

**Aditya Birla Sun Life Pension Management Limited**  
(formerly known as Birla Sun Life Pension Management Limited)

# Board's Report

## Dear Members,

The Board of Directors of Aditya Birla Sun Life Pension Management Limited (Formerly known as Birla Sun Life Pension Management Limited) ("your Company" or "the Company" or "ABSLPML") is pleased to present the **Fifth** Annual Report and the audited financial statements of your Company for the financial year ended March 31, 2019 ("financial year").

## FINANCIAL SUMMARY AND HIGHLIGHTS

The highlights of the Financial Results are as under:

(₹ in crore)

Particulars	2018-19	2017-18
Total Revenue	2.06	1.85
Total Expenses	6.07	3.72
Profit / (Loss) before tax	(4.01)	(1.87)
Tax Expense	0.01	0.01
<b>Profit/(Loss) after tax</b>	<b>(3.99)</b>	<b>(1.86)</b>
Minority Interest	Nil	Nil
Profit / (Loss) after Minority Interest	(3.99)	(1.86)

The above figures are extracted from the Financial Statements prepared in accordance with Ind-AS including the Accounting Standards specified under section 129 (3) of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

The detailed Financial Statements as stated above are available on the Company's website at [pensionfund.adityabirlacapital.com](http://pensionfund.adityabirlacapital.com)

## ACCOUNTING METHOD

The Company has prepared the financial statements as per Ind-AS (Indian Accounting Standards) and I-GAAP (Indian Generally Accepted Accounting Principles)

Since, the Accounts of the Company are consolidated with Aditya Birla Sun Life Insurance Company Limited ("ABSLI"), the holding Company to which IGAAP applies, the Company has prepared the financial statements, in IGAAP format for FY 2018-19.

## KEY HIGHLIGHTS

The key highlights of the Company during the financial year under review are as follows:

- The Company closed the fiscal with AUM of Rs.113 crores
- The returns were in top two quartile for Scheme C and Scheme G and third quartile for Scheme E in FY19.
- The Company had received registration certificate to act as Point of Presence to carry out distribution of National Pension Scheme (NPS) and servicing for public at large through physical as well as online platform for providing services to NPS subscriber.

## MATERIAL EVENTS DURING THE YEAR

During the financial year under review, there were no material events in the Company.

## HOLDING COMPANY/SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANY

### HOLDING COMPANY

During the financial year under review, Grasim Industries Limited remained the Ultimate Holding Company, Aditya Birla Capital Limited remained the Intermediary Holding Company and Aditya Birla Sun Life Insurance Company Limited (formerly known as Birla Sun Life Insurance Company Limited) is the Holding Company of your Company.

## SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANY

The Company does not have any Subsidiary Company/Joint Ventures/Associate Company.

## TRANSFER TO RESERVES

The Company has not transferred any amount to any reserve during the financial year under review.

## DIVIDEND

Your Directors do not recommend any dividend for the financial year under review.

## SHARE CAPITAL

The Company's paid up Equity Share Capital as on March 31, 2019 was ₹ 32 crore.

During the Financial year under review, the Company issued and allotted 50,00,000 (Fifty Lakh) Equity Shares of ₹ 10/- (Rupees Ten) each fully paid amounting to ₹ 5,00,00,000 (Rupees Five Crore only) on rights issue basis to Aditya Birla Sun Life Insurance Company Limited, holding Company of your Company.

## PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the financial year under review in accordance with Section 73 of the Act read with the rules framed there under.

## PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED

The particulars of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the note 5 of the Notes to the financial statement and is available on your Company's website at: [pensionfund.adityabirlacapital.com](http://pensionfund.adityabirlacapital.com).

## CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The Company has no particulars with respect to the conservation of energy and technology absorption as required to be disclosed pursuant to provisions of Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings and outgo during the financial year under review as well as during the previous financial year.

## MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company from end of the financial year up to the date of this Report

### CHANGE IN NATURE OF BUSINESS

During the financial year under review, there has been no change in the nature of business of the Company.

### EMPLOYEES STOCK OPTION

Employee Stock Options have been recognized as an effective instrument to attract talent and align the interest of employees with that of the Company, thereby providing an opportunity to the employees to share in the growth of the Company, to create long term wealth in the hands of employees and act as a retention tool.

In view of the above, Aditya Birla Capital Limited (ABCL), Intermediary Holding Company, had formulated "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" ("Scheme 2017") for the employees of ABCL and its Subsidiaries.

The shareholders of Aditya Birla Capital Limited had also extended the benefits and coverage of the Scheme 2017 to the employees of Aditya Birla Capital Limited's Subsidiary Companies. Accordingly, 61,920 Stock Options and 4,500 RSUs were granted by ABCL in terms of the provisions of the Scheme 2017 to the eligible employees of the holding Company deputed in the Company on full time basis.

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the financial year under review, is presented as Annexure A, which forms part of this Board's Report.

### RISK MANAGEMENT

Risk Management is an essential function at Aditya Birla Sun Life Pension Management Limited. The Company has an Enterprise Risk Management (ERM) framework covering procedures to identify, assess and mitigate the key business risks. Aligned with the business planning process, the ERM framework covers all business risks including strategic risk, operational risks, insurance risk and investment risks. The key business risks identified are approved by the Board's Risk Management Committee and monitored by the Risk Management team thereafter.

ABSLPML also has in place an Operational Risk Management (ORM) framework that supports excellence in business processes, system and facilitates matured business decisions to move to a proactive risk assessment

ABSLPML recognizes that information is a critical business asset, and accordingly, ABSLPML has an information security and cyber security framework that ensures all information assets are safeguarded by establishing comprehensive management processes throughout the organization.

ABSLPML's Investments Function is governed by the Investment Committee and appointed by the Board of Directors. Investment Policy and Operating Guidelines laid down by the Board provide the framework for management and mitigation of the risks associated with investments.

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS

During the financial year under review, all contracts / arrangements / transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis and were not considered material as per the provision of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. Hence,

disclosure in form AOC-2 under Section 134(3) (h) of the Act, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014, is not applicable.

All related party transactions have been approved by the Audit Committee of your Company and are reviewed on a periodic basis in accordance with the Related Party Transaction Policy

The details of contracts and arrangements with related parties of your Company for the financial year under review, are given in note 28 to the Financial Statements, forming part of this Annual Report.

The Policy on Related Party Transactions, as approved by the Board, is available on your Company's website at: pensionfund.adityabirlacapital.com

### INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that the Company has laid down a set of standards, processes and structure which enables it to implement Internal Financial controls across the organization with

reference to Financial Statements and that such controls are adequate and are operating effectively. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits.

### INTERNAL AUDIT

The Company is in compliance with the internal audit guidelines as defined by Pension Fund Regulatory Development and Authority (PFRDA) for its nature of activities to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes.

The purpose, authority and responsibility of internal audit are formally defined and periodically reviewed by PFRDA which are also noted by the Audit Committee and the Board of the company.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act and to the best of their knowledge and belief and according to the information and explanations obtained from the management, Directors of your Company state that:-

- i) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the Directors have selected such 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 at the end of the financial year and of the loss of the company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Act preventing and detecting fraud and other irregularities;

- iv) the Directors have prepared the annual accounts on a going concern basis; and
- v) the Directors have laid down Internal Financial Controls and that such Internal Financial Controls are adequate and are operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **Appointment / Resignation of Director**

As on March 31, 2019, the Board of Directors of your Company ("the Board") comprised of 5 (Five) Directors wherein there are 2 (two) Non-executive Directors and 3 (Three) Independent Directors. Your Directors on the Board possess the requisite experience and competency and are renowned in their respective fields. All Directors are liable to retire by rotation except Independent Directors, whose term of office is of 5 (Five) consecutive years.

No Director has resigned from the Board during the financial year under review.

##### **Retirement by Rotation**

As per provisions of Section 52 of the Act, Mr. Pankaj Razdan, (DIN: 00061240) retires from the Board by rotation this year and being eligible, offers himself for re-appointment at the fifth annual general meeting of the company

A detailed profile of the Directors seeking re-appointment is provided in the Notice of the 5<sup>th</sup> Annual General Meeting of the Company. Your board recommends his re-appointment.

##### **Declaration by Independent Director**

Pursuant to Section 149(7) of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company has received declarations from all the Independent Directors of the Company confirming that they meet the 'criteria of Independence' as prescribed under Section 149 (6) of the Act and have submitted their respective declarations as required under Section 149 (7) of the Act.

##### **Key Managerial Personnel**

In terms of the provisions of Sections 2 (51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following employees were holding the position of Key Managerial Personnel ('KMP') of the Company:

- Mr. Sashi Krishnan (Chief Executive Officer and Chief Investment Officer)
- Ms. Sandhya Upadhyay (Chief Financial Officer); and
- Mr. Jaibind Sahu (Company Secretary and Compliance Officer) (Appointed with effect from March 14, 2019)

Mr. Hardik Chauhan resigned from the position of Company Secretary and Compliance Officer of the Company with effect from October 31, 2018

#### **ANNUAL PERFORMANCE EVALUATION**

The evaluation framework for assessing the performance of the Directors of your Company comprises of contributions at the

Meeting(s) and strategic perspective or inputs regarding the growth and performance of your Company, amongst others.

Pursuant to the provisions of the Act and in terms of the Framework of the Board Performance Evaluation, the Nomination and Remuneration Committee and the Board of Directors had carried out an annual performance evaluation of the performance of various Committees of the Board, individual Directors.

#### **MEETINGS OF THE BOARD AND ITS COMMITTEES**

##### **Board**

The Board meets at regular intervals to discuss and decide on the Company's performance and strategy.

##### **Composition of Board, Attendance and Meetings**

The Composition of Board and the attendance of Directors at the Meeting during FY 2018-19 were as under:

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Designation</b>	<b>No. of Meeting Attended</b>
1	Mr. S.C. Bhargava	Independent Director	5
2	Mr. Harish Engineer	Independent Director	5
3	Mr. Vijay Agarwal	Independent Director	5
4	Mr. Pankaj Razdan	Non-Executive Director	4
5	Mr. Sandeep Asthana	Non-Executive Director	3

During the financial year under review, the Board met 5 (Five) times. The meetings of the Board were held on April 24, 2018, July 23, 2018, October 22, 2018, January 14, 2019 and March 14, 2019.

##### **Audit Committee**

Your Company has constituted Audit Committee with its composition, quorum, powers, roles and scope in line with the applicable provisions of the Act.

During the financial year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of your Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control system of your Company.

During the financial year under review, all recommendations made by the Audit Committee were accepted by the Board.

##### **Composition of Audit Committee, Attendance and Meetings**

The Composition of Audit Committee and the attendance of Members at the Meeting during FY 2018-19 were as under:

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Designation</b>	<b>No. of Meeting Attended</b>
1	Mr. S.C. Bhargava	Independent Director	4
2	Mr. Harish Engineer	Independent Director	4
3	Mr. Pankaj Razdan	Non-Executive Director	3

The Company has a qualified and independent Audit Committee, and its composition is in line with the applicable provisions of Section 177 of the Act. During the financial year under review, the Committee met 4 (Four) times. The Meetings were held on April 24, 2018, July 23, 2018, October 22, 2018, and January 14, 2019.

#### Nomination and Remuneration Committee

Your Company has a duly constituted Nomination and Remuneration Committee with its composition, quorum, powers, roles and scope in line with the applicable provisions of the Act.

