

**INDEPENDENT AUDITORS' REPORT**  
**ON THE CONSOLIDATED FINANCIAL STATEMENTS OF**  
**BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED**

To the Board of Directors of Birla Sun Life Asset Management Company Limited

We have audited the accompanying consolidated financial statements of Birla Sun Life Asset Management Company Limited ("the Company") and its subsidiaries, associates (the Company AND its subsidiaries constitute "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated 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 the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



# HARIBHAKTI & CO.

Chartered Accountants

## Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Birla Sun Life Asset Management Company Limited and its subsidiaries.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as mentioned in the 'Other Matter' paragraph below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

## Other Matter

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (net) of ₹ 12,38,89,837 as at March 31, 2014, total revenues of ₹ 16,79,31,063 and net cash inflows amounting to ₹ 2,09,49,345 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.103523W



*Rakesh Rathi*

Rakesh Rathi

Partner

Membership No. 45228

Mumbai: April 25, 2014



## Consolidated Balance Sheet as at 31st March 2014

EQUITY AND LIABILITIES	Note No	In Rupees	In Rupees
		31-Mar-2014	31-Mar-2013
(A) Shareholders' funds			
Share Capital	2	180,000,000	180,000,000
Reserves and Surplus	3	4,345,474,075	3,387,772,871
Sub total -(A)		<u>4,525,474,075</u>	<u>3,567,772,871</u>
(B) Non-current liabilities			
Other Long-term liabilities	4	12,826,387	12,144,861
Long-term provisions	5	-	4,207,007
Sub total -(B)		<u>12,826,387</u>	<u>16,351,868</u>
(C) Current liabilities			
Trade payables	6	204,606,878	552,481,011
Other Short term liabilities	4	484,197,037	101,883,476
Short-term provisions	5	408,736,051	463,926,174
Sub total -(C)		<u>1,097,539,966</u>	<u>1,118,290,661</u>
<b>TOTAL</b>	(A)+(B)+(C)	<u><b>5,635,840,428</b></u>	<u><b>4,702,415,400</b></u>
<b>ASSETS</b>			
(D) Non Current Assets			
Fixed Assets			
Tangible assets	7	54,872,398	81,735,986
Intangible assets	8	87,332,774	138,953,606
Intangible assets under development		16,819,151	4,409,093
		<u>159,024,323</u>	<u>225,098,685</u>
Non-current investments	9	511,664,473	11,664,473
Deferred tax assets ( net)	10	44,664,354	28,685,245
Long-term loans and advances	11	1,086,933,858	397,323,516
Sub total -(D)		<u>1,802,287,008</u>	<u>662,771,919</u>
(E) Current Assets			
Current Investments	9	2,765,929,713	2,128,681,542
Trade receivables	12	166,039,986	165,102,513
Cash & Cash Equivalent	13	145,162,799	140,569,528
Short-term loans and advances	11	650,212,953	1,155,865,002
Other Current Assets	14	106,207,969	449,424,896
Sub total -(E)		<u>3,833,553,420</u>	<u>4,039,643,481</u>
<b>TOTAL</b>	(D)+(E)	<u><b>5,635,840,428</b></u>	<u><b>4,702,415,400</b></u>

Significant Accounting Policies

1

The accompanying notes are integral part of the financial statements.

As per our report attached  
**Haribhakti & Co.**  
 Chartered Accountants  
 Firm Registration No.: 103523W

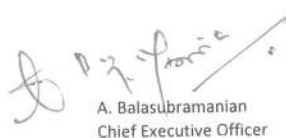
  
 Rakesh Rathi  
 Partner  
 Membership No.: 45228

Place: Mumbai  
 Date: 25th April 2014

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

  
 Director

  
 Director

  
 A. Balasubramanian  
 Chief Executive Officer

  
 Parag Joglekar  
 Chief Financial Officer

  
 Rajiv Joshi  
 Company Secretary



## Consolidated Statement of Profit and Loss for the year ended 31st March 2014

	<u>Note No</u>	<u>In Rupees</u> <u>31-Mar-2014</u>	<u>In Rupees</u> <u>31-Mar-2013</u>
<b>Income</b>			
Revenue from operations	15	5,018,091,307	4,052,367,072
Other Income	16	217,375,720	354,763,765
<b>Total Income</b>		<b>5,235,467,027</b>	<b>4,407,130,837</b>
<b>Expenses</b>			
Employee benefits expenses	17	1,196,239,505	1,087,450,490
Administrative and other expenses	18	725,638,308	687,666,541
Schemes expenses	19	1,806,334,581	1,437,617,637
Finance cost	20	-	6,494,674
Depreciation and amortisation expenses	21	104,273,900	113,717,105
<b>Total Expenses</b>		<b>3,832,486,294</b>	<b>3,332,946,447</b>
<b>Profit before tax</b>		<b>1,402,980,733</b>	<b>1,074,184,390</b>
Tax expenses			
Current tax		468,084,696	341,640,154
Deferred tax		(15,979,109)	574,307
(Excess)/Short Provision for Tax of earlier years		4,851,857	(465,645)
<b>Profit after tax</b>		<b>946,023,289</b>	<b>732,435,574</b>

Basic/Diluted Earning Per Share Rs.(refer to note 28)

52.56

40.69

Significant Accounting Policies

1

The accompanying notes are integral part of the financial statements.

As per our attached Report of even date

**Haribhakti & Co.**  
Chartered Accountants  
Firm Registration No.: 103523W

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

  
Rakesh Rathi  
Partner  
Membership No.: 45228

  
Director

  
Director

Place: Mumbai  
Date: 25th April 2014

  
A. Balasubramanian  
Chief Executive Officer

  
Parag Joglekar  
Chief Financial Officer

  
Rajiv Joshi  
Company Secretary



## Consolidated Cash Flow Statement for the year ended March 31 2014

## Indirect Method Cash Flow Statement

Particulars	In Rupees	In Rupees
	2013-2014	2012-2013
<b>Cash Flow from Operating Activities</b>		
Profit Before Tax	1,402,980,733	1,074,184,390
<b>Adjustments for:</b>		
Depreciation	104,273,900	113,717,105
Profit on sale of Investments (net)	(70,904,132)	(90,630,495)
Dividend on Investments	(49,382,152)	(56,239,001)
Foreign Currency Translation Reserve	11,677,915	3,802,590
Profit on sale of Fixed Assets (net)	(2,873,058)	(173,269)
Interest on Fixed Deposits / ICD's	(77,885,385)	(117,002,324)
<b>Operating profit before working capital changes</b>	<b>1,317,887,821</b>	<b>927,658,996</b>
(Increase)/Decrease in Trade receivables	(937,473)	(76,321,814)
(Increase)/ Decrease in Long-term loans and advances	(646,549,309)	758,680,435
(Increase)/ Decrease in Short-term loans and advances	505,652,049	(781,402,653)
(Increase)/ Decrease in Other Current Assets	343,216,927	(114,200,664)
Increase/ (Decrease) in Non-current liabilities	(3,525,481)	(91,043,644)
Increase/ (Decrease) in Current liabilities	(20,750,693)	284,390,632
<b>Cash generated from operations</b>	<b>1,494,993,841</b>	<b>907,761,288</b>
Taxes paid (Net)	(514,251,558)	(447,480,161)
<b>Cash flow before extraordinary item</b>	<b>980,742,283</b>	<b>460,281,127</b>
<b>Net cash generated from operating activities</b>	<b>980,742,283</b>	<b>460,281,127</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(41,310,793)	(44,137,225)
Sale proceeds from Fixed Assets	4,238,283	6,969,835
Interest on Fixed Deposits / ICD's	77,885,385	117,002,324
Dividend on Other Investments	49,382,152	56,239,001
Purchase of Investments	(7,892,933,883)	(8,346,371,679)
Sale of Investments	6,826,589,844	7,717,799,386
<b>Net cash used in investing activities</b>	<b>(976,149,012)</b>	<b>(492,498,358)</b>
<b>Cash Flow from Financing Activities</b>		
Dividend Paid (including tax thereon)	-	-
Inter-corporate deposit	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>4,593,271</b>	<b>(32,217,231)</b>
Cash and Cash Equivalents at beginning of the year	140,569,528	172,786,759
<b>Cash and Cash Equivalents at end of the year</b>	<b>145,162,799</b>	<b>140,569,528</b>

