



Good things come to those who *innovate.*
To those who weather the storm,
who challenge the norms,
who stay true to their vision, values and beliefs.

To those who follow their *passion,*
stick to their commitments and keep
their heads up high in times of difficulty.

As we continue on our path to growth & success
we will tackle setbacks and difficulties with the same focus,

persistence
strength
that we believe in.

ADITYA BIRLA FINANCIAL SERVICES

Birla Sun Life Insurance Company Ltd.	1-189
Aditya Birla Financial Services Pvt. Ltd.	190-201
Aditya Birla Money Ltd.	202-234
Aditya Birla Commodities Broking Ltd.	235-248
Aditya Birla Capital Advisors Pvt. Ltd.	249-260
Aditya Birla Trustee Company Pvt. Ltd.	261-268
Aditya Birla Customer Services Pvt. Ltd.	269-277
Aditya Birla Financial Shared Services Ltd.	278-288
Aditya Birla Insurance Brokers Ltd.	289-300
Aditya Birla Finance Ltd.	301-329
Aditya Birla Securities Pvt. Ltd.	330-335
Aditya Birla Money Mart Ltd.	336-354
Aditya Birla Money Insurance Advisory Services Ltd.	355-368
Birla Sun Life Asset Management Company Ltd.	369-390
Birla Sun Life AMC (Mauritius) Ltd.	391-399
Aditya Birla Sun Life AMC Ltd., Dubai	400-405
Aditya Birla Sun Life AMC Pte. Ltd., Singapore	406-416
India Advantage Fund Limited	417-433
Birla Sun Life Trustee Company Pvt. Ltd.	434-441
Aditya Birla Housing Finance Limited	442-451
ABNL Investment Ltd.	452-462

IT & ITeS SERVICES

ABNL IT & ITES Limited	463-471
Aditya Birla Minacs Worldwide Ltd.	472-503
Aditya Birla Minacs Philippines Inc, Philippines	504-513
AV Transworks Ltd., Canada	514-519
Aditya Birla Minacs Worldwide Inc., Canada	520-528
Minacs Group, USA	529-534
Bureau of Collection Recovery, LLC	535-536
Minacs Worldwide S.A. de C.V., Mexico	537
Minacs Ltd, UK	538-539
Minacs Worldwide GmbH, Germany	540-541
Minacs Kft., Hungary	542-544
Bureau of Collection Recovery, (BCR) Inc.	545-547
Aditya Birla Minacs BPO Limited, UK	548-552
Aditya Birla Minacs BPO Pvt. Ltd., India	553-563

GARMENTS AND LIFESTYLE & OTHERS

Madura Garments Lifestyle Retail Company Ltd.	564-578
Indigold Trade and Services Ltd.	570-587
Pantaloons Fashion & Retail Ltd.	588-621
Aditya Vikram Global Trading House Ltd.	622-626
Shaktiman Mega Food Park Private Ltd.	627-633

Directors' Report

for the year ended 31st March, 2013

Dear Shareholders,

On behalf of your Board of Directors, I present the thirteenth Annual Report, together with the Audited Statement of Accounts, of Birla Sun Life Insurance Company Limited ("the Company/BSLI") for the year ended 31st March, 2013.

1. BUSINESS & FINANCIAL PERFORMANCE

We are pleased to share that the Company delivered a satisfactory performance given the uncertain environment the industry is operating under.

Business Performance

Macro-economic uncertainty and changing regulatory environment especially on the product front continued to impact the life insurance industry adversely leading to growth challenges. Keeping this context in view, the Company recorded new business premium of ₹ 1,837 crores in FY13 a decrease of 5% as against the Industry decline of 15%. In FY13, while Group business witnessed a growth of 17% in new business premium, individual life business de-grew by -16%.

Our business performance has been affected, to some degree, by a number of external factors including regulatory uncertainty and general market conditions (high-interest/high-inflation) which has also impacted customer sentiments. Over the last 3 years, including the year under review, we have seen significant new regulations, which created challenges for us. FY13 again witnessed a slew of new regulations including new product regulations for Traditional products and revised unit-linked product regulations. Our rank amongst the private players for the period under review is 5th (Total Individual & Group) and we are positioned 6th in Individual Life. Most of the players ahead of us are bank owned or have a significant bank tie-up.