#### Composition of Nomination and Remuneration Committee, Attendance and Meetings

The Composition of Nomination and Remuneration Committee and the attendance of Members at the Meeting during FY 2018-19 were as under:

Sr. No.	Name of the Directors	Designation	No. of Meeting Attended
1	Mr. Harish Engineer	Independent Director	1
2	Mr. Vijay Agarwal	Independent Director	1
3	Mr. Pankaj Razdan	Non-Executive Director	1
4	Mr. Sandeep Asthana	Non-Executive Director	-

The Company has a qualified and independent Nomination and Remuneration Committee, and its composition is in line with the applicable provisions of Section 178 of the Act. During the financial year under review, the Committee met 1 (One) time. The Meeting was held on March 14, 2019.

The Nomination and Remuneration Committee had formulated a policy on remuneration under the provisions of Section 178(3) of the Act and the same is attached as **Annexure B** to this report.

#### Other Committees

##### Investment Committee

The Board of Directors has also constituted the Investment Committee under the relevant provisions of the Act, read with PFRDA Regulation

#### Composition of Investment Committee

The Composition of Investment Committee and the attendance of Members at the Meeting during FY 2018-19 were as under:

Sr. No.	Name of the Directors	Designation	No. of Meeting Attended
1	Mr. Pankaj Razdan	Non-Executive Director	3
2	Mr. Sandeep Asthana	Non-Executive Director	3
3	Mr. Sashi Krishnan	Chief Executive Officer and Chief Investment Officer	4
4	Mr. Nilesh Bharkhada	Fund Manager	4

The Company has a qualified and independent Investment Committee, and its composition is in line with the applicable provisions of PFRDA Regulation. During the financial year under review, the Committee met 4 (Four) times. The Meetings were held on April 24, 2018, July 23, 2018, October 22, 2018 and January 14, 2019.

#### Risk Management Committee

The Board of Directors has also constituted the Risk Management Committee under the relevant provisions of the Companies Act, 2013 read with PFRDA Regulation

#### Composition of Risk Management Committee

The Composition of Risk Management Committee and the attendance of Members at the Meeting during FY 2018-19 were as under:

Sr. No.	Name of the Directors	Designation	No. of Meeting Attended
1	Mr. Harish Engineer	Independent Director	4
2	Mr. Pankaj Razdan	Non-Executive Director	3
3	Mr. Sashi Krishnan	Chief Executive Officer and Chief Investment Officer	4
4	Mr. Nilesh Bharkhada	Fund Manager	4

The Company has a qualified and independent Risk Management Committee, and its composition is in line with the applicable provisions of PFRDA Regulation. During the financial year under review, the Committee met 4 (Four) times. The Meetings were held on April 24, 2018, July 23, 2018, October 22, 2018 and January 14, 2019.

During the year under review, pursuant to the requirement of PFRDA (Pension Fund) Regulation 2015, the Board of Directors of the Company had appointed Mr. Jaibind Kumar Sahu, Compliance Officer and Company Secretary of the Company, as a member of Risk Management Committee in its meeting dated March 14, 2019.

#### EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) of the Act, as amended by the Companies (Amendment) Act, 2017 the extract of the Annual Return for the financial year ended March 31, 2019 in form MGT 9 under the provisions of 92(3) of the Act has been attached as Annexure C to this report

#### AUDITORS

##### STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No 109982W) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 1<sup>st</sup> (First) Annual General Meeting ('AGM') until the conclusion of the 6<sup>th</sup> (Sixth) AGM of the Company, subject to ratification by the Members at every Annual General Meeting.

Pursuant to the amendments to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification by the Members for the appointment of the Statutory Auditors has been withdrawn from the Act. In view of the same, ratification by the Members for appointment of M/s. Sharp & Tannan, as Statutory Auditors of the Company for FY 2019-20 at this ensuing 5<sup>th</sup> (Fifth) Annual General Meeting is not being sought.

Accordingly, M/s. Sharp & Tannan., Chartered Accountants shall continue to be the Statutory Auditors of the Company for F.Y 2019-20.

The Company has received the certificates from the aforesaid auditors confirming their eligibility and willingness for appointment pursuant to Section 139 (1) of the Act

The observation(s) made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act.

The Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimer. Under Section 143(12) of the Act, the Statutory Auditors has not reported to the Audit Committee/ Board of Directors any incidents of fraud during the financial year under review.

#### **SECRETARIAL AUDITORS**

Pursuant to the requirements of Section 204 (1) of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit is not applicable to your Company and your Company had not appointed Secretarial Auditors for the financial year under review

However, in view of best governance practices the Company has appointed M/s Dilip Bharadiya & Associates, Practicing Company Secretaries as Secretarial Auditors for financial year 2019-20 under applicable provisions of the Act.

#### **COST AUDITOR**

The provisions of Cost Audit as prescribed under Section 148 of the Act are not applicable to the Company.

#### **WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has adopted the Aditya Birla Capital group Whistle Blower Policy for Directors and Employees to report concerns and which is available on the Company's website at: [www.adityabirlainsurancebrokers.com](http://www.adityabirlainsurancebrokers.com).

#### **POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The holding Company has in place an appropriate policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and which also covers your Company to the extent applicable. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

#### **HUMAN RESOURCES**

During the financial year under review, the holding Company continued its journey of developing the human resources of the firm towards the goal of increasing employee productivity and engagement with the firm. Over the last one year, the Human Resource team has contributed significantly in and improving productivity and supporting the business in identifying and grooming leaders across all business units of the Company. With an unswerving focus on nurturing and retaining talent, your Company provide avenues for learning and development through functional, behavioural and leadership training programs as well as on the job training to enable the employees to constantly upgrade their skills. The Human Resources function over the last one year also has travelled a significant distance in digitalization of all employee facing process and now

all human resource process are available to employees on their hand phones. This has ensured significant ease of access for the individual employee as well as helped the Human Resource function to deliver its services to the employees in a much faster and efficient manner.

The Company's total workforce stood at 10 employees as on March 31, 2019 against 8 as on March 31, 2018.

#### **SECRETARIAL STANDARDS OF ICSI**

The Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India ("ICSI") on Meetings of the Board of Directors (SS-1), General Meetings (SS-2)

#### **OTHER DISCLOSURES**

In terms of applicable provisions of the Act, your Company discloses that during the financial year under review that:

- i. There was no issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- ii. There was no Scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- iii. There was no public issue, bonus issue or preferential issue, etc..
- iv. There was no Issue of shares with differential rights
- v. There was no transfer of share of the Company
- vi. There was no transfer of un-paid or unclaimed amount to Investor Education and Protection Fund (IEPF)
- vii. There were no significant or material orders passed by the Regulators or Hon'ble Courts or Tribunals which impact the going concern status and Company's operations in future.

#### **ACKNOWLEDGEMENTS**

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

Your Board takes this opportunity to express sincere thanks to NPS subscribers for selecting the Company as Fund Manager and for their continued patronage.

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

**By order of the Board of Directors  
For Aditya Birla Sun Life Pension Management Limited**

**Pankaj Razdan  
Director  
(DIN – 00061240)**

**Sandeep Asthana  
Director  
(DIN – 00401858)**

**Date: April 23, 2019  
Place: Mumbai**

ANNEXURE A TO DIRECTOR'S REPORT

# Management Discussion and Analysis

## OVERVIEW OF GLOBAL ECONOMY

After strong growth that lasted almost two years, the global economy started to lose momentum from the fourth quarter of 2018. After global growth peaking at about 4% in 2017 and remaining strong at 3.8% in the first half of 2018, growth dropped to 3.2% in the second half of the 2018. The reasons for the downturn were possibly a combination of trade tensions, tightness in financial conditions, as well as idiosyncratic factors impacting large economies. The growth decline in China was a combination of tightening of credit and rise in US-China trade tensions; the Euro area economy lost momentum due to weakening of consumer and business confidence, emissions standards impacting the auto industry and decline in external demand.

Trade tensions remained in the headlines for much of the year and increasingly took a toll on global trade, financial markets, business confidence and investment. The US Federal Reserve raised rates four times in the face of strong US growth. Financial markets' conditions worsened in the second half of 2018 and flows to EMs as well as EM currencies were impacted as US yields surged ahead, before reversing from November. Crude prices remained volatile, peaking in October (Brent crude at \$86/barrel) and bottoming in December (\$50/barrel).

The Indian economy started FY19 on a high with a strong 8.0% y-o-y growth in Q1. However, the economy entered a period of slower growth thereafter, with growth declining in the following quarters. CSO Advance Estimates forecast FY19 growth rate at 7.0% compared to 7.2% y-o-y growth in FY18. While industrial growth picked in the year led by strong growth in construction, agricultural and services sector growth moderated. The reasons for the slowdown can be attributed to global weakness, tight financial conditions, elevated real interest rates, NBFC stress, stress in the informal sector, general slowdown in consumption and stress in credit markets.

Rural consumption appeared to have slowed compared to urban consumption, probably due to low agricultural prices and liquidity pressures, and rural wages growth also remained muted. Reports of stress in rural India has already elicited policy response in the FY20 interim budget which should help to ameliorate the stress in FY20. Private investment is showing initial signs of pick-up, although still at a nascent stage, after a long hiatus. Capacity utilization is approaching levels where we should expect a more broad-based pick-up in private capital formation if demand conditions do not deteriorate. India witnessed strong FII outflows in the beginning of the fiscal in sync with generalised EM sell-off, which recovered towards the end of year with net outflow of US\$2 bn. Net FDI flows were decent at US\$34.6 bn. There were healthy inflows into MFs with asset under management rising by 11.4% y-o-y.

Inflation remained well contained in the year with average inflation in FY19 at 3.4%, lower than RBI's target of 4%. Lower inflation was mainly caused by sharp decline in food inflation which remained in the negative zone for 5 months and averaged a low 0.7% in the year. While core inflation was elevated, it also started moderating towards the end of the year. RBI increased rates twice, in June and August 2018, before reversing its tightening. Bond yields rose in the first half of the fiscal, peaking in September and declining thereafter.

India's external account remained under pressure with a balance of payments deficit in the first three quarters, due to both a rise in crude prices as well as FII outflows from the Indian markets. The Indian Rupee remained under pressure from the beginning of the fiscal and declined through H1, bottoming out in October before retracing some of its decline.

The Indian economy is currently going through a soft patch though RBI has forecasted FY20 growth at 7.2%. We believe that growth may remain soft for some more time before moving up. Moreover, recovery will be contingent on policy priorities of the new government, quick easing of liquidity and credit stress faced by certain sections of the economy and a benign global environment.

## MARKET OUTLOOK

### Equity

The NSE NIFTY50 gave a total return of 16.45% in FY18-19. The NSE NIFTY50, ended the year at 11,624, after touching a peak of 11,738 in August 2018. Equity market rallied in the first half of the year, as economic activity remained buoyant and corporate earnings were expected to improve. However, equity markets corrected in the second half of the year on poor consumer sentiments, the NBFC crisis and tightening of global liquidity. Markets may remain volatile in the first half of 2019-20 but sentiment is expected to improve thereafter. Market sentiments are expected to be upbeat on the back of improving global liquidity, increasing GST collections and a revival in the credit cycle.

### Fixed Income

Interest rates were volatile in 2018-19. The 10-year government bond yield moved up sharply from 7.49% at the beginning of the year to 8.18% in September 2018. This was because of fears of a fiscal slippage and foreign portfolio investors exiting. But in the second half of the year yield's softened considerably as RBI took a series of steps to reign in rising interest rates. RBI cut the repo rate by 25 basis points each, in successive policies and retained its neutral stance during its February 2019 policy. Further, RBI conducted OMO purchase of around Rs. 2900 billion. The 10-year government bond yield ended the year almost unchanged at 7.49%. With inflation expected to be subdued, the fiscal situation under control and global liquidity easy, bond yields in 2019-20 can be expected to soften.