As per our attached Report of even date

Haribhakti & Co.  
Chartered Accountants  
Firm Registration No.: 103523W


  
Rakesh Rathi  
Partner  
Membership No.: 45228

Place: Mumbai  
Date: 25th April 2014


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

  
A. Balasubramanian  
Director

  
Parag Joglekar  
Director

  
A. Balasubramanian  
Chief Executive Officer

  
Parag Joglekar  
Chief Financial Officer

  
Rajiv Joshi  
Company Secretary



## Notes to consolidated financial statements for the year ended 31st March 2014

	<u>In Rupees</u> <u>31-Mar-2014</u>	<u>In Rupees</u> <u>31-Mar-2013</u>
<b>NOTE: 2</b>		
<b>Share Capital</b>		
<b>Authorised:</b>		
Equity Shares of Rs. 10 each 20,000,000 (31 March 2013 : 20,000,000 ) Equity Shares fully paid up	200,000,000	200,000,000
<b>Issued, Subscribed and Paid up</b>		
Equity Shares of Rs. 10 each 18,000,000 (31 March 2013 : 18,000,000 ) Equity Shares fully paid up	180,000,000	180,000,000
<b>Total Issued, Subscribed and Paid up</b>	<u>180,000,000</u>	<u>180,000,000</u>

**1 Term/right attached to equity shares**

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company after distributions of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in the proportion to the number of equity shares held by the shareholders.

**2 Reconciliation of the shares outstanding at the beginning and at the end of the year.**

S No	Description	31-Mar-2014		31-Mar-2013	
		No. of Equity shares	Amount	No. of Equity shares	Amount
1	No of Shares outstanding at the beginning of the year	18,000,000	180,000,000	18,000,000	180,000,000
2	Issued during the year	-	-	-	-
3	No of Shares outstanding at the end of the year	18,000,000	180,000,000	18,000,000	180,000,000

**3 Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.**

	Name of Share Holder	31-Mar-2014		31-Mar-2013	
		No. of Equity shares held	% of total paid-up equity share capital	No. of Equity shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Private Limited and its Nominees	9,179,980	50.9999%	9,179,980	50.9999%
2	Sun Life (India) AMC Investment INC Canada	8,820,000	49.0000%	8,820,000	49.0000%

**4 Shares held by holding/ ultimate holding company and or their subsidiaries/associates**

	Name of Share Holder	31-Mar-2014	31-Mar-2013
		9,179,980	9,179,980
1	Aditya Birla Financial Services Private Limited and its Nominees, the holding company (effective from 10th October 2012)		



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	<u>In Rupees</u> <u>31-Mar-2014</u>	<u>In Rupees</u> <u>31-Mar-2013</u>
<b>NOTE: 3</b>		
<b>Reserves and Surplus</b>		
<b>1) Securities Premium Account</b>		
Balance as per the last financial statement	26,423,250	26,423,250
Addition during the year	-	-
<b>Closing Balance</b>	<u>26,423,250</u>	<u>26,423,250</u>
<b>2) General Reserve</b>		
Balance as per the last financial statement	68,666,244	68,666,244
Addition during the year	-	-
<b>Closing Balance</b>	<u>68,666,244</u>	<u>68,666,244</u>
<b>3) Foreign currency translation reserve</b>		
Opening balance as per last audited Financial Statement	20,994,358	17,191,768
Addition during the year	11,677,915	3,802,590
<b>Closing Balance</b>	<u>32,672,273</u>	<u>20,994,358</u>
<b>4) Surplus as per Profit &amp; Loss Account</b>		
Balance as per the last financial statement	3,271,689,019	2,539,253,445
Add: Profit for the year	946,023,289	732,435,574
<b>Closing Balance</b>	<u>4,217,712,308</u>	<u>3,271,689,019</u>
<b>Total Reserves and Surplus</b>	<u>4,345,474,075</u>	<u>3,387,772,871</u>





Notes to consolidated financial statements for the year ended 31st March 2014

	In Rupees Long-Term		In Rupees Short-Term	
	31-Mar-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013
<b>NOTE: 4</b>				
<b>Other Liabilities</b>				
Other Payable	-	-	457,187,313	39,885,350
Future lease rent liability	12,826,387	12,144,861	568,049	15,126
Payables for Capital Expenditure	-	-	3,176,339	7,756,521
Investors Education Fund *	-	-	1,409,012	15,589,194
Payable on account of Statutory Dues :				
- Withholding Tax payable	-	-	15,908,237	15,726,674
- Service-Tax payable	-	-	423,757	17,644,852
- Professional Tax payable	-	-	88,815	95,026
- Employee provident fund & Other dues payable	-	-	5,435,515	5,170,733
	<b>12,826,387</b>	<b>12,144,861</b>	<b>484,197,037</b>	<b>101,883,476</b>

\* Fund for educating investors about Mutual Fund Investment



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## Notes to consolidated financial statements for the year ended 31st March 2014

	In Rupees Long-Term		In Rupees Short-Term	
	31-Mar-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013
<b>NOTE: 5</b>				
<b>Provisions</b>				
<b>Provision for Employee Benefits</b>				
Leave Encashment	-	-	29,241,434	24,119,480
Gratuity	-	-	484,158	1,969,325
Provision for salaries and allowances *	-	4,207,007	378,680,587	437,147,741
<b>Provision for Taxes</b>				
Income Tax (Net of Advance Tax Nil, Previous year Nil)	-	-	259,872	589,551
Wealth Tax	-	-	70,000	100,077
	-	<b>4,207,007</b>	<b>408,736,051</b>	<b>463,926,174</b>

\* Including long term incentive plan and Employee Phantom Unit Plan (EPUP) of Rs. 15,029,697 (Previous year Rs. 187,051,486)



(4)



	<u>In Rupees</u> <u>31-Mar-2014</u>	<u>In Rupees</u> <u>31-Mar-2013</u>
<b>NOTE: 6</b>		
<b>Trade Payables</b>		
Trade Payables	204,606,878	552,481,011
<b>Total Trade Payables</b>	<u>204,606,878</u>	<u>552,481,011</u>

**"Micro and Small Scale Business Entities :**

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company."