Financial Performance

Table 1: Business & Financial Performance of our Company

(₹ in Crores)

Particulars	Current Year FY 2012-13	Previous Year FY 2011-12	Inc. (%)
Business Performance			
New Business Premium	1,837	1,926	-5%
Renewal Premium	3,380	3,959	-15%
Total Premium	5,216	5,885	-11%
Financial Performance			
Income			
Gross premium income	5,216	5,885	-11%
Reinsurance (net)	-165	-138	20%
Total premium income (net)	5,051	5,747	-12%
Income from investments			
Policyholders	2,070	-163	-1368%
Shareholders	116	80	45%
Investment Income	2,186	-83	-2734%
Other Income	37	30	23%
Total Income	7,274	5,694	28%
Less:			
Commission	300	325	-8%
Expenses (including depreciation)	1,161	1,217	-5%
Benefits paid (net)	3,659	2,705	35%
Provisions for actuarial liability (net)	1,612	987	63%
Provision for Taxation			
Profit for the Current Year	542	461	18%
Share Capital	1,969	1,969	
Reserve & Surplus	520	480	
Net Worth	1,248	1,073	

The Company recorded satisfactory performance in FY13 across a range of key financial parameters:

- We continued our journey of profitable growth for the third consecutive year. The Company registered Net Profit of ₹ 542 crores for the year against ₹ 461 crores in the previous year. Net profit growth has improved through better management of inforce book, optimisation of expenses and focusing on efficiencies in distribution.

Directors' Report

for the year ended 31st March, 2013

- Renewal premium at ₹ 3,380 crores saw de-growth of 15% in line with our expectations. The impact on renewal premium growth is primarily attributed to lower new business sales in the corresponding period last year. We believe that the impact on renewal premium is a temporary phenomenon which will be arrested once the new business growth picks up. Managing our substantial back books and focusing on improving persistency levels will increase the value from our existing customer base.
- The Company focused on increasing its Non-Linked portfolio with a view to broad-base its customer mix and to penetrate semi-urban and rural areas. The proportion of Non-Linked portfolio increased from 46% in FY12 to 55% in FY13.
- Overall Commission ratio saw an increase to 5.8% as against 5.5% due to change in product mix towards traditional products which have higher commission payouts.
- Opex to total premium ratio increased marginally in FY13 to 22.2% against 20.6% for FY12 primarily given the lower premium revenues.
- Strong solvency margin at 2.95 for the year ended March'13 against the regulatory requirement of 1.5 indicates the Company's stable financial position.
- Given the robust financial performance, there has been no capital infusion for the past 3 years.
- During the year, the Company declared an interim dividend of 10% amounting to ₹ 197 crores and further announced a final dividend of 6% of share capital amounting to ₹ 118 crores.

The Company is well positioned to meet the challenges and also tap into the opportunities of the life insurance industry. We believe that we have a robust operating platform, strong trusted brand, long-term commitment towards insurance business and management team focused on long-term objectives. All these factors provide the Company with the platform to continue to build a value creating enterprise for all stakeholders.

2. BUSINESS REVIEW

Industry Scenario

The external market environment has been difficult in the year under review especially for the private players. The Regulations introduced in FY11 has altered the competitive landscape of the Indian life insurance industry and seen an increased concentration across Top players. The share of LIC has increased from 54% in FY11 to 62% in FY'13 for Individual life business. Top 7 companies (excluding LIC) have witnessed a decline in their market share over the years and in FY13 contributed to 30% of the Industry weighted new business for individual life as against 34% in FY11. Remaining 16 private players have been further marginalised and with contribution at around 9% of industry new business premium.

FY13 saw a renewed focus of insurers towards improvement of key operating metrics which includes operating expenses, quality of business, productivity and focus on improving overall distribution efficiencies.

