

Pension Funds

Aditya Birla Sun Life Pension Management Ltd.



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Board's Report

Dear Members,

The Board of Directors of Aditya Birla Sun Life Pension Management Limited ("your Company" or "the Company" or "ABSLPML ") are pleased to present the **Sixth** Annual Report and the Audited Financial Statements of your Company for the financial year ended March 31, 2020 ("financial year").

FINANCIAL SUMMARY AND HIGHLIGHTS

The highlights of the Financial Results as per IND AS are as under:

(₹ in crore)

Particulars	2019-20	2018-19
Total Revenue	2.68	2.06
Total Expenses	6.49	6.07
Profit / (Loss) before tax	(3.81)	(4.01)
Tax Expense	0.05	0.01
Profit/(Loss) after tax	(3.76)	(3.99)
Minority Interest	Nil	Nil
Profit / (Loss) after Minority Interest	(3.76)	(3.99)
Share Capital	35	32
Other Equity	(8.80)	(5.02)
Net worth	26.20	26.98

The above figures are extracted from the Financial Statements prepared in accordance with accounting principles generally accepted in India including the Accounting Standards specified under section 129 and 133 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 <http://pensionfund.adityabirlacapital.com>

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ACCOUNTING METHOD

Implementation of Indian Accounting Standards (Ind-AS) converged with International Financial Reporting Standards (IFRS)

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 2019-20.

Industry Overview

The National Pension System (NPS) registered significant growth, both in terms of subscribers as well as Assets under Management (AuM), in 2019-20. The total subscriber base under various pension schemes overseen by the Pension Fund Regulatory and Development Authority (PFRDA), as on March 31, 2020, stood at around 3.46 crores, a growth of 26% over the previous year. The total AuM, under all sectors, stood at about Rs.4.17 lakh crores, a growth of about 31%. The AuM under the Corporate sector is now at about Rs.41000 crores and showed a growth of 33% over the previous year. The AUM under the All Citizens Model is now about Rs.13,000 crores and showed a growth 35% over the previous year.

Your Company is well prepared to take advantage of business opportunities given its focused business strategies, strong support from its shareholders and its strong relationship with investors and other stakeholders. More details on Industry outlook and opportunities and threats are provided in the Management Discussion and Analysis section, which forms part of this Report.

KEY HIGHLIGHTS

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

- The Company closed the fiscal with AUM of Rs.150.09 crores
- The returns were in top quartile for both of the equity scheme and Tier I of corporate bond scheme, second quartile for Tier II of corporate bond scheme and third quartile for both of the government bond scheme in FY20.
- The Company closed the fiscal with AUA of Rs. Rs. 27.04 Cr with corporate subscriber of 1270.

MATERIAL EVENTS DURING THE YEAR

BUSINESS CONTINUITY AMIDST COVID-19

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The World Health Organization has declared Novel Coronavirus (COVID-19) as a global pandemic. The Government of India, on March 24, 2020, as an emergency measure, announced a nationwide lockdown in the country for 21 days, to contain the spread of COVID – 19. This lockdown was further extended to May 17, 2020. Various directions and advisories have been issued by State Governments / Public Authorities under the Epidemic Act 1897 and the Disaster Management Act, 2005, for the safety and wellbeing of public at large, prohibiting mass gatherings and to reduce public contact points.

On account of the pandemic, the Company invoked its Business Continuity Plan ('BCP') and adopted a work from home policy to ensure its business operations continues uninterrupted while also ensuring the safety of its employees and managing the requirement of all stakeholders.

The Company assessed and evaluated the risks and associated control measures needed to safeguard the Company and its employees from any adverse situations. To ensure seamless business operations the Company reassessed and strengthened its processes through digitization and automation.