(4)





In Rupees

NOTE: 8  
Intangible Assets

	Software	Investment Management Right	Total
<b>Gross Block</b>			
As at 1 April 2012	28,703,216	538,432,324	567,135,540
Additions	2,081,763	-	2,081,763
Foreign Exchange Translation Difference	11,299	-	11,299
Disposals	-	-	-
As at 31 March 2013	30,796,278	538,432,324	569,228,602
Additions	5,306,371	-	5,306,371
Foreign Exchange Translation Difference	20,672	-	20,672
Disposals	-	-	-
As at 31 March 2014	36,123,321	538,432,324	574,555,645
<b>Accumulated Amortization</b>			
As at 1 April 2012	23,933,155	349,981,008	373,914,163
Charge for the period	2,513,613	53,843,232	56,356,845
Foreign Exchange Translation Difference	3,988	-	3,988
Disposal	-	-	-
As at 31 March 2013	26,450,756	403,824,240	430,274,996
Charge for the year	3,087,795	53,843,232	56,931,027
Foreign Exchange Translation Difference	16,848	-	16,848
Disposals	-	-	-
As at 31 March 2014	29,555,399	457,667,472	487,222,871
<b>Net block amount as at 31 March 2013</b>	<b>4,345,522</b>	<b>134,608,084</b>	<b>138,953,606</b>
<b>Net block amount as at 31 March 2014</b>	<b>6,567,922</b>	<b>80,764,852</b>	<b>87,332,774</b>

Included in the above is the Company's share of fixed assets jointly owned with other corporates as follows :

	Software	Investment Management Right	Total
<b>Gross Block</b>			
As at 1 April 2012	8,159,012	-	8,159,012
Additions/ (Disposals)	-	-	-
As at 31 March 2013	8,159,012	-	8,159,012
Additions/ (Disposals)	-	-	-
As at 31 March 2014	8,159,012	-	8,159,012
<b>Accumulated Amortization</b>			
As at 1 April 2012	8,159,012	-	8,159,012
Charge for the year	-	-	-
As at 31 March 2013	8,159,012	-	8,159,012
Charge for the year	-	-	-
As at 31 March 2014	8,159,012	-	8,159,012
<b>Net block amount as at 31 March 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net block amount as at 31 March 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>



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	In Rupees 31-Mar-2014	In Rupees 31-Mar-2013
<b>NOTE: 9</b>		
<b>Non Current Investments (Non Trade, At cost)</b>		
<b>Investment in Equity Shares Subsidiary Companies (Unquoted)</b>		
90 Shares (31 March 2013 : 90 Shares) of USD 10 each in Class A in India Advantage Fund Limited, Mauritius	37,564	37,564
40 Shares (31 March 2013 : 40 Shares) of USD 10 each in Class B in India Advantage Fund Limited, Mauritius	909	909
International Opportunities Fund *	-	-
<b>Investment in Fund (Unquoted)</b>		
1 Unit (31 March 2013 : 1 Unit) Investment in Class B Units of Aditya Birla Real Estate Fund	500,000	500,000
<b>Investment in Bonds (Quoted)</b>		
11,126 Bonds (31 March 2013 : 11,126 Bonds) Investment in NHAI Bonds	11,126,000	11,126,000
<b>Investment in schemes of Mutual Fund (Quoted)</b>		
10,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - HC - Growth - Direct	100,000,000	-
10,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - JX - Growth - Direct	100,000,000	-
10,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - KA - Growth - Direct	100,000,000	-
10,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - KE - Growth - Direct	100,000,000	-
10,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - KH - Growth - Direct	100,000,000	-
<b>Total Non Current Investments</b>	<b>511,664,473</b>	<b>11,664,473</b>
<b>Note :</b>		
Aggregate Book Value - Quoted	511,126,000	11,126,000
- Unquoted	538,473	538,473
Aggregate Market Value / NAV - Quoted	524,061,000	11,126,000

\* Original amount is SGD 0.01 equivalent to Rs. 0.47





	In Rupees 31-Mar-2014	In Rupees 31-Mar-2013
<b>NOTE: 9</b>		
<b>Current Investments (Non- Trade)</b>		
<b>Investment in Equity Shares (Quoted)</b>		
32,500 Shares (31 March 2013 : Nil Shares) Investment in Orient Cement Ltd	1,543,750	-
<b>Investment in schemes of Mutual Fund (Valued at cost or fair value whichever is lower, Unquoted)</b>		
24,925,035 Units (31 March 2013 : Nil Units) BSL Medium Term Plan- Growth - Direct	350,000,000	-
2,164,885 Units (31 March 2013 : 2,018,352 Units) BSL Medium Term Plan Qtr Dividend - Direct	22,196,699	20,677,294
Nil Units (31 March 2013 : 8,145,795 Units) BSL Cash Plus - Weekly Dividend - Direct	-	817,300,158
560,088 Units (31 March 2013 : 272 Units) BSL Cash Plus - Growth - Direct	114,435,138	50,000
7,210,528 Units (31 March 2013 : 17,524,143 Units) BSL Short Term Fund- Monthly Dividend - Direct	84,486,836	204,301,443
513,802 Units (31 March 2013 : 481,844 Units) BSL Gilt Plus - Liquid - Qtr - Dividend - Direct	5,509,763	5,166,140
19,760,870 Units (31 March 2013 : 19,760,870 Units) BSL Short Term Opportunities Fund - Growth - Direct	361,386,793	361,386,793
2,110,829 Units (31 March 2013 : 1,983,200 Units) BSL Short Term Opportunities Fund - Qtr Dividend - Direct	21,732,993	20,399,854
1,060,721 Units (31 March 2013 : Nil Units) BSL Floating Rate Fund - Long Term Plan - Weekly - Dividend - Direct	106,418,638	-
Nil Units (31 March 2013 : 3,795 Units) BSL Floating Rate Fund - Short Term Plan - Weekly Dividend - Direct	-	380,245
757,368 Units (31 March 2013 : 1,330 Units) BSL Floating Rate Fund - Short Term Plan - Growth - Direct	123,203,615	203,615
54,195 Units (31 March 2013 : 54,195 Units) BSL Gilt Plus - Regular - Growth - Direct	2,000,000	2,000,000
973,462 Units (31 March 2013 : Nil Units) BSL Savings Fund Growth-Direct	232,993,558	-
<b>Investment in schemes of Mutual Fund (Valued at cost or fair value whichever is lower, Quoted)</b>		
Nil Units (31 March 2013 : 15,000,000 Units) BSL Fixed Term Plan Series - EV - Growth - Direct	-	150,000,000
Nil Units (31 March 2013 : 5,000,000 Units) BSL Fixed Term Plan Series - FH - Growth - Direct	-	50,000,000
Nil Units (31 March 2013 : 22,020,900 Units) BSL Fixed Term Plan Series - FO - Growth - Direct	-	220,209,000
6,000,000 Units (31 March 2013 : 6,000,000 Units) BSL Fixed Term Plan Series - GB - Growth - Direct	60,000,000	60,000,000
6,660,700 Units (31 March 2013 : 6,660,700 Units) BSL Fixed Term Plan Series - GF - Growth - Direct	66,607,000	66,607,000
5,000,000 Units (31 March 2013 : 5,000,000 Units) BSL Fixed Term Plan Series - GS - Growth - Direct	50,000,000	50,000,000
5,000,000 Units (31 March 2013 : 5,000,000 Units) BSL Fixed Term Plan Series - HE - Growth - Direct	50,000,000	50,000,000
5,000,000 Units (31 March 2013 : 5,000,000 Units) BSL Fixed Term Plan Series - HF - Growth - Direct	50,000,000	50,000,000
5,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - GY -Growth - Direct	50,000,000	-
15,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - HB - Growth - Direct	150,000,000	-
5,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - HS - Growth - Direct	50,000,000	-
10,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - JE - Growth - Direct	100,000,000	-
5,341,493 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - JI - Growth - Direct	53,414,930	-
5,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - JS - Growth - Direct	50,000,000	-
10,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - JU - Growth - Direct	100,000,000	-
5,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - JY - Growth - Direct	50,000,000	-
6,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - KI - Growth - Direct	60,000,000	-
10,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - KM - Growth - Direct	100,000,000	-
5,000,000 Units (31 March 2013 : Nil Units) BSL Fixed Term Plan Series - KN - Growth - Direct	50,000,000	-
25,000,000 Units (31 March 2013 : Nil Units) BSL Interval Income Annual Plan VIII - Growth - Direct	250,000,000	-
<b>Total Current Investments</b>	<b>2,765,929,713</b>	<b>2,128,681,542</b>
Aggregate Book Value - Quoted	1,341,565,680	696,816,000
- Unquoted	1,424,364,033	1,431,865,542
Aggregate Market Value / NAV - Quoted	1,410,973,448	738,285,597