The new business premium figures are summarised below for FY13, segregated into 9M and last quarter of the year. Private players saw some traction in the last quarter in Individual life business:

Table 1: New Business (@10% SP) Premium for Private Players FY13 – 9M & Q4

Particulars		Weighted New Business @10% Single premium (INR Crores)		Growth Rates (YoY)	
		9MFY13 (Apr-Dec'12)	Q4FY13 (Jan'13-Mar'13)	9MFY13 (Apr-Dec'12)	Q4FY13 (Jan'13-Mar'13)
Total	Pvt. Players	14,111	8,642	-2%	-7%
	Total	37,598	19,841	-11%	-23%
Individual	Pvt. Players	11,209	6,621	1%	3%
	Total	31,221	15,780	8%	-17%

Trends for the Life Insurance Industry

- FY13 saw Insurers proactively transitioning to a more balanced product mix & reviewing their distribution strategies. The mix at the industry level is currently skewed towards traditional products.
- Most private life insurers have taken steps to balance their channel mix by focusing on improving efficiencies in the agency channel in its current form. The industry saw a decline in its distribution capacities with the total number of agents declining from 3 Mn as on Mar'10 to 2.2 Mn in Dec'12.
- The bancassurance channel has been able to adapt better to the new regulations regime. Their contribution to new business has increased from 21% in FY10 to 34% in FY12.
- Focus on persistency and operating efficiency continues to be one of the highest priorities for the industry players.

Summary of Operations and Business

- The Company achieved **total gross premium** amounting to ₹ 5,216 crores. It includes New Business Premium of ₹ 1,836 and **Renewal premium** at ₹ 3,380 crores. The Company garnered a growth of (5%) **against the industry growth** of (15%) for the period ended 2012-13. We **maintained our rank** at no. 5 for total business. Post the regulatory changes in Sep'10, we have changed our focus from selling largely unit-linked products to a balanced mix of unit-linked and traditional products with higher focus on higher sum assured, long-term tenure and offering value-added features.