## INDUSTRY OUTLOOK AND PERFORMANCE

The National Pension System (NPS) registered significant growth, both in terms of subscribers as well as Assets under Management (AuM), in 2018-19. The total subscriber base under various pension schemes overseen by the Pension Fund Regulatory and Development Authority (PFRDA), as on March 31<sup>st</sup> 2019, stood at around 2.74 crores, a growth of 29% over the previous year. The total AuM, under all sectors, stood at about Rs.3.18 crores, a growth of about 36%. The AuM under the Corporate sector is now at about Rs.31000 crores and showed a growth of 44% in 2018-19. The Unorganized sector AuM grew at over 66%.

Sector	No of subscribers				AUM (Rs.crs)			
	18-19	17-18	Increase	% Increase	18-19	17-18	Increase	% Increase
Central Govt	1984564	1921673	62891	3.27%	109010	84954	24056	28.32%
State Govt	4321325	3867544	453781	11.73%	158491	115679	42812	37.01%
Corporate	803015	695831	107184	15.40%	30875	21378	9497	44.42%
Unorganized Sector	929931	691570	238361	34.47%	9568	5744	3824	66.57%
NPS Swavalamban	4362538	4395323	-32785	-0.75%	3409	3006	403	13.41%
Atal Pension Yojana	14953432	9605713	5347719	55.67%	6860	3818	3042	79.68%
Total	27354805	21177654	6177151	29.17%	318213	234579	83634	35.65%

There are a number of regulatory changes around NPS that are on the anvil and these should be extremely positive for the sector. The government has proposed to give exempt-exempt-exempt (EEE) tax status for NPS, making it on par with the Employees Provident Fund and Public Provident Fund. With this, NPS will become an attractive proposition for retail subscribers.

The Central Government has also taken a decision allowing government subscribers to opt for private pension fund managers for their fresh contributions. They will also be permitted to opt for a higher equity asset allocation. The Central Government also proposes to increase its contribution to NPS to 14% from 10%, while keeping the employee contribution at the old level of 10%. This will lead to more inflows into NPS and an opening for the private pension fund managers to enter this sector.

### Company's Initiatives and Strategy

Given the large opportunity available in the pension fund space, your Company is taking a number of new initiatives. The Company has received a certificate of registration, from PFRDA, as a Point of Presence (PoP) under the PFRDA (PoP) Regulations 2018. Accordingly, the Company is now permitted to undertake the activities of distribution and servicing for providing services to NPS subscribers. This will be through both physical as well as on-line platforms. Your Company will now not only manage NPS funds as a pension fund manager but will also distribute NPS products through its PoP vertical. Your company has already begun the process of setting up the necessary distribution infrastructure by establishing sales offices at Mumbai, New Delhi and Bangalore. We are also building out our digital infrastructure for the digital (online) marketing and sales initiative. At the same time your Company is strengthening its fund management capabilities.

### Cautionary Statement

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Your Company is not obliged to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development information or events or otherwise.

**Pankaj Razdan**  
Director  
(DIN – 00061240)

**Sandeep Asthana**  
Director  
(DIN – 00401858)

**Date: April 23, 2019**  
**Place: Mumbai**



**ANNEXURE B TO DIRECTOR'S REPORT****EXECUTIVE REMUNERATION PHILOSOPHY/POLICY**

Aditya Birla Sun Life Pension Management Limited, ("the Company"), an Aditya Birla Group Company adopts/shall adopt this Executive Remuneration Philosophy/Policy as applicable across Group Companies. This philosophy/ policy is detailed below.

**Aditya Birla Group: Executive Remuneration Philosophy/Policy**

At the Aditya Birla Group, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. Our Executive Remuneration Philosophy/Policy supports the design of programs that align executive rewards – including incentive programs, retirement benefit programs, promotion and advancement opportunities – with the long-term success of our stakeholders.

*Our business and organizational model*

Our Group is a conglomerate and organized in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

*I. Objectives of the Executive Remuneration Program*

Our executive remuneration program is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders.

Our executive remuneration program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis
2. Emphasize "Pay for Performance" by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

*II. Covered Executives*

Our Executive Remuneration Philosophy/Policy applies to the following:

1. Directors of the Company;
2. Key Managerial Personnel: Chief Executive Officer and equivalent (eg: Deputy Managing Director), Chief Financial Officer and Company Secretary.
3. Senior Management:

*III. Business and Talent Competitors*

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we look at secondary reference (internal and external) benchmarks in order to ensure that pay policies and levels across the Group are broadly equitable and support the Group's global mobility objectives for executive talent. Secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay and build in as appropriate for decision making.

*IV. Executive Pay Positioning*

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long term incentive pay-outs at target performance) and target total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognize the size and scope of the role and the market standing, skills and experience of incumbents while positioning our executives.

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

*V. Executive Pay-Mix*

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits

Annual Incentive Plan:

We tie annual incentive plan pay-outs of our executives to relevant financial and operational metrics achievement and their individual performance. We annually align the financial and operational metrics with priorities/ focus areas for the business.

Long-Term Incentive:

Our Long-term incentive plans incentivize stretch performance, link executive remuneration to sustained long term growth and act as a retention and reward tool.

We use stock options as the primary long-term incentive vehicles for our executives as we believe that they best align executive incentives with stockholder interests.

We grant restricted stock units as a secondary long term incentive vehicles, to motivate and retain our executives.

*VI. Performance Goal Setting*

We aim to ensure that for both annual incentive plans and long term incentive plans, the target performance goals shall be achievable and realistic.

Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero, level) shall reflect a base-line level of performance, reflecting an estimated 90% probability of achievement.

Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

Maximum performance (the point at which the maximum plan payout is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

*VII. Executive Benefits and Perquisites*

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based plans, they are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

*Other Remuneration Elements*

Each of our executives is subject to an employment agreement. Each such agreement generally provides for a total remuneration package for our executives including continuity of service across the Group Companies.

We limit other remuneration elements, for e.g. Change in Control (CIC) agreements, severance agreements, to instances of compelling business need or competitive rationale and generally do not provide for any tax gross-ups for our executives.

*Risk and Compliance*

We aim to ensure that the Group's remuneration programs do not encourage excessive risk taking. We review our remuneration programs for factors such as, remuneration mix overly weighted towards annual incentives, uncapped payouts, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

*Claw back Clause:*

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act 2013 and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him / her as per restatement of financial statements, pertaining to the relevant performance year.

*Implementation*

The Group and Business Centre of Expertise teams will assist the Nomination & Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy. These services will be established through "arm's length", agreements entered into as needs arise in the normal course of business.

**By order of the Board of Directors  
For Aditya Birla Sun Life Pension Management Limited**

**Pankaj Razdan  
Director  
(DIN – 00061240)**

**Sandeep Asthana  
Director  
(DIN – 00401858)**

**Date: April 23, 2019  
Place: Mumbai**

## ANNEXURE - C

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

<b>1. REGISTRATION &amp; OTHER DETAILS:</b>	
CIN	U66000MH2015PLC260801
Registration Date	January 9,2015
Name of the Company	Aditya Birla Sun Life Pension Management Limited (formerly known as Birla Sun Life Pension Management Limited)
Category/Sub-category of the Company	Public limited with share capital
Address of the Registered office & contact details	One Indiabulls Centre, Tower-1, 16th floor, Jupiter Mill Compound, 841, S.B. Marg, Elphinstone Road, Mumbai 400 013 Telephone No. 022 67239100
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Name & Description of Main Products/Services	NIC Code of the Product/Service	% to Total Turnover of the Company
Pension Funds Management	66302	100%

**3. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
Aditya Birla Sun Life Insurance Company Limited (formerly known as Birla Sun Life Insurance Company Limited)	U99999MH2000PLC128110	Holding	100%	2(46)

4. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. from April 1, 2017)				No. of Shares held at the end of the year March 31, 2018				% change during the year#
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
(a) Individual/HUF									
(b) Central Govt. or State Govt.									
(c) Bodies Corporates*		27000000	27000000	100.00%		32000000	32000000	100.00%	18.52%
(d) Bank/FI									
(e) Any other									
<b>SUB TOTAL: (A) (1)</b>		27000000	27000000	100.00%		32000000	32000000	100.00%	18.52%
<b>2. Foreign</b>									
(a) NRI- Individuals									
(b) Other Individuals									
(c) Bodies Corp.									
(d) Banks/FI									
(e) Any other...									
<b>SUB TOTAL: (A) (2)</b>			0	0		0	0		NIL
<b>Total Shareholding of Promoter: (A) = (A)(1) + (A)(2)</b>		27000000	27000000	100%		32000000	32000000	100.00%	18.52%
<b>B. PUBLIC SHAREHOLDING</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>1. Institutions</b>									
(a) Mutual Funds									
(b) Banks/FI									
(c) Central Govt.									
(d) State Govt.									
(e) Venture Capital Fund									
(f) Insurance Companies									
(g) FIIS									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
<b>SUB TOTAL: (B)(1)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>2. Non Institutions</b>									
(a) Bodies corporates									
i) Indian									
ii) Overseas									
(b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs									
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs									
(c) Others (specify)									
<b>SUB TOTAL: (B)(2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A + B + C)</b>		27000000	27000000	100%		32000000	32000000	100%	18.52%

(# There was no change in percentage of holding of Aditya Birla Sun Life Insurance Company Limited. However there was increase in equity share capital issued on rights basis)  
(\*60 Shares held by Individuals jointly with Aditya Birla Sun Life Insurance Company Limited)

**ii) Share Holding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2017)			Shareholding at the end of the year (March 31, 2018)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	Aditya Birla Sun Life Insurance Company Limited*	27,000,000	100%	Nil	32,000,000	100%	Nil	18.52%
	<b>Total</b>	<b>27,000,000</b>	<b>100%</b>	<b>Nil</b>	<b>32,000,000</b>	<b>100%</b>	<b>Nil</b>	<b>18.52%</b>

(\*60 Shares held by Individuals jointly with Aditya Birla Sun Life Insurance Company Limited)

**iii) Change In Promoters' Shareholding (Specify If There Is No Change)**

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Share holding during the year	
	No. of Shares	% of total shares of the company#	No of shares	% of total shares of the company
Aditya Birla Sun Life Insurance Company Limited				
At the beginning of the year	27000000	100.00%	-	-
Allotment made on July 23, 2018	5000000	18.52%	32,000,000	100.00%
At the end of the year	32000000	100.00%	32000000	100.00%

(# There was no change in percentage of holding of Aditya Birla Sun Life Insurance Company Limited. However there was increase in equity share capital issued on rights basis)

(\*60 Shares held by Individuals jointly with Aditya Birla Sun Life Insurance Company Limited)

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>Total</b>	0	-	0	-

**v) Shareholding of Directors & Key Managerial Personnel**

Sr. No.	Name of Director and KMP	Shareholding at the beginning of the year (April 1, 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	Mr. Sashi Krishnan jointly held with Aditya Birla Sun Life Insurance Company Limited*				
	At the beginning of the year	10	0.00%	10	0.00%
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	10	0.00%	10	0.00%
2.	Mr. Pankaj Razdan jointly held with Birla Sun Life Insurance Company Limited*				
	At the beginning of the year	10	0.00%	10	0.00%
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	10	0.00%	10	0.00%

**5. INDEBTEDNESS**

(NIL)

Secured Loans excluding deposits	Unsecured	Deposits	Total	
Loans	Indebtedness			
Indebtedness at the beginning of the financial year				
i) Principal Amount	-		-	
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition	-		-	
- Reduction	-		-	
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-		-	
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

**6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
1.	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors			Total
		Mr. Harish Engineer	Mr. S.C. Bhargava	Mr. Vijay Agarwal	Amount (INR)
	3 Independent Directors				
1.	Fee for attending Board and Committee meetings	450000	370000	250000	1070000
2.	Commission	-	-	-	-
3.	Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
	4 Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B) = (1 + 2)</b>	<b>450000</b>	<b>370000</b>	<b>250000</b>	<b>1070000</b>
	<b>Total Managerial Remuneration</b>	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	CEO (Sashi Krishnan)	Mr. Hardik Chauhan* (Company Secretary till the date October 31, 2018)	Mr. Jaibind Sahu# (Company Secretary w.e.f. March 14, 2019)	CFO (Sandhya Upadyay)	Total
1.	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21068831	844222	58484	3798238	<b>25769775</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1051772	2540	-	138074	<b>1192386</b>
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	<b>Total</b>	<b>22120603</b>	<b>846762</b>	<b>58484</b>	<b>3936312</b>	<b>26962161</b>

\* Mr. Hardik Chauhan resigned from the position of Company Secretary of the Company w.e.f. October 31, 2018

# Mr. Jaibind Kumar Sahu was appointed as Company Secretary of the Company w.e.f. March 14, 2019

**7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties/punishment/compounding of offences under the Companies Act, 2013.

