	<b>3,724,700</b>
<b>Total Liabilities</b>		<b>3,125,115</b>	<b>3,724,700</b>
<b>Total Equity and Liabilities</b>		<b>271,702,025</b>	<b>500,000</b>
<b>II ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Fixed Assets		-	-
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non current investment	4	156,480,100	-
(c) Long-term loans and advances		-	-
(d) Other non current assets		-	-
<b>Total Non-current assets</b>		<b>156,480,100</b>	-
<b>2 Current Assets</b>			
(a) Current investment	5	95,943,942	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and bank balances	6	11,769,974	500,000
(e) Short-term loans and advances		-	-
(f) Other current assets	7	7,508,009	-
<b>Total Current Assets</b>		<b>115,221,925</b>	<b>500,000</b>
<b>Total Assets</b>		<b>271,702,025</b>	<b>500,000</b>
<b>Significant Accounting Policies</b>	A		

The accompanying notes are an integral part of the financial statements

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

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

Edwin P. Augustine  
Partner  
Membership No. 43385

Sandeep Asthana  
Managing Director & CEO  
DIN:00401858

Pankaj Razdan  
Director  
DIN:00061240

Place : Mumbai  
Date:

Sandhya Upadhyaya  
Chief Finance Officer

Shweta Shah  
Company Secretary

Birla Sun Life Pension Management Limited

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

Particulars	Note No.	Year ended 31st	Year ended
		Mar 2016	31st Mar 2015
		Rs.	Rs.
<b>Income</b>			
I Revenue from operations (net)		-	-
<b>II Other income</b>			
Interest Income		2,532,322	-
Gain on sale of investment		5,943,942	-
<b>Total Revenue (I+II)</b>		<b>8,476,264</b>	<b>-</b>
<b>III Expenses</b>			
Employee benefits expense	9	1,248,572	-
Administrative and other expenses	8	3,626,082	3,724,700
<b>IV Total Expenses</b>		<b>4,874,654</b>	<b>3,724,700</b>
<b>V Profit / (Loss) before tax</b>		<b>3,601,610</b>	<b>(3,724,700)</b>
<b>VI Tax Expense :</b>			
Current Tax	19	(1,300,000)	-
Deferred Tax credit/(charge)	18	-	-
<b>VII Profit / (Loss) after tax</b>		<b>2,301,610</b>	<b>(3,724,700)</b>
<b>VIII Earnings per Equity Share</b>	15		
- Basic		0.13	(74.49)
- Diluted		0.13	(74.49)
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 report attached of even date

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

**Edwin P. Augustine**

Partner

Membership No. 43385

Place : Mumbai

Date:

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

Sandeep Asthana  
Managing Director & CEO  
DIN:00401858

Sandhya Upadhyaya  
Chief Financial Officer

Pankaj Razdan  
Director  
DIN:00061240

Shweta Shah  
Company Secretary



**Birla Sun Life Pension Management Limited**

**Cash Flow Statement for the year ended 31st March 2016**

Particulars	Note No.	31st March 2016	31st March 2015
		Rs.	Rs.
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before tax		2,301,610	(3,724,700)
Non cash items debited to Statement of Profit & Loss		-	-
<b>Operating profit before working capital changes</b>		<b>2,301,610</b>	<b>(3,724,700)</b>
<b>Adjustments for Working Capital Changes :</b>			
(Increase) / decrease in Loans and advances & Other Current Assets		(1,251,128)	-
Increase / (decrease) in Other Current Liabilities		(599,585)	3,724,700
		<b>-1,850,713</b>	<b>3,724,700</b>
Cash generated from operations		<b>450,897</b>	-
Direct taxes paid (net of refunds)		-	-
<b>Net cash generated from / (used) in operations</b>	<b>(A)</b>	<b>450,897</b>	-
<b>(B) CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Inflow from investment activities		170,000,000	-
Outflow from investment activities		-416,480,100	-
Profit on sale of investment		-5,943,942	-
Interest accrued but not due		-6,256,881	-
<b>Net cash generated from / (used) in investment activities</b>	<b>(B)</b>	<b>-258,680,923</b>	-
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Inflows from financing activities</i>			
Proceeds from issue of share capital		269,500,000	500,000
<i>Outflows from financing activities</i>		-	-
<b>Net cash generated from / (used) in financing activities</b>	<b>(C)</b>	<b>269,500,000</b>	<b>500,000</b>
<b>Net changes in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>11,269,974</b>	<b>500,000</b>
Cash and cash equivalents - Opening balance		500,000	-
Cash and cash equivalents - Closing balance		11,769,974	500,000
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>11,269,974</b>	<b>500,000</b>