	<u>In Rupees</u> <u>31-Mar-2014</u>	<u>In Rupees</u> <u>31-Mar-2013</u>
<b>NOTE: 10</b>		
<b>DEFERRED TAX ASSETS</b>		
Deferred Tax Asset at the period end comprise timing differences on account of: Expenditure/Provisions allowable :		
Leave Encashment	7,899,205	6,235,114
Rent Equalisation	3,814,998	3,455,668
Depreciation	32,950,151	18,994,463
<b>Gross Deferred Tax Asset</b>	<u>44,664,354</u>	<u>28,685,245</u>
Deferred Tax Liability at the year end	-	-
<b>Gross Deferred Tax Liability</b>	<u>-</u>	<u>-</u>
<b>Net Deferred Tax Asset</b>	<u>44,664,354</u>	<u>28,685,245</u>





	In Rupees Long-Term		In Rupees Short-Term	
	31-Mar-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013
<b>NOTE: 11</b>				
<b>Loans &amp; Advances</b>				
(Unsecured, Considered Good except otherwise stated)				
Loans & Advances to Related Parties ( Unsecured )	564,100,000	-	153,500,000	750,000,000
Deposits advanced to Related Party	2,900,000	2,600,000	-	-
Capital advance for Tangible Assets	1,750,819	4,791	-	-
Deposits	48,828,841	48,119,453	14,067,312	22,541,709
Staff Loan	-	-	662,197	22,607
Prepaid expenses	319,574,464	240,730,623	397,105,711	273,625,384
Advance Tax (Net of Provision Rs 1,842,099,676, Previous Year 1,381,755,883)	149,779,734	105,868,649	57,238,629	59,829,347
Advance for materials & Services	-	-	12,609,968	33,644,374
Service Tax Input Credit	-	-	13,343,979	12,749,552
Receivable from related party	-	-	1,185,157	3,452,029
Application money towards Investments	-	-	500,000	-
<b>Total Loans &amp; Advances</b>	<b>1,086,933,858</b>	<b>397,323,516</b>	<b>650,212,953</b>	<b>1,155,865,002</b>



(9)





## Notes to consolidated financial statements for the year ended 31st March 2014

	<u>In Rupees</u> <u>31-Mar-2014</u>	<u>In Rupees</u> <u>31-Mar-2013</u>
<b>NOTE: 12</b>		
<b>Trade Receivables</b>		
Unsecured, considered good, less than 6 months		
Asset Management & Advisory Fees receivable	158,554,360	158,178,693
Portfolio Management Fees receivable	7,485,626	6,923,820
<b>Total Trade Receivables</b>	<u>166,039,986</u>	<u>165,102,513</u>
<b>NOTE: 13</b>		
<b>Cash &amp; Cash Equivalent</b>		
Balances with Bank		
- Current Accounts	126,376,876	129,897,187
- Deposit Accounts ( with original maturity less than 3 months)	18,637,374	10,532,287
Cash on Hand	148,549	140,054
<b>Total Cash &amp; Cash Equivalent</b>	<u>145,162,799</u>	<u>140,569,528</u>
<b>NOTE: 14</b>		
<b>Other Current Assets</b>		
(Unsecured, Considered Good except otherwise stated)		
Recoverable From Schemes	105,650,666	448,556,392
Interest accrued on		
- Loans & Advances	-	402,647
- Fixed Deposit	102,387	10,941
- Investments	454,916	454,916
<b>Total Other Current Asset</b>	<u>106,207,969</u>	<u>449,424,896</u>





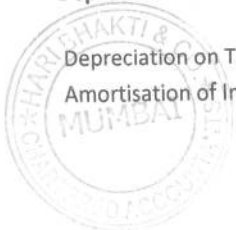
	<u>In Rupees</u> <u>31-Mar-2014</u>	<u>In Rupees</u> <u>31-Mar-2013</u>
<b>NOTE: 15</b>		
<b>Income From Operations</b>		
Management and Advisory Fees	4,781,174,487	3,811,243,492
Portfolio Management Fees	23,165,436	27,218,580
Real Estate Fund Management Fees	213,751,384	213,905,000
	<u>5,018,091,307</u>	<u>4,052,367,072</u>
<b>NOTE: 16</b>		
<b>Other Income</b>		
Interest Income		
- Non-Current Investments	912,332	95,512,343
- Others	76,973,053	21,489,980
Dividend Income		
- Current Investments	49,382,152	56,239,001
Gain on sale of Investments(Net)		
- Current Investments	70,904,132	69,802,075
- Non-Current Investments	-	20,828,420
Other non-operating income :		
- Profit on sale of Fixed Assets (Net)	2,873,058	173,269
- Foreign Exchange Gain (Net)	-	13,348
- Excess Provision written back	15,281,469	82,177,106
- Miscellaneous income	1,049,524	8,528,223
	<u>217,375,720</u>	<u>354,763,765</u>
<b>NOTE: 17</b>		
<b>Employee Benefit Expenses</b>		
Salaries and allowances	1,093,981,295	982,506,832
Contribution to provident & other funds	40,588,437	42,933,279
Staff welfare expenses	61,669,773	62,010,379
	<u>1,196,239,505</u>	<u>1,087,450,490</u>