For Aditya Birla Sun Life Pension Management Limited  
(formerly known as Birla Sun Life Pension Management Limited)

**Pankaj Razdan**  
Director  
(DIN – 00061240)

**Sandeep Asthana**  
Director  
(DIN – 00401858)

Mumbai, 23-Apr-19

# Independent Auditor's Report

To the Members of Aditya Birla Sunlife Pension Management Limited

Report on the Audit of the Ind AS Financial Statements

## Opinion

We have audited the accompanying financial statements of **Aditya Birla Sunlife Pension Management Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole.

Based on our audit, there were no key audit matters to be communicated in our report.

## Responsibility of Management and those charged with governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also :



- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, where applicable and unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

The financial information for the year ended 31st March 2018 and the transition date opening Balance Sheet as at 1st April, 2017 included in these Ind AS financial statements are based on the previously issued statutory financial statements of the Company, for the year ended 31st March, 2018 and 31st March, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 24<sup>th</sup> April, 2018 and 25<sup>th</sup> April, 2017 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to Ind AS have been audited by us.

Our opinion is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act as amended, we report that in our opinion and to the best of our information and explanations given to us, the provisions of Section 197 of the Act are not applicable to the Company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 24 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company

**Restriction of use and distribution**

This report has been issued at the request of the Company for submission to the Holding Company to enable them to publish consolidated results. As a result, our report may not be suitable for any other purpose. Our report is intended solely for the purpose of information of the Holding Company, the Board of Directors of the Company and the statutory Auditors of the Holding Company and is not intended to be and shall not be used by any other than these specified parties without prior written consent.

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

**Edwin Augustine**  
Partner  
(Membership No. 043385)

Mumbai, 23<sup>rd</sup> April, 2019

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

(Referred to in paragraph 1 under "Report on other legal and regulatory requirements" of our report of even date)

- (i)
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details etc of fixed assets.
  - (b) Based on the information and explanations given to us and the documents verified by us, the Company has obtained confirmations for all assets lying with employees. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, and the records of the Company examined by us, the Company does not hold any immoveable property.
- (ii) Since the Company is engaged in service activity, it does not hold any inventory and accordingly Paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, there are no companies, firms, limited liability partnerships and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act") and accordingly Paragraph 3(iii) of the Order concerning grant of loans is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not advanced any loan, made any investment, given any guarantee or provided any security to the parties covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, Paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence in our opinion the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder are not applicable.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended) for the services rendered by the the Company. Accordingly, Paragraph 3(vi) of the Order is not applicable to the Company.
- (vii)
  - (a) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including income tax, service tax, and any other statutory dues, have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed statutory dues as at 31<sup>st</sup> March, 2019 which have not been deposited on account of a dispute.
- (viii) According to the information and explanations given to us, and the records of the Company examined by us, the Company did not have any loans or borrowing from a financial institution, bank or government. The Company has not issued any debentures. Accordingly Paragraph 3(viii) of the Order is not applicable to the Company
- (ix) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments). The Company has not taken any term loans during the year. Accordingly, Paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any instances of fraud on the Company by its officers or employees on deputation noticed or reported during the year, nor we have been informed of any such case by the management.
- (xi) According to the information and explanations given to us, the Company does not have any managerial personnel on its payroll falling within the purview of Section 197 of the Act. Accordingly, Paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, all transactions with the related parties are in compliance with Section 177 and Section 188 of the Act and the relevant details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, Paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and the records of the Company examined by us, the Company had not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, compliance with the provisions of Section 192 of the Act is not applicable to the Company.

- (xvi) According to the information and explanations given to us, the Company is not engaged in the business of non banking financial institution and hence is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**Edwin P. Augustine**  
Partner  
(Membership No. 043385)

Mumbai, 23<sup>rd</sup> April, 2019

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT****(Referred to in paragraph 2(f) of our report of even date)****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Aditya Birla Sunlife Pension Management Limited** ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence of the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risks that a material weakness exists, and testing and evaluation the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depends on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations Of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

**Edwin Augustine**  
Partner  
(Membership No. 043385)

Mumbai, 23<sup>rd</sup> April, 2019

# Balance Sheet

as at 31st March, 2019

	Note No.	As at 31st Mar. 2019	As at 31st Mar. 2018	Amount in Rs. As at 1st Apr. 2017
<b>I. ASSETS</b>				
<b>1. Financial Assets</b>				
(a) Cash and Cash Equivalents	2	637,492	1,315,442	1,644,523
(b) Bank Balance other than (a) above	3	3,089,116	1,023,262	-
(c) Receivables				
i) Trade Receivables	4	27,430	5,624	-
ii) Other Receivables		-	-	-
(d) Investments	5	261,003,563	249,710,286	283,309,973
<b>Sub-Total</b>		<b>264,757,601</b>	<b>252,054,614</b>	<b>284,954,496</b>
<b>2. Non-Financial Assets</b>				
(a) Current Tax Assets (Net)		-	99,818	247,162
(b) Deferred tax assets (Net)	25	262,698	70,579	-
(c) Property, Plant and Equipment	6	3,493,405	3,444,521	-
(d) Capital work-in-progress		-	-	570,279
(e) Intangible assets under development		-	-	3,377,997
(f) Other Intangible assets	7	1,068,304	2,022,031	-
(g) Other non-Financial assets	8	14,236,255	8,542,205	1,996,633
<b>Sub-Total</b>		<b>19,060,662</b>	<b>14,179,154</b>	<b>6,192,071</b>
<b>Total assets</b>		<b>283,818,263</b>	<b>266,233,768</b>	<b>291,146,567</b>
<b>II. LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1. Financial Liabilities</b>				
(a) Payables				
- Trade Payables	9			
i) total outstanding dues of micro enterprises and small enterprises		-	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		565,600	942,752	236,991
(b) Other Financial Liabilities	10	13,299,263	5,409,678	12,535,705
<b>Sub-Total</b>		<b>13,864,863</b>	<b>6,352,430</b>	<b>12,772,696</b>
<b>2. Non Financial Liabilities</b>				
(a) Other Non Financial Liabilities	11	130,196	88,559	95,900
<b>Sub-Total</b>		<b>130,196</b>	<b>88,559</b>	<b>95,900</b>
<b>3. Equity</b>				
(a) Equity Share capital	12	320,000,000	270,000,000	270,000,000
(b) Other Equity	13	(50,176,797)	(10,207,222)	8,277,971
<b>Equity attributable to owners of the parents</b>		<b>269,823,203</b>	<b>259,792,778</b>	<b>278,277,971</b>
<b>Total equity</b>		<b>269,823,203</b>	<b>259,792,778</b>	<b>278,277,971</b>
<b>Total Equity and Liabilities</b>		<b>283,818,263</b>	<b>266,233,768</b>	<b>291,146,567</b>

Significant Accounting Policies 1  
The accompanying Notes form an integral part of the Financial Statements.

In terms of our report attached

**For SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 109982W

**Edwin P. Augustine**  
Partner  
Membership No. 043385

Mumbai, April 23, 2019

For and on behalf of the Board of Directors  
**Aditya Birla Sun Life Pension Management Limited**  
(formerly known as Birla Sun Life Pension Management Limited)

**Pankaj Razdan**  
Director  
DIN: 00061240

**Jaibind Sahu**  
Company Secretary

**Sandeep Asthana**  
Director  
DIN: 00401858

**Sandhya Upadhyay**  
CFO

**Sashi Krishnan**  
CEO & CIO

# Statement of Profit and Loss

for the Year Ended 31st March 2019

	Note No.	Year Ended 31st Mar. 2019	Year Ended 31st Mar. 2018
Amount in Rs.			
<b>Revenue from operations</b>			
Fees and Commission Income	14	66,147	6,878
<b>Other Income</b>			
Interest Income	15	20,729,068	20,398,711
Net Gain on Fair Value Changes	16	(195,315)	(1,932,327)
Other Income	17	-	25,176
<b>Total Other Income</b>		<b>20,533,753</b>	<b>18,491,560</b>
<b>Total Income</b>		<b>20,599,900</b>	<b>18,498,438</b>
<b>EXPENSES</b>			
(a) Fees and Commission Expenses	18	177,797	64,619
(b) Employee benefits expense	19	46,835,435	27,781,784
(c) Finance Costs	20	102	11,105
(d) Depreciation and amortisation expenses	21	2,491,417	2,173,723
(e) Other expenses	22	11,256,843	7,150,930
<b>Total Expenses</b>		<b>60,761,594</b>	<b>37,182,161</b>
<b>Loss Before Tax</b>		<b>(40,161,694)</b>	<b>(18,683,723)</b>
Tax Expenses			
Current Tax		-	77,680
Short/(Excess) Provision for Tax Related to Earlier Years (Net)	-	-	-
Deferred Tax	25	(192,119)	(70,579)
<b>Total Tax Expenses</b>		<b>(192,119)</b>	<b>7,101</b>
<b>Loss for the year (A)</b>		<b>(39,969,575)</b>	<b>(18,690,824)</b>
<b>Other Comprehensive Income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year, net of tax:</b>		<b>(39,969,575)</b>	<b>(18,690,824)</b>
Earnings per equity share:			
Basic – (Rs.)	23	(1.31)	(0.69)
Diluted – (Rs.) (Face Value of Rs. 10 each)		(1.31)	(0.69)

The accompanying Notes form an integral part of the Financial Statements.