This unprecedented situation has resulted in high volatility, which has impacted financial markets and consequently our business. The Company is continuously monitoring the situation and evaluating any changes required, on account of the work from home regimen, in its processes/infrastructure. The Company is also continuously implementing any instructions received from PFRDA and the NPS Trust, relating to the prudent management of funds and other operational activities of the Pension Fund. The Board and the Risk Management Committee have been updated on the status. The Company has done a detailed impact assessment, due to COVID'19, on its reported earnings, its financial results and its solvency position and the assessment suggests that there is no significant impact on the Company as a "going concern" and suitable disclosures, as applicable, have been included in the Annual Accounts.

The extent to which the COVID-19 pandemic will impact the Company will depend on future developments, which are highly uncertain. These developments would be in the nature of new information concerning the severity of the COVID-19 pandemic, any action to contain its spread or mitigate its impact including relief measures announced by the Government etc. More details on the impact on business, and Company's strategy to deal with the situation, is covered in the Management Discussion Analysis report forming part of the Annual Report

HOLDING/SUBSIDIARIES/JOINT VENTURES/ASSOCIATES COMPANIES

Holding Company

During the financial year under review, Grasim Industries Limited remains the ultimate Holding Company of your Company and 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. Grasim Industries Limited and Aditya Birla Capital Limited are listed at Bombay Stock Exchange and National Stock Exchange.

Subsidiary Company

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The Company does not have any Subsidiary Company.

Joint Ventures/Associates Company

During the financial year under review, there was no Joint Venture/Associate Company.

TRANSFER TO RESERVES

In view of carried forward losses, the Company has not transferred any amount to the General Reserve.

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, 2020 was ₹ 35 crore.

The authorized share capital of the Company is ₹ 40 Crore. During the year the Company increased the authorized share capital from ₹ 35 Crore to ₹ 40 Crore.

During the Financial year under review, the Company issued and allotted 30,00,000 (Thirty Lakh) Equity Shares of Rs.10/- (Rupees Ten) each fully paid amounting to ₹ 3,00,00,000 (Rupees Three 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 thereunder.

PARTICULARS OF LOANS GIVEN, INVESTMENT 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.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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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 during the financial year under review as well as during the previous financial year.

MATERIAL CHANGES AND COMMITMENTS 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.

EMPLOYEE STOCK OPTION PLAN

Employee Stock Options have been recognised 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 and to create long term wealth in the hands of employees, thereby and acting as a retention tool.

In view of the above, ABCL Intermediary Holding Company had formulated “**Aditya Birla Capital Limited Employee Stock Option Scheme 2017**” (“Scheme 2017”) for the employees of the Company 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 Subsidiary Companies of Aditya Birla Capital Limited.

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 Annual Report.

RISK MANAGEMENT

The year 2019-20 was perhaps the most challenging year ever for Financial institutions. The year witnessed major Risk events like liquidity and credit crises and ended with a Black Swan event in the shape of Covid Pandemic.

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Over the years, your company has built a strong Risk Management Framework supported by well-established policies and procedures and a talented pool of Risk Professionals. The company was able to face up to the unprecedented challenges during the last year and emerge as a strong and stable organization during turbulent times.

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 on a regular basis by the Risk Management team and reported to the Risk Management Committee.

As a process, Key Risk Indicators are identified for each risk category and these are monitored on a periodic basis by the Risk Management function. The Company follows a Risk Control Self-Assessment process to embed the risk management culture as a part of its day-to-day operations.

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. The Company has an Information and Cyber Security framework in place with a Board approved policy on Information Security. The Policy has been designed to meet the business requirements of access to information, ensuring safe operations, protecting business data, safeguarding technology and achieving improved customer confidence within the overall framework of laws and regulations. The Company has implemented a comprehensive process of preventive controls, online monitoring and complementary audits as a part of its Information and Cyber Security framework.

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.

Towards the end of last financial year, the unprecedented outbreak of Coronavirus (COVID-19) presented a unique challenge to all industries and companies. The Company proactively invoked its Business Continuity Plan, which was modified to take care of the evolving situation and a Pandemic Plan was developed keeping in view the interest of various stakeholders like employees, customers, partners, distributors, etc. within the overall regulatory requirements and guidelines.

