



**SHARP & TANNAN**  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Birla Sun Life Pension Management Limited

**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **Birla Sun Life Pension Management Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone 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 standalone 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 of 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**

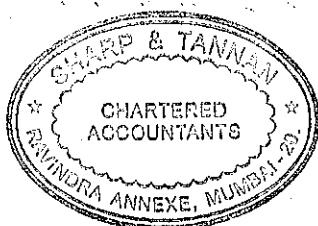
Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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 there under.

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 standalone financial statements.



Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.  
Tel. (22) 2204 7722/23, 6633 8343 - 47 Fax (22) 6633 8352 E-mail : admin.mumbai@sharandtannan.com

Farook M. Kobla Shreedhar T. Kunte Milind P. Phadke Ramnath D. Kare Ashwin B. Chopra  
Edwin Augustine Raghunath P. Acharya Firdosh D. Buchia Thirtharaj A. Khot Pavan K. Aggarwal

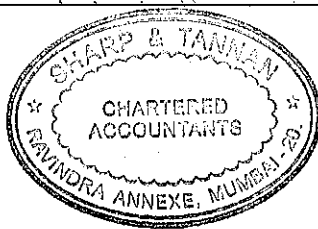
Also at Pune. Associate Offices : Bangalore, Chennai, Goa & New Delhi

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2015, 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, 2015 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure, 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 Company does not have any branch office and accordingly Section 143(8) of the Act does not apply.
  - (d) 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.
  - (e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (f) in our opinion, there are no financial transactions or matters which may have any adverse effect on the functioning of the Company.
  - (g) on the basis of the written representations received from the directors as on January 20, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (h) in our opinion, there are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
  - (i) 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 which would impact its financial position.
    - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



# SHARP & TANNAN

LETTER NO: \_\_\_\_\_


SHEET NO: \_\_\_\_\_

(iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Sharp & Tannan  
Chartered Accountants  
Firm's Registration No. 109982W  
By the hand of



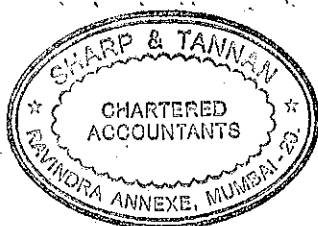
Place of Signature: Mumbai  
Date: 23 APR 2015

  
Edwin P. Augustine  
Partner  
(Membership No. 43385)

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

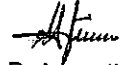
(Referred to in Para 1 of our report of even date)

- (i) According to the information and explanations given to us, the Company does not have any fixed assets during the period. Accordingly, Para 3 (i) (a) and (b) of the Order are not applicable.
- (ii) According to the information and explanations given to us, the Company does not have any inventory during the period. Accordingly, Para 3 (ii) (a), (b) and (c) of the Order are not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Para 3 (iii) (a) and (b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. Further, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.
- (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 the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed there under apply.
- (vi) According to the information and explanations given to us, the Company is not required to maintain the books of accounts pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act.
- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing statutory dues 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 examined by us, the Company has no outstanding dues with any of the appropriate authorities as at March 31, 2015 which have not been deposited on account of a dispute pending.
- (c) According to the information and explanations given to us, there is no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and the rules made there under.
- (viii) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has been registered for a period of less than five years. Accordingly, Para 3 (viii) of the Order is not applicable.
- (ix) According to the information and explanations given to us and as per the records of the Company examined by us, the Company did not have any outstanding dues to any financial institutions or banks. The Company has not issued any debentures. Accordingly, Para 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, Para 3 (x) of the Order is not applicable.
- (xi) According to the information and explanations given to us and as per the records of the Company examined by us, the Company did not obtain any term loans during the period. Accordingly, Para 3 (xi) of the Order is not applicable.

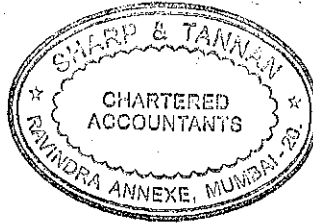


(xii) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any fraud on or by the Company noticed or reported during the period, nor have we been informed of such case by management.

For Sharp & Tannan  
Chartered Accountants  
Firm's Registration No. 109982W  
By the hand of



Edwin P. Augustine  
Partner  
(Membership No. 43385)



Place of Signature: Mumbai

Date: 23 APR 2013

Particulars	Note No.	As at 31.03.2015
		Rs.
<b>I EQUITY &amp; LIABILITIES</b>		
<b>1 Shareholder's funds</b>		
(a) Share Capital	1	500,000
(b) Reserves and Surplus	2	(3,724,700)
<b>Total Shareholders Funds</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)	15	-
(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	3,724,700
(d) Short Term Provisions		-
<b>Total Current Liabilities</b>		<b>3,724,700</b>
<b>Total Liabilities</b>		<b>3,724,700</b>
<b>Total Equity and Liabilities</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		-
(c) Long-term loans and advances		-
(d) Other non current assets		-
<b>Total Non-current assets</b>		-
<b>2 Current Assets</b>		
(a) Current investment		-
(b) Inventories		-
(c) Trade receivables		-
(d) Cash and bank balances	4	500,000
(e) Short-term loans and advances		-
(f) Other current assets		-
<b>Total Current Assets</b>		<b>500,000</b>
<b>Total Assets</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