In terms of our report attached

**For SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 109982W

**Edwin P. Augustine**  
Partner  
Membership No. 043385

Mumbai, April 23, 2019

For and on behalf of the Board of Directors  
**Aditya Birla Sun Life Pension Management Limited**  
(formerly known as Birla Sun Life Pension Management Limited)

**Pankaj Razdan**  
Director  
DIN: 00061240

**Jaibind Sahu**  
Company Secretary

**Sandeep Asthana**  
Director  
DIN: 00401858

**Sandhya Upadhyay**  
CFO

**Sashi Krishnan**  
CEO & CIO

# Cash Flow Statement

for the year ended 31st March, 2019

Amount in Rupees

PARTICULARS	Year ended 31st Mar. 2019	Year ended 31st Mar. 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(40,161,694)	(18,683,723)
Adjustments for:		
Interest Income	(20,729,068)	(20,398,711)
MTM on assets through FVTPL	1,574,841	5,960,737
Depreciation and Amortisation	2,491,417	2,173,722
Net gain on sale of investment	(1,379,526)	(4,028,410)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(58,204,030)</b>	<b>(34,976,385)</b>
Adjustments for:		
Decrease/(Increase) in Trade Receivables	(21,806)	(5,624)
Decrease/(Increase) other financial assets	(1,996,109)	(943,810)
Decrease/(Increase) in other non financial assets	(5,686,219)	(6,339,941)
Increase/(Decrease) in Trade Payables	(377,152)	705,762
Increase/(Decrease) in Other financial Liabilities	7,889,585	(7,121,626)
Increase/(Decrease) in Other non financial Liabilities	41,637	(7,341)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(58,354,094)</b>	<b>(48,688,965)</b>
Income Taxes Refund/(Paid)	102,878	72,023
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(58,251,216)</b>	<b>(48,616,942)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,586,574)	(3,691,999)
Purchase of non current investments	(68,000,000)	(39,075,000)
Proceeds from sale of current investments	66,884,899	70,730,000
Purchase of Long-term Investments	(10,012,260)	-
Interest Received	20,287,200	20,324,861
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>7,573,265</b>	<b>48,287,861</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	50,000,000	-
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>50,000,000</b>	<b>-</b>
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	<b>(677,950)</b>	<b>(329,081)</b>
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	<b>1,315,442</b>	<b>1,644,523</b>
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>	<b>637,492</b>	<b>1,315,442</b>
	<b>(677,950)</b>	<b>(329,081)</b>

- Notes:** 1. Cash and cash equivalents are as disclosed under Note 2 of the financial statements  
2. The aforesaid statement has been prepared under the indirect method, as set out in "Indian Accounting Standard 7 - Statement of Cash Flows"  
3. Additions to property, plant and equipment and intangible assets are stated inclusive of movements in capital work in progress between the beginning and end of the year and treated as part of investment activities.

In terms of our report attached

**For SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 109982W

**Edwin P. Augustine**  
Partner  
Membership No. 043385

Mumbai, April 23, 2019

For and on behalf of the Board of Directors  
**Aditya Birla Sun Life Pension Management Limited**  
(formerly known as Birla Sun Life Pension Management Limited)

**Pankaj Razdan**  
Director  
DIN: 00061240

**Jaibind Sahu**  
Company Secretary

**Sandeep Asthana**  
Director  
DIN: 00401858

**Sandhya Upadhyay**  
CFO

**Sashi Krishnan**  
CEO & CIO



# Statement of Changes in Equity

for the year ended 31st Mar 2019

## A. EQUITY SHARE CAPITAL

Amount in Rs.

Particulars	As at 31st Mar. 2019		As at 31st Mar. 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of face value of Rs. 10/- each issued on subscribed and fully paid up				
Balance at the beginning of the year	27,000,000	270,000,000	27,000,000	270,000,000
Changes in Equity share capital during the year	5,000,000	50,000,000		
<b>Balance at the end of the period</b>	<b>32,000,000</b>	<b>320,000,000</b>	<b>27,000,000</b>	<b>270,000,000</b>

## B. OTHER EQUITY

Amount in Rs.

Particulars	Reserve and Surplus		Items of Other Comprehensive income			Equity attributable to Shareholders of Company	Equity Component of ESOP	Total Other Equity
	Retained Earnings		Financial Instrument through Other Comprehensive Income	Foreign Currency Translation reserve	Effective Portion of Cash flow hedges			
	Surplus as per Statement of Profit and Loss	General Reserve						
<b>Balance as of April 1, 2018</b>	(10,412,853)	-	-	-	-	(10,412,853)	205,631	(10,207,222)
Loss for the year	(39,969,575)	-	-	-	-	(39,969,575)	-	(39,969,575)
Total Comprehensive income	(39,969,575)	-	-	-	-	(39,969,575)	-	(39,969,575)
Addition during the year	-	-	-	-	-	-	-	-
Loss during the year	-	-	-	-	-	-	-	-
Comprehensive loss during the year	-	-	-	-	-	-	-	-
ESOP expenses	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2019</b>	<b>(50,382,428)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,382,428)</b>	<b>205,631</b>	<b>(50,176,797)</b>

## For the year ended 31 March 2018

Amount in Rs.

Particulars	Reserve and Surplus		Items of Other Comprehensive income			Equity attributable to Shareholders of Company	Equity Component of ESOP	Total Other Equity
	Retained Earnings		Financial Instrument through Other Comprehensive Income	Foreign Currency Translation reserve	Effective Portion of Cash flow hedges			
	Surplus as per Statement of Profit and Loss	General Reserve						
<b>Balance as at 1st April, 2017</b>	8,277,971	-	-	-	-	8,277,971	-	8,277,971
Loss for the year	(18,690,824)	-	-	-	-	(18,690,824)	205,631	(18,485,193)
Other Comprehensive Income/(loss) for the year	-	-	-	-	-	-	-	-
Total Comprehensive income	(18,690,824)	-	-	-	-	(18,690,824)	205,631	(18,485,193)
Addition during the year	-	-	-	-	-	-	-	-
Loss during the year	-	-	-	-	-	-	-	-
Comprehensive loss during the year	-	-	-	-	-	-	-	-
ESOP expenses	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>(10,412,853)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,412,853)</b>	<b>205,631</b>	<b>(10,207,222)</b>

In terms of our report attached

## For SHARP &amp; TANNAN

Chartered Accountants  
Firm's Registration No. 109982WEdwin P. Augustine  
Partner  
Membership No. 043385

Mumbai, April 23, 2019

For and on behalf of the Board of Directors

Aditya Birla Sun Life Pension Management Limited  
(formerly known as Birla Sun Life Pension Management Limited)Pankaj Razdan  
Director  
DIN: 00061240Jaibind Sahu  
Company SecretarySandeep Asthana  
Director  
DIN: 00401858Sandhya Upadhyay  
CFOSashi Krishnan  
CEO & CIO

# Notes forming part of the Financial Statements

for the year ended 31 March 2019

## Note 1

### 1.1. Corporate Information

Aditya Birla Sun Life Pension Management Limited ("the Company") is a wholly owned subsidiary of Aditya Birla Sun Life Insurance Company Limited. The Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on January 09, 2015 with Registration Number U66000MH2015PLC260801 with specific purpose of managing pension fund business. Pension Fund Regulatory and Development Authority ("PFRDA") has granted Certificate of Registration vide a letter dated February 23, 2016 (bearing registration No.: PFRDA/Birla PF/2016) to Aditya Birla Sun Life Pension Management Limited to act as pension fund under National Pension System (NPS).

### 1.2. Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. (as amended time to time)

This note provides a list of the significant accounting policies adopted in the preparation of the financial Statements comprising of Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income along with reconciliation of profit for the year ended 31 March, 2018, and notes to accounts. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has applied Ind AS starting from financial year beginning on or after 1st April, 2018

### 1.3. Basis of Preparation

The accompanying financial statements have been prepared and presented under the historical cost convention except for certain financial assets and liabilities measured at fair value, on the accrual basis of accounting, in accordance with accounting principles generally accepted in India, the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (Companies (Indian Accounting Standards) Rules, 2015) The accounting policies have been consistently applied by the Company.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The financial statements are presented in INR

### 1.4. Summary of significant accounting policies

#### a) Use of Estimates

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and judgements are continually evaluated. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### b) Revenue Recognition

"The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition :

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract

- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation”

**Interest Income:**

For all Financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss(P&L).

**c) Fair Values of Financial Instruments**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**d) Financial Assets**

• **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

• **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

Financial asset at amortised cost

Financial asset at fair value through other comprehensive income (FVTOCI)

Financial asset at fair value through profit or loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

• **Financial asset at amortised cost**

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

• **Financial asset at FVTOCI**

A financial asset is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes

interest income, impairment losses & reversals in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity in the statement of Profit or Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

• **Financial asset at FVTPL**

FVTPL is a residual category. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

• **Equity instruments at FVOCI**

The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 Financial Instruments:

Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

**e) Property, plant and equipment**

**i) Property, plant and equipment and depreciation**

Property, plant and equipment are stated at historical cost less depreciation. Historical costs includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate only when it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The cost of fixed assets not ready for its intended use before such date are disclosed under capital work-in-progress.

**Depreciation methods, estimated useful lives and residual values**

Assets costing up to Rs.5000 are fully depreciated in the year of acquisition. Depreciation is calculated using the straight line method to allocate their cost, net of their residual values, over their useful lives as follows. The useful lives of assets which are different from Schedule II to the Companies Act, 2013 are as under :

S No.	Assets Type	Estimated Useful life (Years)
1	Vehicles	4

**Intangible assets**

**Computer Software**

Costs associated with maintaining software programmes are recognised as expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets.

**Amortisation methods and period**

Software licenses are amortised using Straight Line Method over a period of 3 years from the date of being ready for use.

**ii) Impairment of Assets**

At each balance sheet date, management assesses whether there is any indication, based on internal / external factors, that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to maximum of depreciable historical cost.

**f) Taxation**

**i) Direct Taxes**

**Current tax**

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are

those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

**ii) Indirect Taxes**

The Company claims credit of service tax/GST for input services, which is set off against tax on output services. The unutilised credits, if any are carried forward to the future period for set off where there is reasonable certainty of utilization.

**g) Provisions and Contingencies**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. A disclosure for contingent liability is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources or it cannot be reliably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. A contingent asset is neither recognized nor disclosed.

**h) Earnings Per Share**

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

**i) Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of Statement of Cash flows include cash and cheques in hand; bank balances liquid mutual funds and other investments with original maturity of three months or less which are subject to insignificant risk of changes in value.

**j) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## Notes Forming Part of the Financial Statements for the year ended 31st March 2019

Amount in Rs.

	As at 31st Mar. 2019	As at 31st Mar. 2018	As at 1st Apr. 2017
<b>NOTE 2: CASH AND CASH EQUIVALENTS</b>			
Cash on Hand	-	-	-
Balances with Banks			
Current Accounts	637,492	195,188	580,458
Deposit Accounts *(with original maturity of 3 months or less)	-	1,120,254	1,064,065
	<b>637,492</b>	<b>1,315,442</b>	<b>1,644,523</b>

### NOTE 3: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Deposit Accounts *(with maturity of more than 12 months)	3,089,116	1,023,262	-
	<b>3,089,116</b>	<b>1,023,262</b>	<b>-</b>

\* As per the PFRDA regulation, the Pension Fund company needs to provide a performance bank guarantee. Accordingly the fixed deposit of Rs. 3,000,000 (Previous year Rs. 1,000,000) has been marked as lien against the bank guarantee. As of 1st April 2017 the tenure of the fixed deposit was one year. On maturity the tenure was further increased during the financial year ended 31st March 2018.

	As at 31st Mar. 2019	As at 31st Mar. 2018	As at 1st Apr. 2017
<b>NOTE 4: TRADE RECEIVABLES</b>			
Unsecured, Considered Good	27,430	5,624	-
Unsecured, Considered doubtful	-	-	-
	27,430	5,624	-
Less: Provision for impairment	-	-	-
	<b>27,430</b>	<b>5,624</b>	<b>-</b>

### NOTE 5: INVESTMENTS

Amount in Rs.