Employees' health and safety was accorded top priority. Various steps were taken well before the lockdown to reduce congestion in office, maintain social distancing and enabling work from home for the employees. Critical processes were identified, reviewed for work from home scenario and wherever required alternate set of controls were instituted. The work from home plan was tested well

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in advance and glitches ironed out. After announcement of lockdown, Work-from-Home (WFH) was fully enabled for all employees.

As the COVID-19 pandemic continues to evolve, the efforts of Risk Management will be to support an effective return to work while ensuring safety of employees and subscribers. The company expects the challenging times to continue for the next few months. However, it is well prepared to ensure stabilization and Business continuity.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year under review, all contracts / arrangements / transactions entered into by the Company with related parties were in 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 notes no. 28 to the Financial Statements, which forms part of this Annual Report. The Policy on Related Party Transactions, as approved by the Board, is available on your Company's website at: <https://pensionfund.adityabirlacapital.com>

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that the Company has laid down set of standards, processes and structure which enables 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. During the year under review, no material or serious observation has been received from the Auditors of the Company, citing inefficiency or inadequacy of such controls.

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 and reasonable assurance on the adequacy and effectiveness of the organization's risk

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management internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations.

The purpose, authority and responsibility of internal audit function are formally defined in the internal audit charter which is periodically reviewed by PFRDA which are also noted by the Audit Committee and the Board of the company and any key amendments are presented to the Board for approval. To provide for the independence of the internal audit function, the Head Internal Audit, functionally reports to the Audit Committee.

The audit plan is approved by the Audit Committee, which regularly reviews the compliance to the plan.

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 operating management, Directors of your Company make the following state that:-

- i) in the preparation of the Annual Accounts for the financial year ended March 31, 2020, the applicable accounting standards had been followed and there were no material departures from the same;
- ii) the Directors had 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 as at March 31, 2020 and of the loss of the Company for financial year ended on that date;
- iii) the Directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- iv) the Directors had prepared the Annual Accounts on a 'going concern basis';
- v) the Directors had laid down Internal Financial Controls and that such Internal Financial Controls were adequate and were operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment/Resignation of Directors

As on March 31, 2020, 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.

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During the year under review, Mr. Pankaj Razdan, Director on the Board has resigned from the directorship of the Company w.e.f. July 8, 2019. The Board places on record its sincere appreciation for the valuable guidance and contribution made by Mr. Pankaj Razdan in the deliberations of the Board during their tenure on the Board of the Company.

Mr. Kamlesh Rao (DIN 07665616) was appointed as Non-Executive Additional Directors on the Board of the Company with effect from October 18, 2019 and he shall hold the office upto the date of next Annual General Meeting (AGM) or the last date upto which the AGM should be have been held whichever is earlier.

All these changes in directors were informed to PFRDA and required forms / return about their appointment / resignation was filed with MCA within the statutory time period.

Retirement by Rotation

As per the provisions of the Companies Act, 2013, Mr. Sandeep Asthana, (DIN:00401858) retires from the Board by rotation this year and being eligible, offers themselves for re-appointment at the Sixth Annual General Meeting of the Company.

A detailed profile of the Directors seeking appointment/re-appointment is provided in the Notice of the 6th Annual General Meeting of the Company.

Declaration by Independent Directors

Pursuant to Section 149(7) of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company had 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 Companies Act, 2013 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)

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.

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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 and individual Directors and the Chairman.

A formal evaluation mechanism has been adopted for evaluating the performance of the Board, Committees thereof, individual directors and the Chairman of the Board. The evaluation is based on criteria which includes, among others, providing strategic perspective, chairmanship of Board and Committees, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees. The Independent Directors at their meeting held on January 20, 2020, had completed the performance evaluation exercise. The non-executive Directors too had completed the performance evaluation exercise and submitted their feedback. The outcome of the performance evaluation exercise was placed at the Nomination and Remuneration Committee and Board meeting.