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	<u>In Rupees</u> <u>31-Mar-2014</u>	<u>In Rupees</u> <u>31-Mar-2013</u>
<b>NOTE: 18</b>		
<b>Administrative and Other Expenses</b>		
Rent	163,205,605	159,420,423
Repairs and maintenance ( Others )	57,811,161	52,689,611
Insurance	15,460,487	13,775,555
Rates and Taxes	21,544,425	18,460,446
Electricity	19,436,205	18,748,784
Software and Technology Expenses	61,998,480	60,777,715
Database Research Expenses	39,628,550	24,777,248
Travelling and Conveyance	69,276,730	58,320,245
Communication Expenses	36,178,501	35,737,673
Outsourced Fund Accounting Expenses	21,109,555	53,670,428
Legal and Professional Charges	107,054,009	86,670,602
Auditors Remuneration :		
- Audit Fees	4,425,179	3,765,396
- Tax Audit Fees	300,000	300,000
- Other Services	375,000	1,438,398
- Reimbursement of expenses	76,145	91,506
Services Charges	62,310,406	54,197,054
Directors Sitting Fees	4,930,175	3,659,916
Printing and Stationery	15,382,748	12,573,555
Asset Utilisation Charges	3,588,888	4,480,274
Bank Charges	605,294	560,946
Change in carrying value of current investment	253,976	-
Miscellaneous Expenses	20,087,147	23,550,766
Foreign Exchange Loss (Net)	599,642	-
	<u>725,638,308</u>	<u>687,666,541</u>
<b>NOTE: 19</b>		
<b>Schemes Expenses</b>		
Scheme Expenses	1,556,727,424	1,224,617,954
Business Promotion Expenses	249,607,157	212,999,683
	<u>1,806,334,581</u>	<u>1,437,617,637</u>
<b>NOTE: 20</b>		
<b>Finance Cost</b>		
Interest Expenses	-	6,494,674
	<u>-</u>	<u>6,494,674</u>
<b>NOTE: 21</b>		
<b>Depreciation and Amortisation Expenses</b>		
Depreciation on Tangible Assets	47,342,873	57,360,260
Amortisation of Intangible Assets	56,931,027	56,356,845
	<u>104,273,900</u>	<u>113,717,105</u>





#### Company Overview

Birla Sun Life Asset Management Company Limited ("the Company") was incorporated on September 5, 1994. The Company is a joint venture between the Aditya Birla Group and Sun Life Financial, Inc. The share capital of the Company is owned by Aditya Birla Financial Services Pvt Ltd (Wholly owned Subsidiary of Aditya Birla Nuvo Limited) - and Sun Life (India) AMC Investments Inc., ( wholly owned subsidiary of Sun Life Financial, Inc.)

The Company is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996 and the principal activity is to act as an investment manager to Birla Sun Life Mutual Fund. The Company manages the investment portfolios of Birla Sun Life Mutual Fund, India Advantage Fund Ltd, Mauritius, India Excel (Mauritius) Fund. The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides portfolio management services and investment advisory services to offshore funds and high net worth investors.

#### Note 1

##### SIGNIFICANT ACCOUNTING POLICIES

##### (i) Basis of Preparation of Financial Statement

The Consolidated Financial Statements ( CFS ) comprises of the financial statements of Birla Sun Life Asset Management Company Limited ( " Company " ) and its Wholly owned subsidiaries ( herein after referred to as "Group Companies" and together as " Group" ). The CFS of the Group has been prepared under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standards notified by Companies Accounting Standard Rules, 2006 (as amended).

##### (ii) Use of estimate

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Any revision to the accounting estimates will be recognised prospectively in the current and future periods.

##### (iii) Principles of Consolidation

The financial statements of the Company and its subsidiaries companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and transactions as per Accounting standard (AS) 21 " Consolidated Financial Statements "

The excess / deficit of cost to the Company to its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the CFS as Foreign Currency Translation Reserve

The Financial statements of the Wholly owned Subsidiaries used in the consolidation are drawn up to the same reporting date as of the Company.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

List of Subsidiary companies included in consolidation are as below :

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest as on 31st March, 2014	Proportion of ownership interest as on 31st March, 2013
Birla Sun Life AMC (Mauritius) Limited	Mauritius	100%	100%
Aditya Birla Sun Life AMC Pte. Limited, Singapore	Singapore	100%	100%
Aditya Birla Sun Life AMC Limited, Dubai	Dubai	100%	100%

"India Advantage Fund Limited (IAFL) is a collective investment scheme set up as a fund in Mauritius with the status of a limited company under the Mauritius Companies Act. In terms of constitution and private placement memorandum, IAFL has classes of redeemable participating shares. Each class of participating shares has its own Balance Sheet and Profit and Loss account. The Profit / Loss of each such class belongs to the participating shareholders of that class. Birla Sun Life Asset Management Company Limited (BSAMC) owns 100% of the management share and management shareholder is not entitled to any beneficial interest in the profit / loss of various classes nor is required to make good any shortfall. In substance there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IAFL in the Consolidated Financial Statement."

##### (iv) Cash and cash Equivalent

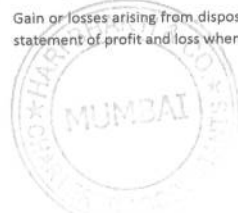
Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

##### (v) Tangible Fixed Assets and Capital Advance

Tangible Fixed Assets are stated at their cost of acquisition less accumulated depreciation, and impairment losses. The cost of acquisition is inclusive of taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets.

The capital advances includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Gain or losses arising from disposal of Tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.



(7)

**(vi) Intangible Fixed Assets & Intangible Assets Under Development**

Intangible assets are recognized at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortised on straight line basis over the estimated useful economic life.

The intangible assets under development includes cost of intangible fixed assets that are not ready for their intended use and also includes advances paid to acquire intangible fixed assets.

Gain or losses arising from disposal of intangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

**(vii) Depreciation on Tangible & amortisation of intangible Fixed Assets**

Depreciation on fixed assets is calculated on a straight line method basis using the rates arrived at based on the useful lives estimates by the management or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

No	Particulars	Rate
<b>A</b>	<b>Depreciation on tangible assets</b>	
1	Computers	33.33%
2	Office Equipment	20%
3	Vehicles – Motor Car/Two Wheelers	20%
4	Furniture & Fixtures	20%
5	Mobile Phone ( Included in office equipments)	50%
6	Lease Hold Improvements	Lease period
<b>B</b>	<b>Amortisation of Intangible assets</b>	
1	Investment Management Rights	10%
2	Software	33.33%

All fixed assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase / acquisition.

Depreciation on assets sold during the year is recognized on a pro-rata basis to the Profit and Loss Account till the date of sale.

**(viii) Impairment of Tangible and Intangible fixed assets**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss if any is charged to Statement of Profit & Loss Account in the year in which an asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exists or have decreased.

**(ix) Investments**

- Long term investments are stated at cost. In case of diminution, other than temporary, in the value thereof, a provision is made for the same.
- Current investments are valued at lower of cost and fair market value.
- Income from sale of Investments is determined on weighted average basis and recognized on the trade date basis.

**(x) Revenue Recognition**

- Management fees are recognized on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.
- Portfolio Management Fees are recognized on an accrual basis as per the terms of the contract with the customers.
- Advisory fees are recognized on an accrual basis.
- Dividend income is recognised when the right to receive dividend is established.
- Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

**(xi) Foreign currency transactions & balances**

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the Statement of Profit & Loss. Other non-monetary items, like Tangible Assets/ Intangible Assets, Investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction.

Translation of Foreign subsidiaries is done in accordance with AS 11 ( Revised ) " The Effects of Changes in Foreign Exchange Rates ". In case of Subsidiaries, the operation of which are considered Non Integral, all assets and liabilities are converted at the closing rate at the end of the year and items of income and expenditure have been translated at the average rate for the year. Exchange gain/ (loss) arising on conversion are recognised under Foreign Currency Translation Reserve.

**(xii) Employee Benefits**

- Provident Fund: All eligible employees are covered under statutory provident fund and contributions are accounted on an accrual basis.
- Superannuation: Superannuation benefit for the eligible employees is covered by the Superannuation Scheme with Life Insurance Corporation of India (LIC) and Birla Sun Life Insurance Company Ltd. the contribution is accounted on an accrual basis.
- Gratuity: Gratuity for employees is covered by Gratuity Scheme with LIC and Birla Sun Life Insurance Company Ltd. and the contribution is accounted for on an accrual basis as per the actuarial valuation done at the year end.
- Leave Encashment: Provision for leave encashment is made on the basis of actuarial valuation of the expected liability.
- Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.