**Notes :**

- 1) Cash and cash equivalents are as disclosed under Note 4 of the financial statements
- 2) The aforesaid statement has been prepared under the indirect method, as set out in "Accounting Standard 3 - Cash Flow Statement"

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

**Edwin P. Augustine**  
Partner  
Membership No. 43385

Place : Mumbai  
Date:

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

Sandeep Asthana  
Managing Director & CEO  
DIN:00401858

Sandhya Upadhyaya  
Chief Finance Officer

Pankaj Razdan  
Director  
DIN:00061240

Shweta Shah  
Company Secretary



## 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 *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.



## **Birla Sun Life Pension Management Limited**

### **Note A**

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.

### **6 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.

### **7 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.

### **8 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.

### **9 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.

### **10 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.



**Birla Sun Life Pension Management Limited**

**Notes Forming Part of the Financial Statements for the year ended 31st March 2016**

NOTE 1 : SHARE CAPITAL	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.
<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 50,000) equity shares of Rs. 10 each	270,000,000	500,000
<b>Subscribed and Paid up :</b> 27,000,000 (Previous year 50,000) equity shares of Rs. 10 each	270,000,000	500,000
	<b>270,000,000</b>	<b>500,000</b>

Reconciliation of number of equity shares outstanding :	As at 31.03.2016	As at 31.03.2015
	Number of shares	Number of shares
Number of shares outstanding as at the beginning of the period	50,000	-
Number of shares allotted during the the period	26,950,000	50,000
Number of shares outstanding at the end of the period	27,000,000	50,000

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 49,940) shares and its nominees hold 60 (previous year 60) shares, face value of shares is Rs. 10 each.

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

Name of Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Birla Sun Life Insurance Company Limited and it's nominees	27,000,000	100.00%	50,000	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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

**Other disclosures :**

Since this is the second 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 for the year ended 31st March 2016**

<b>NOTE 2 : RESERVES AND SURPLUS</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Balance in Statement of Profit and Loss</b>		
- As per last Balance Sheet	(3,724,700)	-
Profit / (Loss) for the period	2,301,610	(3,724,700)
	<b>(1,423,090)</b>	<b>(3,724,700)</b>

  

<b>NOTE 3 : OTHER CURRENT LIABILITIES</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
	<b>Rs.</b>	<b>Rs.</b>
- Payable to Holding Company for expenses	1,748,115	3,646,200
- Payable to Others for expenses (towards audit fees)	45,000	73,500
- Provision for tax	1,300,000	-
- Statutory Dues Payable	32,000	5,000
	<b>3,125,115</b>	<b>3,724,700</b>

  

<b>NOTE 4 : Non current investments</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
	<b>Rs.</b>	<b>Rs.</b>
- Investment in Non convertible debentures (NCD) - Public sector unit bonds (at cost) (9.34% HDFC 2024 -Bond for face value Rs 100,000,000/- 9.24% LIC HF 2024 - Bond for face value Rs 50,000,000/-)	156,480,100	-
	<b>156,480,100</b>	<b>-</b>
Aggregate market value of investment	<b>157,120,600</b>	<b>-</b>

  

<b>NOTE 5 : Current investments</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
	<b>Rs.</b>	<b>Rs.</b>
- Investment in Mutual funds (At lower of cost or market value) Birla Sun life Cash Plus-Growth Direct plan (At 31st March 2016 "414844.644 units @ RS 243.3140)	95,943,942	-
	<b>95,943,942</b>	<b>-</b>
Aggregate amount of mutual fund value at market value	<b>100,937,510</b>	<b>-</b>

  

<b>NOTE 6 : CASH AND BANK BALANCES</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Cash and cash equivalents</b>		
Balance with banks		
- on current accounts	11,769,974	500,000
Cash on hand	-	-
<b>Other bank balances</b>	-	-
	<b>11,769,974</b>	<b>500,000</b>

  