Directors' Report

for the year ended 31st March, 2013

- BSLI continues to follow a **successful multi-channel distribution** strategy with over 600 branches, 4 key bank partners and over 150 third-party distributors.
- **Agency channel** continues to be the Company's largest distribution channel contributing to over two third of our individual business. Going forward, the Agency channel's prime focus will be ensuring optimal geographical coverage in terms of breadth and depth and using customer & distributor segmentation to drive higher efficiencies.
- The year under review saw our **Bancassurance channel** deliver annualised premium equivalent to about one sixth of individual sales. With a strong existing bancassurance model to leverage, we are confident that we will be making further in-roads in this channel in the years to come. Further, the recent regulatory guidelines on bancassurance are further expected to provide opportunities to the Company for additional tie-ups. Our priorities for the channel moving forward will be to harvest existing partners growing customer base while focusing on long-term business and sales practices.
- Over the past few years, a strong franchise network has been created in the **Corporate Agent and Broker (CAB)** segment. This business, currently contributes a sixth of new business sales. Our new CAB partners have contributed significantly to new business in FY13 due to addition of new capacities. The endeavour going forward will be to add new capacities while further improving quality of business.
- The year also saw **Group Business** increase its share in new business premium. Our performance was driven by improvement in product lines and focus on increasing our penetration. This helped us achieve 3rd rank amongst private insurers as on FY13. Group Business received the first ever 'Special Recognition for Outstanding Contribution to the Indian Pension Fund Industry' at the Indian Pension Fund Awards 2012.
- During the year under review, the Company filed several new products with the Regulator to focus on under-penetrated segments and to broad-base its product mix.
 - ✧ We have launched Aspire Life and Wealth Assure, both of which will further complement the ULIP range.
 - ✧ BSLI launched 3 Traditional (Vision Plans) in the month of January on Participating platform i.e., 'BSLI Vision Income Plan', 'BSLI Vision Endowment Plan' and 'BSLI Vision Regular Returns Plan'.
 - ✧ Following regulatory changes in Pension, BSLI launched the 'BSLI Empower Pension Plan' in Jan'13.
 - ✧ Our plan includes:
 - The Company's first priority will be to build a full suite of traditional products by launching straight forward, need-based products aimed at providing consumers simple solutions.
 - Launching variants of our existing products on traditional platform to tap new customer segments.
 - New products with innovative funds.
- **Assets under Management (AUM)** grew from ₹ 21,100 crores in FY12 to ₹ 22,929 crores for the year ended 31st March, 2013. For all its unit-linked funds, the Company delivered superior fund performance across the board, consistently beating its benchmark targets. 95% of the funds outperformed their respective benchmark over long-term (across 3-5 yrs.).
- The Company has been meeting its target for rural and social sectors since inception. As in the previous years, the Company complied with both rural and social obligations as mandated by the IRDA and wrote 123,147 policies in FY13. In addition to this, the group insurance cover under social obligations was written for 41,899 lives.
- The Company undertook several measures to further improve the health metrics for the business. Maintaining a high level of persistency is important to our financial results, as a large block of in-force policies provides us with regular revenues in the form of renewal premiums. In addition, our ability to convert first year premiums into renewal premiums—thereby increasing the number of in-force policies. As per IRDA disclosures, the Company is among the top 3 companies (across top 7 players) in terms of 13 month persistency. For improving our persistency, we have undertaken various initiatives including pre-issuance verification calls, regular revival and renewal campaigns, improving customer engagement and restricting premium size to drive the right sales behaviour and reduce first premium lapse.
- The Company continues to leverage technology and improve customer centricity for achieving its business goals and creating a robust customer service platform to differentiate on customer service. The Company has laid the foundation for creating digital footprint by improving customer self-service and creating enablers for our distributors. The focus of the Company is to move Information technology towards customer-facing processes including customer service and distribution support. The Company developed an online customer enrollment application and enabled more self-servicing options. To improve distributors' performance, the Company leveraged technology to provide on-demand tracking of information related to sales activity and performance.
- Proactive measures have been undertaken to strengthen compliance and risk management function given the Company's focus to maintain robust internal controls, mitigate risks and improve sales and in spirit and thereby maintain the reputation of being one of most compliant insurance company in an environment of increasing regulatory oversight.
- Our investment in branding yielded good results with both Branch as well as consideration scores (i.e., likelihood of prospective customers to purchase a policy) showing improvements. In FY 2012-13, the Company has been focusing on Wealth with protection campaigns throughout the year and also focused on retirement solutions in Q4 to aid new product launch. Going forward strength of BSLI brand is expected to become more important and we continue to strengthen our brand performance through an optimal mix of above-the-line and below-the-line activities.

Directors' Report

for the year ended 31st March, 2013

Outlook for the Industry and Company

Since the introduction of significant regulatory changes, there has been a perceptible slowdown in the industry. However, this has given an opportunity to the existing insurance players to review their operating models to drive higher efficiencies and focus on more balanced growth objectives.

The Company continues to be optimistic on the future potential of the life insurance sector over the medium to long-term. India has several structural advantages in terms of favourable demographics and high rate of financial savings. Greater certainty of regulation, improving macro-economic environment, increasing product offerings and evolving distribution channels would further enhance growth and profitability.

The Company has identified the following key areas to strengthen its competitive and financial position in the coming years:

- Sales Growth through a balanced channel mix, optimal capacities & better distribution management
- Optimal product mix and diversified product portfolio
- Creating a differentiation in customer service and brand
- Focus on customer retention and improving quality of business

3. RESERVES

During the year, the Company has generated a profit after tax of ₹ 542 crores, which has resulted in accumulated losses reducing by the same amount.

4. DIVIDEND

During the year under review your Board of Directors declared an interim dividend @ 10% (₹ 1 per equity share of ₹ 10 each) of the paid-up share capital of the Company of ₹ 196.95 crores and recommended a final dividend @ 6% (0.6 per equity share of ₹ 10 each) of the paid-up capital of the Company of ₹ 118.17 crores.

5. BSLI CLAIMS MISSION FOR ITS POLICYHOLDERS:

To provide hassle-free, seamless and speedy claim settlement services to our Customers and ensure prompt payment of valid claims.

In the recently published IRDA Annual Report for 2011-12, BSLI has once again emerged as one of the best insurance companies in claim processing as can be noted from below.