Particulars	Face Value Per Unit	Numbers/ Units/ Shares	As at 31st Mar. 2019	Numbers/ Units/ Shares	As at 31st Mar. 2018	Numbers/ Units/ Shares	As at 1st Apr. 2017
<b>A. Carried at Fair value through profit or loss</b>							
<b>Bonds:</b>							
9.34% HDFC 28th August 2024	100,000	100	111,276,896	100	111,743,096	100	113,251,107
9.24% LICHF 30th Sept 2024	100,000	50	54,532,572	50	55,192,372	50	55,924,322
8.47% LICHF 15th June 2026 Put 15 Jul 19	100,000	75	80,950,090	75	81,840,940	75	82,578,865
8.95% Reliance Industries 9 Nov 2028	100,000	10	10,786,511	-	-	-	-
<b>Mutual funds</b>							
ABSL Cash Plus Growth Direct			3,457,494		933,878		31,555,679
<b>Total</b>			<b>261,003,563</b>		<b>249,710,286</b>		<b>283,309,973</b>

## NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Amount in Rs.

	Computers	Office Equipments	Vehicles	TOTAL
<b>Gross Block</b>				
<b>As at 1st April, 2017</b>	-	-	-	-
Additions	3,333,990	110,870	1,297,347	<b>4,742,207</b>
Deletions	-	-	-	-
<b>As at 31st March, 2018</b>	3,333,990	110,870	1,297,347	<b>4,742,207</b>
Additions	1,568,574	-	-	<b>1,568,574</b>
Deletions	-	-	-	-
<b>As at 31st March, 2019</b>	4,902,564	110,870	1,297,347	<b>6,310,781</b>
<b>Accumulated Depreciation</b>				
<b>As at 1st April, 2017</b>	-	-	-	-
For the year	1,006,287	19,489	271,910	<b>1,297,686</b>
Deletions	-	-	-	-
<b>As at 31st March, 2018</b>	1,006,287	19,489	271,910	<b>1,297,686</b>
For the year	1,173,180	22,174	324,336	<b>1,519,690</b>
Deletions	-	-	-	-
<b>As at 31st March, 2019</b>	2,179,467	41,663	596,246	<b>2,817,376</b>
<b>Net Block as at 1st April, 2017</b>	-	-	-	-
<b>Net Block as at 31st March, 2018</b>	2,327,703	91,381	1,025,437	<b>3,444,521</b>
<b>Net Block as at 31st March, 2019</b>	2,723,097	69,207	701,101	<b>3,493,405</b>

## NOTE 7: INTANGIBLE ASSETS

Amount in Rs.

	Computer Software	TOTAL
<b>Gross Block</b>		
<b>As at 1st April, 2017</b>	-	-
Additions	2,898,068	<b>2,898,068</b>
Deletions	-	-
<b>As at 31st March, 2018</b>	2,898,068	<b>2,898,068</b>
Additions	18,000	<b>18,000</b>
Deletions	-	-
<b>As at 31st March, 2019</b>	2,916,068	<b>2,916,068</b>
<b>Accumulated Amortisation</b>		
<b>As at 1st April, 2017</b>	-	-
For the year	876,037	<b>876,037</b>
Deletions	-	-
<b>As at 31st March, 2018</b>	876,037	<b>876,037</b>
For the year	971,727	<b>971,727</b>
Deletions	-	-
<b>As at 31st March, 2019</b>	1,847,764	<b>1,847,764</b>
<b>Net Block as at 1st April, 2017</b>	-	-
<b>Net Block as at 31st March, 2018</b>	2,022,031	<b>2,022,031</b>
<b>Net Block as at 31st March, 2019</b>	1,068,304	<b>1,068,304</b>

	<b>As at 31st Mar. 2019</b>	<b>As at 31st Mar. 2018</b>	Amount in Rs. <b>As at 1st Apr. 2017</b>
<b>NOTE 8: OTHER NON-FINANCIAL ASSETS</b>			
(Unsecured, unless otherwise stated)			
Balance with Government authorities	14,232,364	7,962,706	1,996,633
Tax deducted at source	3,891	-	-
Advance for expenses	-	579,500	-
	<b>14,236,255</b>	<b>8,542,206</b>	<b>1,996,633</b>
<b>NOTE 9: TRADE PAYABLES</b>			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises:			
Liability for expenses	565,600	942,752	236,991
	<b>565,600</b>	<b>942,752</b>	<b>236,991</b>
<b>NOTE 10: OTHER FINANCIAL LIABILITY</b>			
(Carried at amortised cost, except otherwise stated)			
Other Payables			
Payable related to employees	9,430,000	-	-
Payable to Holding Company	3,869,263	5,409,678	12,535,705
	<b>13,299,263</b>	<b>5,409,678</b>	<b>12,535,705</b>
<b>NOTE 11: OTHER NON FINANCIAL LIABILITIES</b>			
Others			
Statutory Dues	130,196	88,559	95,900
	<b>130,196</b>	<b>88,559</b>	<b>95,900</b>



## NOTE 12: SHARE CAPITAL

Amount in Rs.

	Numbers	As at 31st Mar. 2019	Numbers	As at 31st Mar. 2018	Numbers	As at 1st Apr, 2017
<b>Authorised:</b>						
Equity Shares of Rs. 10/- each	35,000,000	350,000,000	35,000,000	350,000,000	35,000,000	350,000,000
		<u>350,000,000</u>		<u>350,000,000</u>		<u>350,000,000</u>
<b>Issued:</b>						
<b>EQUITY SHARE CAPITAL</b>						
Equity Shares of Rs. 10/- each	32,000,000	320,000,000	27,000,000	270,000,000	27,000,000	270,000,000
		<u>320,000,000</u>		<u>270,000,000</u>		<u>270,000,000</u>
<b>Subscribed and Paid-up:</b>						
<b>EQUITY SHARE CAPITAL</b>						
Equity Shares of Rs. 10/- each, fully paid-up	32,000,000	320,000,000	27,000,000	270,000,000	27,000,000	270,000,000
		<u>320,000,000</u>		<u>270,000,000</u>		<u>270,000,000</u>

1. Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Amount in Rs.

Sr. No.	Description	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares	Equity Shares	Preference Shares
1.	No of Shares Outstanding at the beginning of the year	27,000,000		27,000,000		27,000,000	
2.	Allotment of fully paid up shares during the year	5,000,000					
3.	No. of Shares Outstanding at the end of the year	32,000,000		27,000,000		27,000,000	

2. Term/Right Attached to Equity Shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of the equity shares held by the shareholders.

There are no equity Shares issued as fully paid-up pursuant to any contract in consideration of other than cash or bonus shares or shares bought back during the preceding last five years.

3. Equity Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of equity shares held are as under:

## Equity Shares

Amount in Rs.

Sr. No.	Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital
1.	Aditya Birla Sun Life Insurance Company Limited (with nominees)	32,000,000	100%	27,000,000	100%	27,000,000	100%

	Amount in Rs.		
	As at 31st Mar. 2019	As at 31st Mar. 2018	As at 1st Apr, 2017
<b>NOTE 13: OTHER EQUITY</b>			
<b>i) Surplus in Profit and loss account</b>			
Opening Balance	(10,412,853)	8,277,971	4,113,490
Addition:			
Loss for the year	(39,969,575)	(18,690,824)	4,164,481
	<u>(50,382,428)</u>	<u>(10,412,853)</u>	<u>8,277,971</u>
<b>ii) Equity Component of ESOP</b>			
Opening Balance	205,631		
Addition:		205,631	
	<u>205,631</u>	<u>205,631</u>	-
<b>Total Other Equity</b>	<u>(50,176,797)</u>	<u>(10,207,222)</u>	<u>8,277,971</u>

	Amount in Rs.	
	Year Ended 31st Mar. 2019	Year Ended 31st Mar. 2018
<b>NOTE 14: FEES AND COMMISSION</b>		
Investment Management Fees *	66,147	6,878
	-	-
	<u>66,147</u>	<u>6,878</u>

\* Investment Management fees is charged @ 0.01%; Previous year @0.01%) per annum on daily closing assets under the management across respective schemes under pension fund

<b>NOTE 15: INTEREST INCOME</b>		
<u>Interest Income from Investments</u>		
On Financial Assets classified at fair value through profit or loss	20,648,431	20,312,500
<u>Interest on deposits with Banks</u>		
On Financial Assets classified at amortised cost	80,637	86,211
	<u>20,729,068</u>	<u>20,398,711</u>

<b>NOTE 16: NET GAIN ON FAIR VALUE CHANGES</b>		
<u>Net gain/(loss) on financial instruments at fair value through profit or loss</u>		
<u>On trading portfolio</u>		
Equity investment at FVTPL	-	-
Debt instrument at FVTPL	(195,315)	(1,932,327)
	<u>(195,315)</u>	<u>(1,932,327)</u>
<u>Fair Value changes:</u>		
Realised	1,379,526	4,028,410
Unrealised	(1,574,841)	(5,960,737)
	<u>(195,315)</u>	<u>(1,932,327)</u>

<b>NOTE 17: OTHER INCOME</b>		
Miscellaneous Income (Net)	-	25,176
	-	<u>25,176</u>
<u>Fair Value changes:</u>		
Realised	-	25,176
Unrealised	-	-
	<u>-</u>	<u>25,176</u>

Amount in Rs.

	Year Ended 31st Mar. 2019	Year Ended 31st Mar. 2018
<b>NOTE 18: FEES AND COMMISSION EXPENSES</b>		
Brokerage	134,172	40,581
Investment transaction cost	43,625	24,038
	<u>177,797</u>	<u>64,619</u>
<b>NOTE 19: EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages	41,492,690	25,823,323
Contribution to Provident and Other Funds (Refer Note no 26)	2,431,478	1,028,329
Expense on Employee Stock Options Scheme (Refer Note No. 27)	2,731,267	915,132
Staff Welfare Expenses	180,000	15,000
	<u>46,835,435</u>	<u>27,781,784</u>
<b>NOTE 20: FINANCE COST</b>		
Interest (others)	102	11,105
	<u>102</u>	<u>11,105</u>
<b>NOTE 21: DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation on Property, plant and equipment	1,519,690	1,297,686
Amortization of Intangible Assets	971,727	876,037
	<u>2,491,417</u>	<u>2,173,723</u>
<b>NOTE 22: OTHER EXPENSES</b>		
Rent	2,432,790	1,080,000
Software support charges	122,600	500,000
Rates and Taxes	2,216,530	1,129,618
Legal and Professional Expenses	1,856,820	900,083
Software license annual maintenance charges	905,428	632,500
Membership and subscription	2,065,312	1,487,249
Auditors remuneration		
– Audit Fees	75,000	50,000
– Other services	250,000	85,000
– Certification charges	55,000	-
– Reimbursement of Expenses	6,317	10,000
Director sitting fees	1,070,000	1,105,000
Miscellaneous Expenses	201,046	171,480
<b>Total</b>	<u>11,256,843</u>	<u>7,150,930</u>
	As at 31st Mar. 2019	As at 31st Mar. 2018

Amount in Rs.

**NOTE 23: DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING  
STANDARD (Ind AS) 33 EARNINGS PER SHARE**

Earnings per Share (EPS) is calculated as under:

Weighted-average Number of Equity Shares for calculation of Basic EPS (A)	30,438,356	27,000,000
Weighted-average number of Equity Shares for calculation of Diluted EPS (B)	30,438,356	27,000,000
Nominal Value of Shares (Rs.)	10.00	10.00
<b>Loss attributable to equity holders:</b>		
<b>Continuing Operations (C)</b>	(39,969,575)	(18,690,824)
Basic EPS (Rs.) (C/A)	(1.31)	(0.69)
Diluted EPS (Rs.) (C/B)	(1.31)	(0.69)

**NOTE 24: CONTINGENT LIABILITIES NOT PROVIDED FOR**

**A. Claims Against the Company not acknowledged as debts**

Amount in Rs.