**Summary of significant accounting policies and other explanatory information (notes) forming part of the consolidated financial statements for the year ended March 31, 2014**
**(xiii) Long term Incentive Plan**

The company has long term incentive plan for different cadre of employees. The current year provision is based on the estimated future liability of long term plan and same is assessed on yearly basis.

**(xiv) Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases.

Lease rental payments for operating leases are recognized as an expense on a straight-line basis over the lease term and paid/provided for as per the terms of the agreement on an accrual basis.

**(xv) Earning Per Share**

Company reports the basic and diluted earnings per share in accordance with AS-20, Earnings per Share notified Accounting Standard by Institute of Chartered Accountants of India. Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earning per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

**(xvi) Distribution and Scheme Expenses**
**a. New Fund Offer expenses :**

Expenses relating to New Fund Offer are charged to the Profit and Loss Account in the year in which they are incurred.

**b. Scheme expenses :**

Expenses of schemes of Birla Sun Life Mutual Fund in excess of the stipulated limits as per SEBI (Mutual Fund) Regulations, 1996 are charged to the statement of Profit and Loss.

**c. Brokerage/Commission :**

Commission paid for future period for Equity Link Saving Schemes, Fixed Tenure Schemes(ELSS), Close ended schemes and Systematic Investment Plans (SIPs) in the different schemes during the year are treated as prepaid expenses and such brokerage and commission are expensed out over three years in case of ELSS or duration of closed schemes or over the duration of the SIP.

**(xvii) Accounting for Taxes on Income**

Tax expense comprises of current and deferred tax.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

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

**(xviii) Provision, Contingent Asset & Contingent Liability**

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

**Other Notes to Accounts :**
**22. Contingent Liability**
**(i) Contingent Liabilities not provided for in respect of:**
**a. Disputed taxation matters :**

Department has issued order for AY 2007-08 for imposing Penalty of Rs 1,712,092 (Previous Year Rs 1,712,092 ) on certain disallowance, The matter is under appeal with ITAT.

Department has issued Assessment order for AY 2011-12 of Rs. 903,260 (Previous Year Nil ) on certain disallowance, The Company have filed appeal with CIT(A).

Show Cause cum Demand Notice from Service Tax Authorities issued for the FY 2006-07 to FY 2012-13 disputing Cenvat Credit claim of the Company to the tune of Rs. 1,133,055,874 (Previous Year Rs. 1,040,431,280). The matter was heard before the Commissioner service tax (Adjudication) and the order is being awaited.

Disallowing initial issue Expenses, Repairs and Renovation Expenses and Fund Migration Exps on the alleged contention that the same were capital in nature. The tax impact of Rs. 40,196,901.(Previous Year Rs. 40,196,901) The matter is pending before High Court.

**b. Disputed legal claims :**

Investor claims pending in Consumer Redressal Forums of Rs. 76,194 (Previous Year Rs.271,194)

Investor claims pending in other courts/authorities of Rs.106,000 (Previous Year Rs. 106,000)

Disputed other legal matters Rs. 228,888 (Previous year Rs. 228,888)

The management has taken a legal opinion on the above matters. The chances of losing the above legal matters is unlikely and so no provision for the liability is been made in the books.



(n)



Summary of significant accounting policies and other explanatory information (notes) forming part of the consolidated financial statements for the year ended March 31, 2014

c. Unexecuted Contracts :

Estimated amount of contracts (net of advances) remaining to be executed on capital account is Rs.6,906,968 (Previous year Rs 2,671,718)

23. Management Rights

During financial year ended March 31, 2006 Birla Sun Life Trustee Company Private Limited took over the mutual fund schemes from ACAM Trust Company Private Limited and simultaneously the company acquired the right to manage the said schemes from Alliance Capital Asset Management (India) Private Limited.

The consideration paid to acquire the right to manage the said schemes along with the incidental expenditure incurred thereon aggregating to Rs.538,432,324/- has been treated as Investment Management Right. The Investment Management Right will be amortized over a period of 120 months. For the year ended March 31, 2014, an amount of Rs. 53,843,232/- has been amortised. Balance life of Investment Management Right is 1.5 years.

Employee Benefits

In accordance with the Accounting Standard on "Employee Benefits" (AS-15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the Company has classified the various benefits provided to the employees as under:

24. Defined Contribution Plan

Defined Contribution Plan – The Company has recognized the following amounts in Profit & Loss Account which are included under contribution to Provident Fund and other fund.

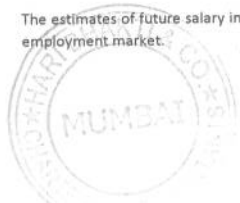
Particulars	As at March 31, 2014	As at March 31, 2013
Employers Contribution to Provident Fund	27,339,480	25,569,757
Employers Contribution to Employees Pension Fund	3,947,027	3,800,653
Employers Contribution to Superannuation Fund	3,753,187	3,717,235
Employers Contribution to Labour Welfare Fund	33,910	24,366

25. Gratuity

The following table sets out the status of the gratuity plan as required under AS 15(Revised) as certified by actuary. Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	As at March 31, 2014	As at March 31, 2013
Obligations at Year beginning	46,372,946	36,437,710
Service cost	8,326,707	8,524,328
Interest Cost	3,825,768	3,188,300
Actuarial (Gain)/ Loss	(3,085,352)	853,261
Benefits Paid	(5,182,525)	(2,630,653)
Obligations at Year end	50,257,544	46,372,946
Defined Benefits obligation liability as at B/S is wholly funded by the company		
Change in Plan Assets		
Plans Assets at year beginning, at fair values	44,403,621	32,289,653
Expected Return on Plan Assets	3,552,290	2,744,621
Actuarial Gain / (Loss)	-	-
Contributions	7,000,000	12,000,000
Benefits paid	(5,182,525)	(2,630,653)
Plan Assets at Year end, at fair value	49,773,386	44,403,621
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair Value of Plan Assets at the end of the Year	(49,773,386)	(44,403,621)
Present Value of the defined benefits obligations at the end of the Year	50,257,544	46,372,946
(Asset)/Liability recognized in the balance sheet	484,158	1,969,325
Gratuity Cost for the Year		
Service Cost	8,326,707	8,524,328
Interest Cost	3,825,768	3,188,300
Expected Return on Plan Assets	(3,552,290)	(2,744,621)
Actuarial (Gain)/ Loss	(3,085,352)	853,261
Net Gratuity Cost	5,514,833	9,821,268
Investments details of Plan Assets		
Plan assets are invested with :		
Life Insurance Corporation of India	2,903,265	2,663,546
Birla Sun Life Insurance Co. Ltd	46,870,121	41,740,075
Actual return on Plan Assets	9%	9%
Assumptions		
Interest rate	9.00%	8.75%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand factors in the employment market.