Key Claims Parameters – Individual Life	BSLI's Performance	Avg. Private Industry-Performance
Death Claims decided	99.72%	97.15%
*Outstanding Claims	0.28%	2.82%
Claims Payment ratio	90.94%	89.34%
Overall Claims Repudiation Ratio	8.78%	7.82%
% of Claims settled within 30 days of Claim Intimation	91.68%	74.66%

Customer focus, as exemplified by this claims performance, reinforces the faith reposed by our Customers and partners in us. When it comes to moments of truth like Claims, BSLI continues to live up to its promise of being the preferred life insurer.

6. SHARE CAPITAL

The Authorised Share Capital of the Company is ₹ 3,750 crores. The Issued, Subscribed and Paid-up Capital of the Company was ₹ 1,970 crores as on March 31, 2013. There was no requirement of fresh capital infusion during the year under review.

7. CORPORATE GOVERNANCE

Your Directors reaffirm their commitment to the corporate governance standards to the extent they are applicable to the Company. A detailed Corporate Governance Report is annexed to and forms an integral part of this Annual Report.

8. SUBSIDIARIES

Your Company does not have any subsidiary.

9. PUBLIC DEPOSITS

During FY 2012-13 the Company has not accepted or renewed any deposit as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public during the year under review.

10. PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information relating to the conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 217(1)(e) of the Companies Act, 1956 ("the Act"), is set out in a separate statement attached to this report as Annexure to this Report.

Directors' Report

for the year ended 31st March, 2013

Details of Employees

In pursuance of the Company's aspirations to maintain its position as the most preferred employer in the insurance industry, the Company continued to invest in creating a pool of talent for the growing business needs. The Company's total work-force stood at 11604 as at March 31, 2013 against 12867 in the previous year. Structured initiatives around talent management, learning & development and long-term retention plan for talent pool across levels were implemented for skill development to enhance productivity & performance of workforce.

In accordance with the provisions of Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and relevant particulars of employees are set out as an Annexure to the Directors' Report.

11. DIRECTORS

As on March 31, 2013, your Board of Directors comprises of eleven Directors including three Independent Directors.

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. B. N. Puranmalka, Ms. Tarjani Vakil and Mr. Suresh Talwar, Directors, retire by rotation at the ensuing Annual General Meeting (AGM) of the Company, and being eligible, offer themselves for re-appointment except Mr. Suresh Talwar.

Besides the above, there is no change in the directorship of the Company during the FY 2012-13.

The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 1956 and the Insurance Act, 1938.

A detailed profile of the directors seeking re-appointment/co-option at the ensuing Annual General Meeting of the Company is given in the Corporate Governance Report, forming a part of this Annual Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors would like to assure the members that the Financial Statements, for the year under review, conform in their entirety to the requirements of the Companies Act, 1956 and the regulations of IRDA.

The Directors further confirm that, to the best of their knowledge and belief:

- the annual accounts have been prepared in accordance with applicable accounting standards, and there have been no material departures from the same;
- they have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at the end of the financial year March 31, 2013 and of the profit of the Company for the said period ending March 31, 2013;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- they have prepared the accounts of the Company on a going concern basis, and other accounting policies are stated in the notes to the Accounts, which form an integral part of the annual accounts;
- proper systems are in place to ensure compliance of all laws applicable to the Company;
- all related party transactions are disclosed in Annexure 2 to Schedule 16 in terms of Accounting Standard 18.

13. AUDITORS AND AUDITORS' REPORT

Statutory Auditors

As per the Circular no. 36/7/F&A/EMPL/74/July/05 dated 25th July, 2005 of the Insurance Regulatory Development Authority, every insurance company is required to have two statutory auditors for a joint audit.

The Joint Statutory Auditors M/s. Fraser & Ross (Registration No. 000829S) and M/s. S. R. Batliboi & Associates (Registration No. 101049W), appointed at 12th AGM, hold office upto the ensuing 13th AGM of the Company. The Board proposes to appoint M/s. Khimji Kunverji & Co. in place M/s. Fraser & Ross, retiring Auditor and re-appoint M/s. S. R. Batliboi & Associates LLP as the Joint Statutory Auditor (being eligible for appointment and re-appointment) on recommendation of the Audit Committee of the Company.