MEETINGS OF THE BOARD AND ITS COMMITTEES

BOARD

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

Composition of Board, Attendance and Meetings

The Composition of Board and the attendance of Directors at the Meeting during FY 2019-20 were as under:

Sr. No.	Name of the Directors	Designation	No. of Meeting Attended
1	Mr. S.C. Bhargava	Independent Director	4
2	Mr. Harish Engineer	Independent Director	3
3	Mr. Vijay Agarwal	Independent Director	2
4	Mr. Kamlesh Rao (Appointed w.e.f. October 18, 2019)	Non-Executive Director	1
5	Mr. Sandeep Asthana	Non-Executive Director	3
6	Mr. Pankaj Razdan (Resigned w.e.f. July 8, 2019)	Non-Executive Director	1

During the financial year under review, the Board met 4 (Four) times. Meetings of the Board were held on April 23, 2019, July 23, 2019, October 18, 2019 and January 20, 2020.

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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. The Committee has also reviewed the procedures laid down by your Company for assessing and managing the risks.

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 2019-20 were as under:

Sr. No.	Name of the Directors	Designation	No. of Meeting Attended
1	Mr. S.C. Bhargava	Independent Director	4
2	Mr. Harish Engineer (ceased as a member w.e.f. 18/10/2019)	Independent Director	2
3	*Mr. Pankaj Razdan (ceased as a member w.e.f. 08/07/2019)	Non-Executive Director	1
4	**Mr. Sandeep Asthana (ceased as a member w.e.f. 18/10/2019)	Non-Executive Director	2
5	Mr. Vijay Agarwal (appointed w.e.f. 18/10/2019)	Independent Director	0
6	Mr. Kamlesh Rao (appointed w.e.f. 18/10/2019)	Non-Executive Director	1

Note:

- *Mr. Pankaj Razdan resigned w.e.f. July 8, 2019 and hence ceased to be a member of Audit Committee
- **Mr. Sandeep Asthana was appointed as member of Audit Committee for the period effective from July 16, 2019 to October 18, 2019

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

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Committee met 4(Four) times. The meetings were held on April 23, 2019, July 23, 2019, October 18, 2019, and January 20, 2020.

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 2019-20 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 (ceased as a member w.e.f. 08/07/2019)	Non-Executive Director	0
4	Mr. Sandeep Asthana	Non-Executive Director	2
5	Mr. Kamlesh Rao (appointed w.e.f. 18/10/2019)	Non-Executive Director	0

Note:

- *Mr. Pankaj Razdan resigned w.e.f. July 08, 2019 and hence ceased as a member of Nomination and Remuneration Committee

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 2(Two) times. The meetings were held on July 23, 2019 and October 18, 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 Companies Act, 2013 read with PFRDA Regulation 2015

Composition of Investment Committee

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The Composition of Investment Committee and the attendance of Members at the Meeting during FY 2019-20 were as under:

Sr. No.	Name of the Directors	Designation	No. of Meeting Attended
1	*Mr. Pankaj Razdan (ceased as a member w.e.f. 08/07/2019)	Non-Executive Director	1
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
5	Mr. Sanjeev Kumar (appointed w.e.f. 01/09/2019)	CRO	2
6	Mr. Kamlesh Rao (appointed w.e.f. 18/10/2019)	Non-Executive Director	1

Note:

- *Mr. Pankaj Razdan resigned as a director and hence ceased as a member w.e.f. July 08, 2019

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 23, 2019, July 23, 2019, October 18, 2019 and January 20, 2020.