Nature of Statute	Brief description of contingent liability	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Others	Performance Guarantee issued to Pension Fund Regulatory Development authority	3,000,000	1,000,000	1,000,000
<b>Grand Total</b>		<b>3,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>

**B. Commitments made and outstanding on Fixed Assets**

Particular	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Estimated amounts of contracts to be executed on capital account and not provided for; net of advances)	-	-	2,234,250

**NOTE 25: INCOME TAXES**

**A. The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:**

Amount in Rs.

	Year Ended 31st March, 2019	Year Ended 31st March, 2018
<b>(a) Profit or loss section</b>		
Current income tax:		
Current income tax charge		
Adjustments in respect of current income tax of previous year	-	77,680
Deferred tax:		
Relating to origination and reversal of temporary differences	(192,119)	(70,579)
Relating to origination and reversal of temporary differences of previous year		
<b>Income tax expense reported in Profit or Loss</b>	<b>(192,119)</b>	<b>7,101</b>

**B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:**

Amount in Rs.

Particulars	2018-2019	2017-2018
Accounting profit/(loss) before income tax	(40,161,694)	(18,683,723)
Corporate tax rate	26.00%	25.75%
Tax on Accounting profit/(loss)	<u>-10,442,040</u>	<u>-4,811,059</u>
Adjustments in respect of current income tax of previous years	-	-
Adjustments in respect of Deferred Tax not being created on tax losses	10,634,160	4,803,958
Relating to origination and reversal of temporary differences		
Tax effect on other items	-	-
Income tax expense/(income) reported in the statement of profit and loss	<u>192,119</u>	<u>-7,101</u>

**C. Deferred tax:**

Deferred tax relates to the following:

Amount in Rs.

	Balance Sheet			Statement of Profit & Loss	
	31st March, 2019	31st March, 2018	1st April 2017	31st March, 2019	31st March, 2018
	INR	INR	INR	INR	INR
<b>Deferred tax Assets</b>					
Other items giving rise to temporary differences					
Depreciation	282,333	82,559	-	199,774	82,559
<b>Deferred tax Liabilities</b>					
Depreciation	-	-	-	-	-
Other items giving rise to temporary differences	19,635	11,980	-	7,655	11,980
<b>Deferred tax expense/(income)</b>	<u>262,698</u>	<u>70,579</u>	<u>-</u>	<u>192,119</u>	<u>70,579</u>

Reflected in the balance sheet as follows:

	31st March, 2019	31st March, 2018	Amount in Rs. 1st April 2017
	INR	INR	INR
Deferred tax assets	282,333	82,559	-
Deferred tax liabilities	19,635	11,980	-
<b>Deferred tax Assets/(liabilities), net</b>	<b>262,698</b>	<b>70,579</b>	<b>-</b>

D. Reconciliation of deferred tax Assets/(liabilities) (net):

	31st March, 2019	31st March, 2018	Amount in Rs. 1st April 2017
	INR	INR	INR
<b>Opening balance as of 1st April Asset/(Liabilities)</b>	<b>70,579</b>	<b>-</b>	<b>-</b>
Tax income/(expense) during the year recognised in profit or loss	192,119	70,579	-
MAT Credit recognized directly in the Balance Sheet			
Relating to origination and reversal of temporary differences of previous year			
<b>Closing balance as at 31st March</b>	<b>262,698</b>	<b>70,579.00</b>	<b>-</b>

E. Unused tax losses on which no deferred tax asset is recognised in the Balance Sheet

Particulars	Base amount	Deferred tax asset	Expiry date
	INR	INR	(Assessment year)
<b>Pertaining to Assessment year 2018-2019</b>			
- Unabsorbed depreciation	1,853,106	481,808	Indefinitely
- Brought forward business loss	12,138,675	3,156,056	A.Y 2026-2027
<b>Pertaining to Assessment year 2019-2020</b>			
- Unabsorbed depreciation	1,813,269	471,450	Indefinitely
- Brought forward business loss	38,263,700	9,948,562	A.Y 2027-2028
	<b>54,068,750</b>	<b>14,057,875</b>	

**NOTE 26: RETIREMENT BENEFITS**

During the year the Company did not have any employees on its payroll. All employees are on deputation from the holding Company. Considering the aforesaid, the defined benefit obligation is accounted for in the books of the holding Company.

(a) Defined contribution plan

During the year the company has recognised the below amounts in the statement of profit and loss under defined contribution plan

Particular	Year ended 31st Mar. 2019	Year ended 31st Mar. 2018
Contribution to Employees Provident Fund	1,088,877	1,028,329
Contribution to National Pension Scheme	1,342,601	-
<b>Total</b>	<b>2,431,478</b>	<b>1,028,329</b>

**NOTE 27: EMPLOYEE STOCK OPTION PLAN**

Pursuant to ESOP Plan being established by the holding company (i.e. Aditya Birla Capital Limited), stock options were granted to the employees of the Company during the financial year. Total cost incurred by the holding company till date is being recovered from the Company over the period of vesting. Accordingly, a sum of Rs. 27,31,267 has been recovered from the Company during the year (Previous year Rs. 7,09,500)

Further the difference between the fair value and the intrinsic value of ESOP amounting to Rs. 205,531 has been charged under Employee Benefit Expenses under IND AS with corresponding credit to Equity Component of ESOP under Other Equity during the previous year

**NOTE 28: RELATED PARTY DISCLOSURE**

(a) Relationships:

**A. List of related parties which exercise control and status of transactions entered during the year:**

Name of the related party and nature of relationship	Transactions carried out during the year (Yes/No)
i) <u>Ultimate Holding Company</u> Grasim Industries Limited	No
ii) <u>Intermediary Holding Company</u> Aditya Birla Capital Limited	Yes
iii) <u>Holding Company</u> Aditya Birla Sun Life Insurance Company Limited (100%)	Yes

**B. List of key management personnel with whom transactions were carried out during the year**

Harish Engineer	— Non-Executive Director
S.C. Barghav	— Non-Executive Director
Vijay Agarwal	— Non-Executive Director
Sashi Krishnan	— Chief Executive Officer

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

Amount in Rs.

Sr No.	Nature of transaction	Year ended 31st Mar. 2019	Year ended 31st Mar. 2018
1.	Aditya Birla Sun Life Insurance Company Limited Equity Share Capital	50,000,000	-
	Reimbursement of expenses (including taxes)	46,704,237	37,536,933
2.	Aditya Birla Capital Limited — allotment of ESOP's to employees	- 2,731,267	709,501
3.	Director sitting fees Harish Engineer	450,000	460,000
	S.C. Bhargav	370,000	375,000
	Vijay Agarwal	250,000	270,000
4.	Remuneration to Key Management Personnel Sashi Krishnan	23,131,730	15,364,548

(c) Amount due to related parties

Sr. No.	Nature of transaction/relationship	As at 31st Mar 2019	As at 31st Mar 2018	As at 1st Apr 2017
1.	Aditya Birla Sun Life Insurance Company Ltd	3,869,263	5,409,678	12,535,705
2.	Aditya Birla Capital Ltd	-	-	-

**NOTE 29: CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement are met through equity and operating cash flows.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

**1. Financial instruments measured at fair value – Fair value hierarchy**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:**

Particulars	Level 1	Level 2	Level 3	Total
<b>FVTPL Assets:</b>				
Equity				
Treasury bills				
Corporate NCDs	257,546,069			257,546,069
Mutual fund investments		3,457,494		3,457,494
CBLO				
Preference shares				
Others				
<b>Total</b>	257,546,069	3,457,494	-	261,003,563
<b>Total</b>	257,546,069	3,457,494	-	261,003,563

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:**

Particulars	Level 1	Level 2	Level 3	Total
<b>FVTPL Assets:</b>				
Equity				
Treasury bills				
Corporate NCDs	248,776,408			248,776,408
Mutual fund investments		933,878		933,878
CBLO				
Preference shares				
Others				
<b>Total</b>	248,776,408	933,878	-	249,710,286
<b>Total</b>	248,776,408	933,878	-	249,710,286

**Quantitative disclosures fair value measurement hierarchy for assets as at 1st April, 2017**

Particulars	Level 1	Level 2	Level 3	Total
<b>FVTPL Assets:</b>				
Equity				
Treasury bills				
Corporate NCDs	251,754,294	-	-	251,754,294
Mutual fund investments	-	31,555,679	-	31,555,679
CBLO				
Preference shares				
Others				
<b>Total</b>	251,754,294	31,555,679	-	283,309,973
<b>Total</b>	251,754,294	31,555,679	-	283,309,973

The management assessed that cash and cash equivalents, other bank balances, trade payables and other financial liabilities, other financial assets approximate their carrying amount largely due to short term maturity of these instruments

**Key Inputs for Level 2 Fair Valuation Technique:**

- Mutual Funds: Based on Net Asset Value of the Scheme (Level 2)

**NOTE 30: RISK MANAGEMENT FRAMEWORK**

The Company has an Enterprise Risk Management (ERM) framework covering procedures to identify, assess and mitigate the key business risks. Aligned with the business planning process, the ERM framework covers all business risks including strategic risk, operational risks and investment risks. The key business risks identified are approved by the Board's Risk Management Committee and monitored by the Risk Management team thereafter. The Company also has in place an Operational Risk Management (ORM) framework that supports excellence in business processes, system and facilitates matured business decisions to move to a proactive risk assessment and is in the process of implementing the key operational risk components.

ABSLPML recognizes that information is a critical business asset, and that our ability to operate effectively and succeed in a competitive market depends on our ability to ensure that business information is protected adequately through appropriate controls and proactive measures. Accordingly, BSLPML has an information security framework that ensures all the information assets are safeguarded by establishing comprehensive management processes throughout the organization.

The Company's Investments Function is governed by the Investment Committee appointed by the Board of Directors. Investment Policy and Operating Guidelines laid down by the Board provide the framework for management and mitigation of the risks associated with investments.

ERM encompasses the following areas:



**Risk Policies**

The following risk policies govern and implement effective risk management practices – Code of Conduct; Anti Money Laundering; Business Continuity Planning; Grievances redressal Policy; Information Security Policy; Information Security – Acceptable usage of assets; Investment Code of Conduct; Broker empanelment Policy; Credit Policy; Investment Policy; PPP norms; Risk Management Policy; Valuation Policy; Voting Policy; Whistle Blower Policy

**Capital management objectives, policies and approach**

The company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

1. To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
2. To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
3. To maintain a healthy capital ratios in order to support its business objectives and maximise shareholders value

The company has met all of these requirements throughout the financial year.



### Approach to capital management

The company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders

The company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels (by regulated entity) on a regular basis and taking appropriate actions to influence the capital position of the company in the light of changes in economic conditions and risk characteristics. An important aspect of the company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the company is focused on the creation of value for shareholders.

The primary source of capital used by the company is equity.

### Available capital resources at 31 March 2019

Amount in Rs.

Particulars	Total
Paid up Capital	320,000,000
Retained earning	(50,176,797)
<b>Total</b>	<b>269,823,203</b>

### Available capital resources at 31 March 2018

Amount in Rs.

Particulars	Total
Paid up Capital	270,000,000
Retained earning	(10,207,222)
<b>Total</b>	<b>259,792,778</b>

### Available capital resources at 31 March 2018

Amount in Rs.

Particulars	Total
Paid up Capital	270,000,000
Retained earning	8,277,971
<b>Total</b>	<b>278,277,971</b>

### Regulatory framework

Regulators are primarily interested in protecting the rights of pension fund subscribers and monitor them closely to ensure that the company is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the company maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the company are subject to regulatory requirements within the jurisdictions in which it operates.