The Company has received certificates from the proposed auditors confirming their eligibility and willingness for their appointment/re-appointment pursuant to Section 224(1B) of the Companies Act, 1956 and as per the requirement stipulated by IRDA. The auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI.

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

Internal Audit Framework

The Company has in place a robust internal audit framework developed with a risk based audit approach that is commensurate with the nature of the business and the size of its operations. The internal audit plan covers process audits at head office and across various branches of the Company. The audits are carried out by independent firms of Chartered Accountants, in-house internal audit team and by audit team of the two promoters.

Directors' Report

for the year ended 31st March, 2013

Internal auditing, at BSLI, involves the utilisation of a systematic methodology for analysing business processes or organisational problems and recommending solutions to add value and improve the organisation's operations. The audit approach verifies compliance with the regulatory, operational and system related procedures and controls. Key audit observations and recommendations made by the Auditors are reported to the Audit Committee of the Company and the implementation of these recommendations are actively monitored by the internal audit team and periodically reported to the Audit Committee. The audit observations are used as a key input in the risk management process and all the key risks of the Company are mapped to the audit processes to ensure risk-based audit approach.

Internal Audit Process followed by the Company is as follows:

- Establish and communicate the scope and objectives for the audit to appropriate management
- Develop an understanding of the business area under review. This involves review of documents and interviews
- Identify control procedures used to ensure each key transaction type is properly controlled and monitored
- Develop and execute a risk-based sampling and testing approach to determine whether the key controls are operating as intended
- Report problems identified and negotiate action plans with management to address the problems
- Follow-up on reported findings at appropriate intervals. Internal audit departments maintain a follow-up database for this purpose

Ongoing monitoring is performed as an integral part of the day to day supervision, review and measurement of internal audit activity.

14. RISK MANAGEMENT FRAMEWORK

The Company has an Enterprise Risk Management (ERM) framework covering procedures to identify, assess and mitigate the key business risks. A detailed ERM report is annexed to and forms an integral part of this Annual Report.

15. CUSTOMER GRIEVANCE REDRESSAL

The Grievance Redressal Guidelines issued by IRDA has established uniformity in the insurance industry in terms of definitions, timeframes for complaint resolution and classifications of complaints. In accordance with the Grievance Redressal Guidelines, BSLI's Grievance Redressal Policy has been approved by the Board and filed with the IRDA. Grievance Officers have been appointed at each branch and at HO of the Company.

We have in place a Policyholders' Grievances Redressal Committee (PGRC) which is chaired by an independent Chairman Mr. N. N. Jambusaria (ex Chairman, LIC). PGRC meets at least once a month and decides on various requests/complaints from policyholders' which need to be treated with exceptions. Representatives of the concerned sales channels along with customer services team are invited to the meetings. The decisions of PGRC are implemented before its subsequent meeting.

In accordance with IRDA's Corporate Governance Guidelines, BSLI has formed a committee called the Policyholders' Protection Committee which is again chaired by Mr. Jambusaria. This Committee looks into the broad aspects of protection of policyholders' interests, ensuring adequacy of and adherence to the Company's Grievance Redressal framework as well as ensuring adequate and correct disclosures to customers.

Additionally, initiatives to spread awareness among employees/sales force as well as customers have been undertaken through e-modules/functional trainings and through the BSLI website respectively.

BSLI has implemented the 'Integrated Grievance Redressal Management System' (IGMS) in accordance and furtherance to the Grievance Redressal Guidelines which came into effect in FY12 by the IRDA.

IGMS is a portal launched by IRDA which primarily plays a role of seamless exchange of Grievances received by BSLI into IGMS and vice versa. IGMS was implemented in two phases. Phase I being exchange of data via a 'Batch upload'. BSLI launched its 1st Phase in June'11.

BSLI has launched its Phase II i.e., 'Real Time upload' in Nov'11. Grievances received by BSLI are now exchanged with IGMS online and a reverse feed also gets downloaded for complaints registered by customers on IGMS for BSLI.