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 2019-20 were as under:

Sr. No.	Name of the Directors	Designation	No. of Meeting Attended
1	Mr. Harish Engineer	Independent Director	3
2	*Mr. Pankaj Razdan (ceased w.e.f. 08/07/2019)	Non-Executive Director	1
3	Mr. Sashi Krishnan	Chief Executive Officer and Chief	4

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		Investment Officer	
4	Mr. Nilesh Bharkhada	Fund Manager	4
5	Mr. Jaibind Kumar Sahu (ceased w.e.f. 18/10/2019)	Compliance Officer	3
6	Mr. Sanjeev Kumar (appointed w.e.f. 18/10/2019)	CRO	1

Note:

1. *Mr. Pankaj Razdan resigned as a director w.e.f. July 08, 2019 and hence ceased as a member of Risk Management Committee

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 23, 2019, July 23, 2019, October 18, 2019 and January 20, 2020.

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. Sanjeev Kumar , Chief Risk Officer of the Company, as a member of Risk Management Committee in its meeting dated March 14, 2019 with effect from September 1, 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 annual return for the financial year ended March 31, 2020 in Form MGT-9 under the provisions of 92(3) of the Act has been attached as **Annexure C**

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 1st (First) Annual General Meeting ('AGM') until the conclusion of the 6th (Sixth) AGM of the Company, and their tenure of appointment will be completed in this ensuing 6th Annual General Meeting

As per section 141 and other applicable section of the Companies Act 2013, M/s. Sharp & Tannan, Chartered Accountants will be eligible for re-appointment of second term for 5 consecutive financial years. Accordingly, the Company has received the certificates from the aforesaid auditors confirming their eligibility and willingness for appointment pursuant to Section 139 (1) read with section 141 of the Act.

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The Audit Committee and Board of Directors recommended to the shareholders of the Company, the appointment of M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No 109982W) for the second term to hold office for second term for a period of 5 consecutive years commencing from conclusion of ensuing Annual General Meeting till the conclusion of 11th Annual General Meeting of the Company for the financial years from 2020-21 to 2024-25.

Accordingly, M/s. Sharp & Tannan., Chartered Accountants shall continue to be the Statutory Auditors of the Company for F.Y 2020-21 subject to the shareholder in the ensuing Annual General Meeting.

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 However, in view of best governance practices the Company has appointed M/s Dilip Bharadiya& Associates, Practicing Company Secretaries to conduct the secretarial audit for the financial year under review. The Secretarial Audit Report in Form MR-3 the financial year under review as received from M/s Dilip Bharadiya& Associates, Practicing Company Secretaries is attached as **Annexure D** to this report.

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

COST RECORDS AND AUDITORS

The provisions of Cost Records and Cost Audit as prescribed under Section 148 of the Companies Act, 2013 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: <http://pensionfund.adityabirlacapital.com>.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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Your 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 (. 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. Further details are as under:

- a. number of complaints filed during the financial year: Nil
- b. number of complaints disposed of during the financial year: Nil
- c. number of complaints pending as on end of the financial year: Nil

We confirm that the Company has complied with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

HUMAN RESOURCES

During the financial year under review, 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 reducing attrition and improving productivity and supporting the business in identifying and grooming leaders across all business units of the Company. With an unwavering 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 handphones. 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 14 as on March 31, 2020 against 10 as on March 31, 2019 deputed in the Company on full time basis by the holding Company.

SECRETARIAL STANDARDS OF ICSI

Your 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 save and except under Employee Stock Option Scheme referred to in this Report.
- 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.

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- iii. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year under review.
- iv. There was no Issue of shares with differential rights
- v. There was transfer of ten equity shares of the Company from Mr. Pankaj Razdan jointly held with Aditya Birla Sun Life Insurance Company Limited to Ms. Shobha Ratna jointly held with Aditya Birla Sun Life Insurance Company Limited, bearing Certificate No. 3 on July 23, 2019.
- 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.
- viii. there were no proceeding for Corporate Insolvency Resolution Process initiated Under the Insolvency and Bankruptcy Code, 2016
- ix. there were no failure to implement any Corporate Action