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Summary of significant accounting policies and other explanatory information (notes) forming part of the consolidated financial statements for the year ended March 31, 2014

Estimated amount of Contribution expected to be paid to the fund during the annual period being after the Balance Sheet date is Rs. 7,000,000 (Previous year Rs. 12,000,000)

Experience Adjustment	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Defined Benefit Obligation	50,257,544	46,372,946	36,437,710	27,442,138	19,521,606
Plan Assets	49,773,386	44,403,621	32,289,653	28,757,027	18,563,069
Surplus/(Deficit)	-484,158	(1,969,325)	(4,148,057)	1,314,889	958,537
Experience Adjustment on Plan Liabilities	334,493	3,528,337	60,231	1,590,346	619,810

26. Disclosure in respect of Related Party pursuant to Accounting Standard 18:

a. List of Related Parties:

<b>A</b>	<b>Parties where Control exists (Subsidiaries)</b>
	India Advantage Fund Limited
<b>B</b>	<b>Ultimate Holding Company</b>
	Aditya Birla Nuvo Limited
<b>C</b>	<b>Holding Company</b>
	Aditya Birla Financial Services Private Limited
<b>D</b>	<b>Other Related Party</b>
	Sun Life (India) AMC Investments Inc., Canada
<b>E</b>	<b>Related Parties with whom the Company has entered into transactions during the Year:</b>
<b>i</b>	<b>Fellow Subsidiaries of Ultimate Holding Company</b>
	Birla Sun Life Insurance Company Limited
	Birla Sun Life Trustee Company Private Limited
	Aditya Birla Money Mart Limited
	ABNL Investment Limited
	Aditya Birla Finance Limited
	Aditya Birla Money Limited
	Aditya Birla Financial Shared Services Limited
	Aditya Birla Minacs Worldwide Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Money Insurance Advisory Services Limited
	Aditya Birla Customer Services Private Limited
<b>ii</b>	<b>Directors and Key Management Personnel</b>
	Anil Lal - Manager

Note: Related parties are as identified by the Company and relied upon by the Auditors

b. Transactions with Related Parties:

Sr. No.	Particulars	Category	For the year ended	For the year ended
			31st March 2014	31st March 2013
1	<b>Expenses</b>			
	<b>Brokerage</b>			
	Aditya Birla Money Mart Limited	E(i)	4,130,556	2,825,427
	<b>Contribution to Super Annuation Fund</b>			
	Birla Sun Life Insurance Company Limited	E(i)	12,631,100	15,415,302
	<b>Business Promotion Expenses</b>			
	Birla Sun Life Insurance Company Limited *(Insurance Premium)	E(i)	23,290,991	26,880,363
	Aditya Birla Customer Services Pvt Ltd	E(i)	1,149,440	-
	Aditya Birla Money Mart Ltd	E(i)	595,508	-
	<b>Software &amp; Technology Charges</b>			
	Aditya Birla Minacs Worldwide Limited	E(i)	-	1,437,532
	<b>Services charges</b>			
	Aditya Birla Minacs Worldwide Limited	E(i)	22,068,461	20,720,718
2	<b>Reimbursements of Costs Paid</b>			
	Aditya Birla Finance Limited	E(i)	17,344	154,231
	Aditya Birla Money Mart Limited	E(i)	-	1,499,768
	Aditya Birla Money Mart Limited (Rent)	E(i)	8,303,916	3,899,334
	Birla Sun Life Insurance Company Limited	E(i)	2,213,463	875,732
	Birla Sun Life Insurance Company Limited (Rent)	E(i)	2,453,306	1,793,330
	Aditya Birla Financial Shared Services Limited	E(i)	37,336,689	33,056,552
	Aditya Birla Customer Services Private Limited	E(i)	-	221,008
	Aditya Birla Insurance Brokers Limited	E(i)	-	6,246
3	<b>Reimbursements of Costs Received</b>			
	Aditya Birla Finance Limited	E(i)	2,514,520	1,451,930
	Aditya Birla Money Mart Limited	E(i)	7,891,717	5,129,111



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## Summary of significant accounting policies and other explanatory information (notes) forming part of the consolidated financial statements for the year ended March 31, 2014

Birla Sun Life Insurance Company Limited	E(i)	2,867,025	1,454,678
Aditya Birla Insurance Brokers Limited	E(i)	122,805	40,935
Sun Life Assurance Company	D	-	254,907
Aditya Birla Customer Services Private Limited	E(i)	18,781	-
<b>4 Managerial Remuneration**</b>	E(ii)		
Salaries and Allowances		8,332,100	4,138,944
Contribution to Provident and Other Funds		179,142	169,188
<b>5 Deposit Paid</b>			
Aditya Birla Money Mart Limited	E(i)	300,000	2,600,000
<b>6 Intercompany Deposit (ICD) Given</b>			
Aditya Birla Minacs Worldwide Limited	E(i)	-	325,000,000
Aditya Birla Customer Services Private Limited	E(i)	140,000,000	424,100,000
ABNL Investment Limited	E(i)	-	37,100,000
Aditya Birla Money Insurance Advisory Services Limited	E(i)	-	32,400,000
<b>7 Intercompany Deposit (ICD) repaid out of above</b>			
Aditya Birla Minacs Worldwide Limited	E(ii)	140,000,000	31,500,000
ABNL Investment Limited	E(i)	-	37,100,000
Aditya Birla Money Insurance Advisory Services Limited	E(i)	32,400,000	-
<b>8 Interest income on Intercompany Deposit (ICD)</b>			
Aditya Birla Minacs Worldwide Limited	E(i)	22,713,801	4,424,240
Aditya Birla Customer Services Private Limited	E(i)	52,634,199	5,221,866
ABNL Investment Limited	E(i)	-	262,673
Aditya Birla Money Insurance Advisory Services Limited	E(i)	568,553	447,386

\* Total Amount paid Rs. 23,290,991/-, out of which Rs. 17,339,513/- debited to profit and loss during the year and balance amortised.

\*\* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and accordingly have not been considered in the above information.

## c. Outstanding Balances

Sr. No	Particulars	Category	As at March 31, 2014	As at March 31, 2013
<b>1 Payable</b>				
	Aditya Birla Money Mart Limited (Trade Payable)	E(i)	-	880,902
	Aditya Birla Financial Shared Services Limited (Trade Payable)	E(i)	1,468,569	-
	Aditya Birla Minacs Worldwide Limited (Trade Payable)	E(i)	2,019,523	1,577,548
	Birla Sun Life Insurance Co Ltd (Trade Payable)	E(i)	2,081,982	-
	Aditya Birla Customer Services Private Limited (Trade Payable)	E(i)	312,299	-
<b>2 Receivable</b>				
	India Advantage Fund Ltd (Trade Receivable)	A	1,282,448	1,300,150
	Aditya Birla Money Mart Limited (Deposit Receivable)	E(i)	2,900,000	2,600,000
	Aditya Birla Money Mart Limited (Loans & Advances)	E(i)	431,448	-
	Birla Sun Life Insurance Company Limited (Loans & Advances)	E(i)	-	1,105,052
	Aditya Birla Financial Shared Services Limited (Loans & Advances)	E(i)	-	1,771,620
	Aditya Birla Minacs Worldwide Limited (ICD)	E(i)	153,500,000	293,500,000
	Aditya Birla Finance Limited (Loans & Advances)	E(i)	725,739	1,306,737
	Aditya Birla Insurance Brokers Limited (Loans & Advances)	E(i)	27,969	37,292
	Aditya Birla Customer Services Private Limited (ICD)	E(i)	564,100,000	424,100,000
	Aditya Birla Money Insurance Advisory Services Limited (ICD)	E(i)	-	32,400,000
	Aditya Birla Money Insurance Advisory Services Limited (Interest on ICD)	E(i)	-	402,648

Closing balances are inclusive of service tax if any.