To create customer awareness on the Grievance Redressal Mechanism; we have placed pamphlets at every front-office/customer walk-in area with all our BSLI branches; indicating the Guideline and the Escalation Matrix which the customer can adopt in case if he/she is not satisfied with the resolution provided.

16. AWARDS/RECOGNITIONS

In addition to recognitions that Company's claims department has received, BSLI has also won the following awards during FY13:

- Birla Sun Life Insurance bagged the 'Golden Peacock Award' for HR Excellence in the year 2011-12.
- BSLI has won a Gold Shield under the 'ICAI Awards for Excellence in Financial Reporting' for their Annual Report for the year 2011-12.
- Birla Sun Life Group Life & Pensions is the first life insurance company to receive the 'Special Recognition for Outstanding Contribution to the Indian Pension Fund Industry' at the Indian Pension Fund Awards 2012.
- BSLI's Annual Report was adjudged as the recipient of 'Certificate of Merit' in the category 'Insurance Sector' by SAFA for Best Presented Annual Report Awards 2011-12.
- BSLI bagged a GOLD in the BEST USE OF MEDIUM in Direct Marketing category for Birla Sun Life Insurance – Saptapadi.
- BSLI won a Bronze in 'Best Use of Ambient Media' category for Birla Sun Life Insurance – Drill Of Unforeseen in 2012.

Directors' Report

for the year ended 31st March, 2013

- Goafest Creative & Media Abby Awards 2012 recognised BSLI with a GOLD in the 'Integrated Campaign – Financial Services' category for Birla Sun Life Insurance – Wealth with Protection campaign.
- Goafest Creative & Media Abby Awards 2012 recognised BSLI with a GOLD in the 'Non Fiction Branded Content' category for Birla Sun Life Insurance – Zindagi Abhi Baki Hai series tie-up with GEC channel Colours.

17. OTHER STATUTORY INFORMATION

IRDA License

The Insurance Regulatory and Development Authority has renewed the Certificate of Registration of the Company to sell life insurance products in India for the Financial Year 2013-14 vide its Certificate of Renewal of Registration dated February 15, 2013. The renewed registration is with effect from April 01, 2013 and is valid upto March 31, 2014.

Statutory Disclosure of Particulars

Particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as applicable, are given in the Annexure forming part of this Report.

Management Report

Pursuant to the provisions of Regulation 3 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2000, the Management Report forms a part of this Annual Report.

Appointed Actuary's Certificate

The certificate of the Appointed Actuary is attached to the Financial Statements.

Certificate from Compliance Officer (under the IRDA Corporate Governance Guidelines)

In compliance with "Guidelines on Corporate Governance for the Insurance Sector" (CG Guidelines) issued by IRDA, a Compliance Certificate issued by the Company Secretary, designated as the Compliance Officer under CG Guidelines, is attached to and forms part of the Corporate Governance Report.

Solvency Margin

The Directors are pleased to report that the assets of the Company are higher than the liabilities of the Company and the assets are more than sufficient to meet the minimum solvency margin level of 1.50 times, as specified in Section 64VA of the Insurance Act, 1938 read with the IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000.

18. ACKNOWLEDGEMENTS

Your Board places on record its heartfelt appreciation to the dedicated efforts put in by the employees at all levels. The results of the year in a tough environment are testimony to their hard work and commitment.

Your Board takes this opportunity to express sincere thanks to its valued customers for their continued patronage.

Your Board also acknowledges the contribution of insurance advisors, banks, corporate brokers/agents and intermediaries, training institutes, bankers and business and technology partners, the Registrars, National Securities Depository Limited /Central Depository Securities Limited, reinsurers, underwriters, who have always supported and helped the Company achieve its objectives.

Your Board would like to thank the Aditya Birla Group and Sun Life Financial, Inc., for their constant support, guidance and co-operation.

Your Board would also like to express its gratitude for the valuable advice, guidance, and support received from time to time from the Insurance Regulatory and Development Authority, the Reserve Bank of India, the Auditors and the other statutory authorities and look forward to their continued support in future.

**By order of the Board of Directors
For Birla Sun Life Insurance Company Limited**

**Sd/-
Kumar Mangalam Birla
Chairman**

Mumbai, 26th April, 2013