CUSTOMER GRIEVANCE REDRESSAL

The Redressal of Subscriber Grievance regulations/guidelines issued by PFRDA and NPS Trust has established uniformity in terms of definitions, timeframes for complaint resolution and classifications of complaints. Your Company has in place an appropriate Grievance Redressal policy. The policy laid down the Redressal framework for handling subscriber grievances. Grievance Redressal team has been empowered to take decisions for ensuring effective resolution of customer complaints

During the year, the Company had received grievances registered on Central Grievance Management System portal" (CGMS platform) online of the respective Central Recordkeeping Agency (CRA) with respect to NPS Contribution not reflecting in the account and appropriate resolution were provided to the subscribers within stipulated time frame and it was reviewed by the Board.

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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**

**Kamlesh Rao
Director
(DIN – 07665616)**

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

Mumbai, April 29, 2020

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ANNEXURE A TO DIRECTOR'S REPORT MANAGEMENT DISCUSSION AND ANALYSIS

Economic Environment: FY20 and FY21

FY 2020 – Pre-pandemic

FY 2020 was marked by recovering growth, supported by both private consumption and government consumption. Real GDP growth for 1QFY20 was at 5.6%, 2QFY20 at 5.1% and 3QFY20 at 4.7%. However, the contraction in gross fixed capital formation in 2QFY20 and 3QFY20 was a cause for concern. Gross fixed capital formation contracted by (-)4.1% in 2QFY20 and (-)5.2% in 3QFY20.

Growth in agricultural improved from 2.8% in 1QFY20 to 3.5% in 3QFY20. The services sector also saw a growth of around 7% in all three quarters. Industrial growth, however, saw a declining trend, with a growth of 3.8% in 1QFY20, 0.8% in 2QFY20 and 0.1% in 3QFY20. IIP numbers, though, remained in positive territory from April 2019 till February 2020. Inflation, as measured by the CPI, witnessed a hardening trend, and moved from 2.99% in April 2019 to 7.59% in January 2020. This was mainly on account of increasing food prices. Core inflation, on the other hand, continued its downward trajectory and eased from 4.6% to 4%.

FY 2020 – Post-pandemic

India imposed a complete lockdown on March 23, 2020. CPI for March came in at 5.91% (constrained by incomplete data) and was subsequently revised to 5.84%. April CPI numbers were not released due to data collection challenges.

March IIP numbers saw a sharp drop and plunged to (-)16.7%, far exceeding all estimates. There was a steep slowdown in manufacturing momentum, led by motor vehicles, electronics, computer products and chemicals. Not a single sector registered positive manufacturing growth in March even though the lockdown had been imposed only from March 23, 2020. Electricity growth also contracted while mining growth was flat. Given the above scenario, GDP growth for FY2020 will likely be revised downwards from earlier estimates of 5%.

FY2021 – Way forward and Outlook

Real GDP growth for FY2021 is estimated to be negative due to the 45-day lockdown in April/May. Initial estimates indicate that it could range from (-)2% to (-)4%. Many non-farm activity hubs are in hotspots and labor shortages and social distancing measures will prolong the industrial slowdown. Consumption and investment demand were already weak going into the pandemic and any immediate recovery looks difficult. The positive side is that CPI inflation poses little threat as consumption is slower and fuel prices are lower.

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RBI has delivered a series of rate cuts and now the reverse repo rate stands at 3.75% and the repo rate at 4.40%. Although market borrowings are expected to increase by Rs.4.2tn in FY2021, the market remains hopeful of RBI support. RBI support, coupled with comfortable system liquidity, should keep interest rates on the softer side.

MARKET OUTLOOK

Equity

The NSE NIFTY lost 26% during the year, ending the year at a level of 8,598 after touching a peak of 12,362 on 14th January 2020. Equity markets remained in the 11,000-12,000 range till Feb 2020. Global liquidity and the cut in corporate taxes by the Indian government helped sustain the positive market sentiment. However expensive valuations and growth concerns capped the upside. Reversing all the gains made earlier in the year, equity markets collapsed in March 2020, as the spread of the Covid19 pandemic created panic across the globe. We expect the equity markets to remain under pressure in the coming few quarters. Any shift in investor sentiment would depend on a number of factors such as a slow-down in the spread of virus, development of a treatment protocol for the virus/ development of a vaccine to prevent the spread of the corona virus, withdrawal of the lockdown and clarity on the financial impact of the lockdown.