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

Place : Mumbai  
 Date:

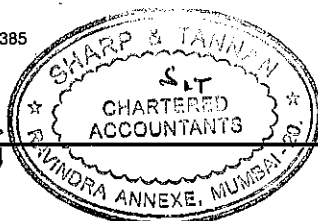
For and on behalf of the Board of Directors of  
 Birla Sun Life Pension Management Limited

*Pankaj Razdan*  
 Pankaj Razdan  
 Director  
 DIN:00061240

Place : Mumbai  
 Date:

*Sandeep Asthana*  
 Sandeep Asthana  
 Director  
 DIN:00401858

23 APR 2015



**Birla Sun Life Pension Management Limited**

**Statement of Profit and Loss for the period January 09, 2015 to March 31, 2015**

Particulars	Note No.	For the period 09.01.2015 to 31.03.2015	
		Rs.	Rs.
<b>Income</b>			
I Revenue from operations (net)			-
II Other income			-
III <b>Total Revenue (I+II)</b>			-
<b>IV Expenses</b>			
Operating expenses			-
Employee benefits expense			-
Finance cost			-
Depreciation and amortization expense			-
Administrative and other expenses	5		3,724,700
<b>Total Expenses</b>			<b>3,724,700</b>
V <b>Profit / (Loss) before tax</b>			<b>(3,724,700)</b>
VI Tax Expense :			
Current Tax	16	-	-
Deferred Tax	15	-	-
VII <b>Profit / (Loss) after tax</b>			<b>(3,724,700)</b>
VIII <b>Earnings per Equity Share</b>	6		
- Basic			(74.49)
- Diluted			(74.49)
Face value per Equity Share			10.00
Significant Accounting Policies	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*

Edwin P. Augustine  
Partner  
Membership No. 43385

*Pankaj Razdan*

Pankaj Razdan  
Director  
DIN:00061240

*Sandeep Asthana*

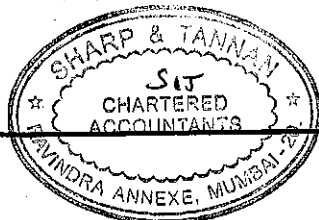
Sandeep Asthana  
Director  
DIN:00401858

Place : Mumbai

Date:

Place : Mumbai

Date:



23 APR 2015

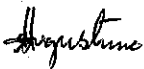
Particulars		For the period
		09.01.2015 to 31.03.2015
		Rs.
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax		(3,724,700)
Non cash items debited to Statement of Profit & Loss		-
<b>Operating profit before working capital changes</b>		(3,724,700)
<b>Adjustments for Working Capital Changes :</b>		
Increase / (decrease) in Other Current Liabilities		3,724,700
		<b>3,724,700</b>
Cash generated from operations		-
Direct taxes paid (net of refunds)		-
<b>Net cash generated from / (used) in operations</b>	<b>(A)</b>	-
<b>(B) CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Inflow from investment activities		-
Outflow from investment activities		-
<b>Net cash generated from / (used) in investment activities</b>	<b>(B)</b>	-
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<i>Inflows from financing activities</i>		
Proceeds from issue of share capital		500,000
<i>Outflows from financing activities</i>		-
<b>Net cash generated from / (used) in financing activities</b>	<b>(C)</b>	<b>500,000</b>
<b>Net changes in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>500,000</b>
Cash and cash equivalents - Opening balance		-
Cash and cash equivalents - Closing balance		500,000
<b>Net increase / (decrease) in cash and cash equivalents</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"

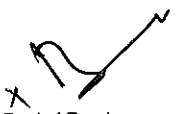
As per our report attached of even date

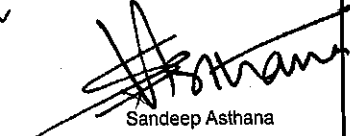
**SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 109982W  
By the hand of

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

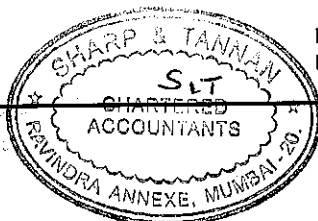
Place : Mumbai  
Date :

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

  
**Pankaj Razdan**  
Director  
DIN:00061240

  
**Sandeep Asthana**  
Director  
DIN:00401858

Place : Mumbai  
Date :





# Birla Sun Life Pension Management Limited

Notes Forming Part of the Financial Statements for the period January 09, 2015 to March 31, 2015

NOTE 1 : SHARE CAPITAL	As at 31.03.2015
	Rs.
<b>Authorized :</b> 35,000,000 Equity shares of Rs. 10 each	350,000,000
<b>Issued :</b> 50,000 equity shares of Rs. 10 each	500,000
<b>Subscribed and Paid up :</b> 50,000 equity shares of Rs. 10 each	500,000
	<b>500,000</b>

Reconciliation of number of shares outstanding :	As at 31.03.2015
	Number of shares
Number of shares outstanding as at 1st April, 2014	-
Number of shares allotted during the year	50,000
Number of shares outstanding as at 31st March, 2015	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 49,940 shares and its nominees hold 60 shares, face value of shares is Rs. 10 each.