### NOTE 31: FINANCIAL RISK

#### 1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to other party by failing to discharge an obligation. We are subject to credit risk in connection with issuers of securities held in our investment portfolio. The losses may occur when a counter-party fails to make timely payments pursuant to the terms of the underlying contractual arrangement or when the counter-party's credit rating or risk profile otherwise deteriorates. The credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the company to record realized or unrealized losses and increase our provisions for asset default, adversely impacting earnings.

Governance structure, in form of the Investment Committee, and well defined investment policies and processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. Stringent investment norms and approval structure ensures healthy portfolio while delivering the expected performance. All regulatory and internal norms are built in the investment system.

**Industry Analysis**  
**As on March 31, 2019**

Amount in Rs.

Particulars	Construction	Electricity, Gas, Steam And Air Conditioning Supply	Financial And Insurance Activities	Govt	Information And Communica- tion	Manufac- turing	Others	Total
<b>1. Financial Assets At FVTPL</b>								
Debt	-	-	257,546,069	-	-	-	-	257,546,069
Equity	-	-	-	-	-	-	-	-
Equity Exchange Traded Funds	-	-	-	-	-	-	-	-
Mutual Fund Units	-	-	3,457,494	-	-	-	-	3,457,494
Preference Shares	-	-	-	-	-	-	-	-
<b>2. Amortised Cost Financial Assets</b>								
Debt	-	-	-	-	-	-	-	-
<b>Total credit risk exposure</b>	-	-	261,003,563	-	-	-	-	261,003,563

**As on March 31, 2018**

Particulars	Construction	Electricity, Gas, Steam And Air Conditioning Supply	Financial And Insurance Activities	Govt	Information And Communica- tion	Manufac- turing	Others	Total
<b>1. Financial Assets At FVTPL</b>								
Debt	-	-	248,776,408	-	-	-	-	248,776,408
Equity	-	-	-	-	-	-	-	-
Equity Exchange Traded Funds	-	-	-	-	-	-	-	-
Mutual Fund Units	-	-	933,878	-	-	-	-	933,878
Preference Shares	-	-	-	-	-	-	-	-
<b>2. Amortised Cost Financial Assets</b>								
Debt	-	-	-	-	-	-	-	-
<b>Total credit risk exposure</b>	-	-	249,710,286	-	-	-	-	249,710,286

**Credit exposure by credit rating**

**As on March 31, 2019**

Particulars	UNR	SOVEREIGN	AAA	AA+	AA	A1+	Others	Total
<b>1. Financial Assets At FVTPL</b>								
Debt	-	-	257,546,069	-	-	-	-	257,546,069
Equity	-	-	-	-	-	-	-	-
Equity Exchange Traded Funds	-	-	-	-	-	-	-	-
Mutual Fund Units	-	-	-	-	-	3,457,494	-	3,457,494
Preference Shares	-	-	-	-	-	-	-	-
<b>2. Amortised Cost Financial Assets</b>								
Debt	-	-	-	-	-	-	-	-
<b>Total credit risk exposure</b>	-	-	257,546,069	-	-	3,457,494	-	261,003,563

**As on March 31, 2018**

Particulars	UNR	SOVEREIGN	AAA	AA+	AA	A1+	Others	Total
<b>1. Financial Assets At FVTPL</b>								
Debt	-	-	248,776,408	-	-	-	-	248,776,408
Equity	-	-	-	-	-	-	-	-
Equity Exchange Traded Funds	-	-	-	-	-	-	-	-
Mutual Fund Units	-	-	-	-	-	933,878	-	933,878
Preference Shares	-	-	-	-	-	-	-	-
<b>2. Amortised Cost Financial Assets</b>								
Debt	-	-	-	-	-	-	-	-
<b>Total credit risk exposure</b>	-	-	248,776,408	-	-	933,878	-	249,710,286

As on 1st April, 2017

Particulars	UNR	SOVEREIGN	AAA	AA+	AA	A1+	Others	Total
<b>1. Financial Assets At FVTPL</b>								
Debt	-	-	251,754,294	-	-	-	-	251,754,294
Equity	-	-	-	-	-	-	-	-
Equity Exchange Traded Funds	-	-	-	-	-	-	-	-
Mutual Fund Units	-	-	-	-	-	31,555,679	-	31,555,679
Preference Shares	-	-	-	-	-	-	-	-
<b>2. Amortised Cost Financial Assets</b>								
Debt	-	-	-	-	-	-	-	-
<b>Total credit risk exposure</b>	-	-	251,754,294	-	-	31,555,679	-	283,309,973

It is the company's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counter-party risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the company's rating policy. The attributable risk ratings are assessed and updated regularly.

**NOTE 32: LIQUIDITY RISK**

Liquidity risk is the possibility that the Company will not be able to fund all cash outflow commitments as they fall due. Our primary funding obligations arise in connection with the payment to subscribers. Sources of available cash flow include investment related inflows (such as maturities, principal repayments, investment income and proceeds of asset sales).

An asset-liability mismatch occurs when the financial terms of an institution's assets and liabilities do not correspond. These can lead to non-payment/deferment of claims, expenses, etc. Effective cash management and capital planning, ensures that, all obligations are properly met.

**Maturity analysis on expected maturity bases**

As on March 31, 2019

Amount in Rs.

Particulars	Less than 3 month	More than 3 month less than 6 month	More than 6 months to not more than 12 months	More than 12 months	Total
<b>Financial assets</b>					
Amortised Cost					
FVOCI					
FVTPL	3,457,494			257,546,069	261,003,563
<b>Investment contract liabilities</b>					
Other financial liabilities	13,299,263				13,299,263
Trade and other payables	565,600				565,600

As on March 31, 2018

Particulars	Less than 3 month	More than 3 month less than 6 month	More than 6 months to not more than 12 months	More than 12 months	Total
<b>Financial assets</b>					
Amortised Cost					
FVOCI					
FVTPL	933,878			248,776,408	249,710,286
<b>Investment contract liabilities</b>					
Other financial liabilities	5,409,678				5,409,678
Trade and other payables	942,752				942,752

As on 1st April, 2017

Particulars	Less than 3 month	More than 3 month less than 6 month	More than 6 months to not more than 12 months	More than 12 months	Total
<b>Financial assets</b>					
Amortised Cost					
FVOCI					
FVTPL	31,555,679			251,754,294	283,309,973
<b>Insurance contract liabilities</b>					
Other financial liabilities	12,535,705				12,535,705
Trade and other payables	236,990				236,990

**NOTE 33: MARKET RISK**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. We are exposed to financial and capital market risks – the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes or volatility in market prices. Market risk includes equity market and interest rate risks.

Market risk governance practices are in place, including independent monitoring and review and reporting to senior management and the Risk Management Committee. The company has an investment policy where all the guidelines are specified for asset allocation and limits.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

Market indices	Change in Interest rate	31st Mar 2019	
		Impact on loss before tax	Impact on equity
Interest rate	0.0025	Rs. 25.85 lakhs	Rs. 25.85 lakhs
Market indices	Change in Interest rate	31st Mar 2018	
		Impact on loss before tax	Impact on equity
Interest rate	0.0025	Rs. 17.41 lakhs	Rs. 17.41 lakhs

**Operational risks**

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.



Amount in Rs.

Particulars	31-Mar-19			31-Mar-18			1-Apr-17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Liabilities</b>									
<b>Financial Liabilities</b>									
Trade payables	-	-	-						
i)-total outstanding dues of creditors other than micro enterprises and small enterprises	565,600	-	565,600	942,752	-	942,752	236,991	-	236,991
Derivative financial liabilities			-			-			-
Debt Securities			-			-			-
Borrowings (other than debt security)			-			-			-
Subordinated Liabilities			-			-			-
Financial guarantee obligations			-			-			-
Other Financial liabilities	13,299,263		13,299,263	5,409,678		5,409,678	12,535,705		12,535,705
<b>Non-financial Liabilities</b>									
Current tax liabilities (net)			-			-			-
Contract liability			-			-			-
Provisions			-			-			-
Deferred tax liabilities (net)			-			-			-
Other non-financial liabilities	130,196		130,196	88,559		88,559	95,900		95,900
<b>Total Liabilities</b>	<b>13,995,059</b>	<b>-</b>	<b>13,995,059</b>	<b>6,440,989</b>	<b>-</b>	<b>6,440,989</b>	<b>12,868,596</b>	<b>-</b>	<b>12,868,596</b>
<b>Net</b>	4,626,310	265,196,894	269,823,204	4,526,557	255,266,222	259,792,779	26,523,677	251,754,294	278,277,971

**NOTE 35:****A. Transition to Ind AS**

These financial statements, for the year ended 31 March 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

**B. Ind AS optional exemptions**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**1. Deemed Cost**

A first-time adopter with operations may elect to use the previous GAAP carrying amount of items of property, plant and equipment or intangible assets at the date of transition to Ind AS as deemed cost. At the date of transition to Ind AS, a first-time adopter must test for impairment in accordance with Ind AS 36 each item for which this exemption is used.

Accordingly the Company has elected to regard carrying values of property as deemed cost at the date of transition.

**2. De-recognition of financials Assets**

A first-time adopter should apply the de-recognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter de-recognised non-derivative financial assets or non-derivative financial liabilities under its previous GAAP as a result of a transaction that occurred before the date of transition, it should not recognise those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS prospectively from the date of transition to Ind AS.

**3. Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

**C. Ind AS mandatory exemptions****Estimates**

An entity's estimates in accordance with Ind AS's at the date of transition to IND AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made estimates for the following items in accordance with Ind AS at the date of transition as these were not required under the previous GAAP.

1. Investments in equity instruments carried at FVPL;
2. Investments in debt instruments carried at FVPL

**D. Standard issued but not yet effective****Ind AS 116 Leases:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Based on its evaluation, the Company is of the opinion the impact of adopting Ind AS 116 will not be material on the financial statements.

**NOTE 36: OPERATING SEGMENTS**

The Company is engaged in a single business segment i.e. Pension Fund Management. In the absence of separate reportable business or geographic segment the reporting requirements pursuant to Ind AS 108 - Operating Segment does not arise.

**NOTE 37: LEASES**

The Company has taken computers and other accessories on cancellable operating lease. Lease rentals amounting to Rs. 102,600 (Previous year Rs. Nil) has been charged to the Statement of Profit and Loss.

Furthermore based on the cost sharing arrangement with the holding Company, in respect of premises take on cancellable operating lease, lease rentals amounting to Rs. 2,330,190 (Previous year Rs. 1,080,000) have been charged to the Statement of Profit and Loss. There are no restrictive covenants in the aforesaid lease agreement.

The Company has not taken any assets on finance lease.

**NOTE 38: MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT 2006 (MSMED ACT)**

Based on the information and records available with the Company there are no dues payable to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to dues which were outstanding for more than 45 days as at March 31, 2019 together with interest payable under this Act does not arise. (Previous year - Nil).

**NOTE 39:**

During the year ending 31st Mar 2018 the company has changed its name from Birla Sun Life Pension Management Limited to Aditya Birla Sun Life Pension Management Limited vide Form INC 24 filed with the Registrar of Companies on 24th Jul 2017

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

The Notes referred above form an integral part of the Financial Statements.

In terms of our report attached

**For SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 109982W

**Edwin P. Augustine**  
Partner  
Membership No. 043385

Mumbai, April 23, 201

For and on behalf of the Board of Directors  
**Aditya Birla Sun Life Pension Management Limited**  
**(formerly known as Birla Sun Life Pension Management Limited)**

**Pankaj Razdan**  
Director  
DIN: 00061240

**Jaibind Sahu**  
Company Secretary

**Sandeep Asthana**  
Director  
DIN: 00401858

**Sandhya Upadhyay**  
CFO

**Sashi Krishnan**  
CEO & CIO