27. The Birla Sun Life Mutual fund has invested in the "Pass Through Certificates" (PTC) issued by various securitisation trusts. The Income Tax Department treated the interest income from the PTC as taxable in the hands of such Securitisation Trusts. The Department has also issued the demand notices to the various Mutual Funds who are the beneficiaries in such trusts. The Birla Sun Life Mutual Fund has also received the demand notice for AY 2009-10 and at present the case is being heard at ITAT.

Based on the expert's advise the management doesn't expect the liability to crystallise hence no provision is made in the books of account

## 28. Earning Per Share

Earnings per Share (EPS) is calculated as under:		As at March 31, 2014	As at March 31, 2013
Net Profit as per Profit and Loss account		946,023,289	732,435,574
Less: Preference Dividend and tax thereon			
Net Profit for EPS -	A	946,023,289	732,435,574
Weighted average number of Equity Shares for calculation of Basic EPS	B	18,000,000	18,000,000
Basic and Diluted Earning Per Share (Rs)	A/B	52.56	40.69
Nominal Value of Shares (Rs.)		10	10



29. The details of Subsidiaries in terms of General Circular No. 2/2011 dated 8th February, 2011, issued by Government of India, under section 212(8) of the Companies Act, 1956 are as under :

Particulars	Birla Sun Life AMC (Mauritius) Limited			
	As at March 31, 2014		As at March 31, 2013	
	In Rupees	In US Dollar	In Rupees	In US Dollar
Equity Share Capital	2,704,491	45,000	2,447,519	45,000
Reserves & Surplus (net of debit balance of profit & loss account)	10,487,416	174,500	10,603,674	194,962
Total assets (Fixed Assets + Investments + Deferred Tax Assets +)	14,042,679	233,656	14,253,401	262,063
Total Liabilities (Current Liabilities & provisions)	850,773	14,156	1,202,209	22,103
Revenue from Operations	43,644,439	721,441	43,563,439	800,046
Profits/(losses) before Taxation	36,144,727	597,470	37,988,788	697,668
Tax Expenses	1,084,697	17,930	1,140,154	20,939
Profits/(losses) after Taxation	35,060,030	579,540	36,848,634	676,729
Proposed/ Interim dividend (Including Dividend Tax)	36,498,570	600,000	32,262,000	600,000
Exchange Rate	USD 60.09		USD 54.38	

Particulars	Aditya Birla Sun Life AMC Pte. Limited, Singapore			
	As at March 31, 2014		As at March 31, 2013	
	In Rupees	In Singapore Dollar	In Rupees	In Singapore Dollar
Equity Share Capital	448,366,590	9,450,000	295,733,700	6,750,000
Reserves & Surplus (net of debit balance of profit & loss account)	(397,339,804)	(8,374,533)	(274,190,267)	(6,258,280)
Total assets (Fixed Assets + Investments + Deferred Tax Assets +)	93,500,551	1,970,665	60,000,176	1,369,479
Total Liabilities (Current Liabilities & provisions)	42,473,764	895,198	38,456,742	877,759
Revenue from Operations	91,720,940	1,916,483	43,162,614	987,741
Profits/(losses) before Taxation	(101,281,771)	(2,116,253)	(107,091,110)	(2,450,693)
Tax Expenses	-	-	-	-
Profits/(losses) after Taxation	(107,091,110)	(2,116,253)	(107,091,110)	(2,450,693)
Proposed/ Interim dividend (Including Dividend Tax)	-	-	-	-
Exchange Rate	SGD 47.85		SGD 43.81	

Particulars	Aditya Birla Sun Life AMC Limited, Dubai			
	As at March 31, 2014		As at March 31, 2013	
	In Rupees	In US Dollar	In Rupees	In US Dollar
Equity Share Capital	187,811,875	3,125,000	169,966,563	3,125,000
Reserves & Surplus (net of debit balance of profit & loss account)	(128,140,820)	(2,132,133)	(109,137,437)	(2,006,598)
Total assets (Fixed Assets + Investments + Deferred Tax Assets +)	68,335,588	1,137,037	77,705,968	1,428,700
Total Liabilities (Current Liabilities & provisions)	8,664,533	144,170	16,876,842	310,298
Revenue from Operations	32,565,675	538,309	20,696,096	380,085
Profits/(losses) before Taxation	(7,594,420)	(125,535)	(37,995,674)	(697,793)
Tax Expenses	-	-	-	-
Profits/(losses) after Taxation	(7,594,420)	(125,535)	(37,995,674)	(697,793)
Proposed/ Interim dividend (Including Dividend Tax)	-	-	-	-
Exchange Rate	USD 60.09		USD 54.38	



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## Summary of significant accounting policies and other explanatory information (notes) forming part of the consolidated financial statements for the year ended March 31, 2014

Particulars	India Advantage Fund Limited, Mauritius			
	As at December 31, 2013		As at December 31, 2012	
	In Rupees	In US Dollar	In Rupees	In US Dollar
Equity Share Capital	80,466	1,300	71,214	1,300
Reserves & Surplus (net of debit balance of profit & loss account)	-	-	-	-
Total assets (Fixed Assets + Investments + Deferred Tax Assets +)	80,466	1,300	71,214	1,300
Total Liabilities (Current Liabilities & provisions)	-	-	-	-
Details of Investments (excluding investments in subsidiary companies)			-	
Revenue from Operations	-	-	-	-
Profits /(losses) before Taxation	-	-	-	-
Tax Expenses	-	-	-	-
Profits /(losses) after Taxation	-	-	-	-
Proposed/ Interim dividend (Including Dividend Tax)	-	-	-	-
Exchange Rate	USD 61.89		USD 54.78	

## 30. Segment information for the year ended 31st March 2014

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17). The Company considers primary segment based on revenues within India as Domestic Revenues and outside India as Export Revenues

Information about Primary Business Segment - Geographical

Particulars	In India		Outside India		Total	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Revenue by Geographical market	5,084,672,133	4,307,882,402	150,794,895	99,248,435	5,235,467,027	4,407,130,837
Carrying amount of segment assets	5,465,338,039	4,555,247,642	170,502,390	147,167,758	5,635,840,428	4,702,415,400
Cost Incurred to acquire Segment fixed Assets	26,671,493	39,738,196	12,553,048	68,962	39,224,542	39,807,158

## 31. Assets taken under Operating Lease

a) The Details of future rental payable on non-cancellable operating lease are given below

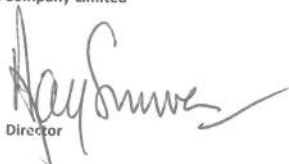
Particulars	As at March 31, 2014	As at March 31, 2013
Not later than one year	13,591,593	19,873,423
Later than one year and not later than five	4,657,412	12,884,149
Later than five years	-	-

b) Lease payment recognised in the Profit and Loss Statement for the period is 163,225,104 (Previous Year 159,420,423)

32. Previous year figures are not disclosed as this is the first year of consolidation of accounts.

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

  
Director

  
Director

  
A. Basubramanian  
Chief Executive Officer

  
Parag Joglekar  
Chief Financial Officer

  
Rajiv Joshi  
Company Secretary

Place : Mumbai  
Date : 25th April, 2014