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

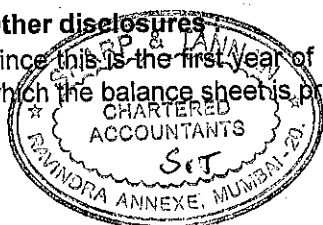
Name of Shareholder	As at 31.03.2015	
	No. of shares	% holding in the class
Birla Sun Life Insurance Company Limited and it's nominees	50,000	100.00%

### 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

### Other disclosures

Since this is the first 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.



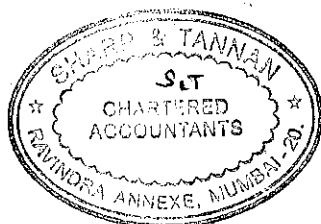
# Birla Sun Life Pension Management Limited

Notes Forming Part of the Financial Statements for the period January 09, 2015 to March 31, 2015

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

NOTE 3 : OTHER CURRENT LIABILITIES	As at 31.03.2015
	Rs.
- Payable to Holding Company for expenses	3,646,200
- Payable to Others for expenses	73,500
- Statutory Dues Payable	5,000
	<b>3,724,700</b>

NOTE 4 : CASH AND BANK BALANCES	As at 31.03.2015
	Rs.
<b>Cash and cash equivalents</b>	
Balance with banks	
- on current accounts	500,000
Cash on hand	-
<b>Other bank balances</b>	-
	<b>500,000</b>



**Birla Sun Life Pension Management Limited**

**Notes Forming Part of the Financial Statements for the period January 09, 2015 to March 31, 2015**

NOTE 5 : ADMINISTRATIVE AND OTHER EXPENSES	For the period 09.01.2015 to 31.03.2015	
	Rs.	Rs.
Preliminary Expenses		3,672,900
Rates & Taxes		1,800
Auditors' Remuneration (excluding applicable taxes)		50,000
- Audit fees		
		<b>3,724,700</b>

6 The Company has been incorporated under the Companies Act, 2013 on January 09, 2015, hence the financial statements are prepared from January 09, 2015 to March 31, 2015. This being the first year of operations, comparative figures for the previous year have not been disclosed. The Company is yet to obtain the license from Pension Fund Regulatory and Development Authority (PFRDA) to manage pension funds under National Pension System.

**7 Contingent Liabilities and Commitments :**

There are no Contingent Liabilities and Commitments outstanding as on March 31, 2015.

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

During the year the Company does not have any employee on its payroll. In view of the above, the reporting requirements pursuant to Accounting Standard (AS) 15 on "Employee Benefits" does not arise.

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

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.

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

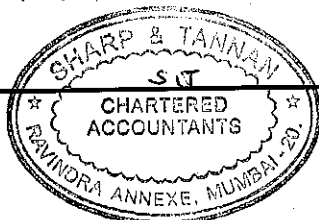
The Company will be engaged in a single business segment i.e. Pension Fund Management. In the absence of separate reportable business or geographic segment the reporting requirements pursuant to Accounting Standard (AS) 17 - "Segment Reporting" does not arise.

**11 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, 2015 together with interest payable under this Act does not arise.

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

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



# Birla Sun Life Pension Management Limited

Notes Forming Part of the Financial Statements for the period January 09, 2015 to March 31, 2015

## 13 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:

Sr No.	Nature of transaction / relationship	For the period 09.01.2015 to 31.03.2015 <i>in Rs.</i>
1	Share Capital received	500,000
		500,000
2	Reimbursement of Preliminary Expenses	3,646,200
		3,646,200

(c) Amount due to related parties

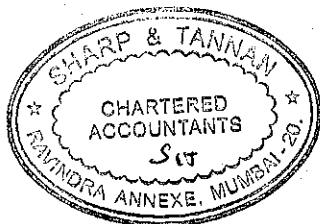
Sr No.	Nature of transaction / relationship	As at 31.03.2015 <i>in Rs.</i>
1	Due to Holding Company	3,646,200
		3,646,200

## 14 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.

15 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.

16 No provision of current tax has been made during the period on account of loss incurred by the Company.



## 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. The Company is in the process of obtaining certificate of commencement from Pension Fund Regulatory and Development Authority (PFRDA).

#### Significant Accounting Policies :

##### 1 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.

##### 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 Provisions, contingent liabilities and contingent assets

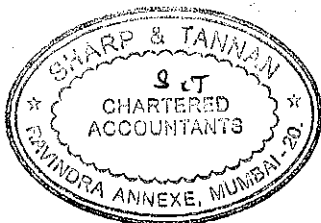
Provisions are recognised in respect of present obligations that arise as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

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.



## Birla Sun Life Pension Management Limited

### Note A

#### 4 Revenue recognition

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

#### 5 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.

#### 6 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.

#### 7 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.

#### 8 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.

#### 9 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.