<b>NOTE 7 : OTHER CURRENT ASSETS</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
	<b>Rs.</b>	<b>Rs.</b>
- Interest accrued but not due	6,256,881	-
- Service tax credit receivable	251,128	-
- License fees paid for FY 2016-17	1,000,000	-
	<b>7,508,009</b>	<b>-</b>





**Birla Sun Life**  
Pension Management Limited

**Birla Sun Life Pension Management Limited**

**Notes Forming Part of the Financial Statements for the year ended 31st March 2016**

<b>NOTE 8 : ADMINISTRATIVE AND OTHER EXPENSES</b>	For the year ended 31st March 2016	For the year ended 31st Mar 2015
	Rs.	Rs.
Rent & utilities charges	270,000	
Legal and Professional fees	15,724	-
Rates & Taxes	12,769	1,800
PFRDA registration fees	2,500,000	-
PFRDA license fees	250,000	-
Auditors' Remuneration	-	-
<i>(excluding applicable taxes)</i>		
- Audit fees	50,000	50,000
- for reimbursement of expenses	8,989	-
Directors sitting fees	275,000	-
Bank charges	200	-
Interest & Penalty	600	-
Preliminary Expenses	242,800	3,672,900
	<b>3,626,082</b>	<b>3,724,700</b>

**9 Employee benefit expenses and cost sharing arrangement :**

**Salaries and wages**

The employees are on deputation from the holding company and their remuneration is paid by the Company as per the terms of employment with the holding company

**Cost sharing arrangement**

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 transfer priced 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 17.

**10 Contingent Liabilities and Commitments :**

There are no Contingent Liabilities and Commitments outstanding as on March 31, 2016 (Previous year - Nil).

**11 Disclosures as required by Accounting Standard (AS) 15 - Employee Benefits :**

During the period the Company does not have any employee 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)

**12 Disclosures as required by Accounting Standard (AS) 16 - Borrowing Costs :**

During the period 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)

**13 Disclosures as required by Accounting Standard (AS) 17 - Segment Reporting :**

The Company will be 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.

**14 Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) :**

Based on the information and records available with the Company there are no dues payable to Micro, Small and Medium 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, 2016 together with interest payable under this Act does not arise. ((Previous year - Nil)

**15 Earnings per share [EPS] computed in accordance with Accounting Standard (AS) 20 - Earnings Per Share**

		31.03.2016	31.03.2015
Profit / (Loss) after tax as per Statement of Profit and Loss	Rs.	2,301,610	(3,724,700)
<b>Number of equity shares outstanding (for basic earnings per share)</b>			
Equity shares at the beginning of the year	No.	50,000	-
Equity shares issued during the year	No.	26,950,000	50,000
Equity shares at the close of the year	No.	27,000,000	50,000
Weighted average number of equity shares for basic equity share	No.	17,648,497	50,000
<b>Number of equity shares outstanding (for diluted earnings per share)</b>			
Equity shares as above	No.	17,648,497	50,000
Potential equity shares on allotment of application money	No.	-	-
Total equity share for calculation of diluted earnings per share	No.	17,648,497	50,000
Face value of equity share	Rs.	10	10
<b>Earnings per share (basic and diluted) :</b>			
- Basic	Rs.	0.13	(74.49)
- Diluted	Rs.	0.13	(74.49)



**Birla Sun Life Pension Management Limited**

**Notes Forming Part of the Financial Statements for the year ended 31st March 2016**

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

(a) Relationships:

**List of related parties with whom transactions were carried out during the year:**

(i) Holding Company

1 Birla Sun Life Insurance Company Limited

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

*in Rs.*

Sr No.	Nature of transaction / relationship	For the year ended 31st March 2016	For the year ended 31st March 2015
1	Share Capital received	269,500,000	500,000
		<b>269,500,000</b>	<b>500,000</b>
2	Reimbursement for expenses payable of subsidiary	1,835,828	3,646,200
		<b>1,835,828</b>	<b>3,646,200</b>

(c) Amount due to related parties

*0*

Sr No.	Nature of transaction / relationship	As at 31.03.2016	As at 31.03.2015
1	Due to Holding Company	1,748,115	3,646,200
		<b>1,748,115</b>	<b>3,646,200</b>

**17 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)

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

**19** Provision of current tax Rs 13,00,000/- (Previous year - Nil) has been made during the period on account of profit incurred by the Company.