Fixed Income

Interest rates fell across the curve during the year. The 10-year Indian Government Bond yield dropped 135 bps in the year, from 7.49% to a year end level of 6.14%. Interest rates dropped due to several factors including (i) a significant softening of inflation (ii) growth concerns (iii) a significant drop in oil prices and (iv) the softening of global interest rates. CPI inflation in India dropped to 5.91% in March 2020, after touching a high of 7.59% in January 2020. Brent crude oil prices collapsed to around \$20 per barrel while the 10-year US treasury has fallen to 0.7%. We expect the 10-year G-sec rate to remain in the 5.75%-6.75% range in 2020-21.

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 2019-20. The total subscriber base under various pension schemes overseen by the Pension Fund Regulatory and Development

Authority (PFRDA), as on March 31st 2020, stood at around 3.46 crores, a growth of 26% over the previous year. The total AuM, under all sectors, stood at about Rs.4.17 lakh crores, a growth of about 31%. The AuM under the Corporate sector is now at about Rs.41000 crores

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and showed a growth of 33% over the previous year. The AUM under the All Citizens Model is now about Rs.13,000 crores and showed a growth 35% over the previous year.

Sector	No of subscribers				AUM (Rs. crs)			
	19-20	18-19	Increase	% Increase	19-20	18-19	Increase	% Increase
Central Govt	2101972	1984564	117408	5.92%	138046	109010	29036	26.64%
State Govt	4753870	4321325	432545	10.01%	211022	158491	52531	33.14%
Corporate	973560	803015	170545	21.24%	41231	30875	10356	33.54%
Unorganized Sector	1251574	929931	321643	34.59%	12924	9568	3356	35.08%
NPS Swavalamban	4331664	4362538	-30874	-0.71%	3728	3409	319	9.36%
Atal Pension Yojana	21142262	14953432	6188830	41.39%	10526	6860	3666	53.44%
Total	34554902	27354805	7200097	26.32%	417477	318213	99264	31.19%

There are a few tax changes related to NPS that will impact the sector. The government has given 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. On the other hand, the budget 2020 has amended the tax treatment related to retirement savings and capped the tax exemptions available for employer contributions to the provident fund, superannuation fund and NPS at Rs.7.50 lakhs. Budget 2020 also introduced a “New Regime” for income tax assessment for individuals under which the taxpayer can opt for lower tax rates but will need to forgo certain exemptions and deductions. Under the “New Regime” tax deductions for NPS under section 80 CCD (1B) will not be available. However, tax deductions under Section 80 CCD (2) will still be available.

Company’s Initiatives & Strategy

Given the large opportunity available in the pension fund space, your Company is taking several initiatives. The Company has fully operationalized its Point of Presence (PoP) vertical. Accordingly, the Company has now commenced distribution of the NPS product and is providing services to NPS subscribers. This is through both physical as well as on-line platforms. Your company has set up the necessary distribution infrastructure by establishing sales offices at Mumbai, New Delhi and Bangalore. The Company plans to open another two or three sales office this year, if required. We are also building out our digital infrastructure for the digital (online) marketing and sales initiative. We have the necessary digital infrastructure to do on-line on-boarding of subscribers. We intend strengthening our digital marketing efforts this year. Your Company is also strengthening its fund management and risk management capabilities

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Impact of COVID-19

The economic slowdown is expected to continue for the next few quarters. However, the Government and the Reserve Bank of India have been taking fiscal and monetary measures to mitigate the pressure on the economy. It is expected that both the fiscal stimulus and monetary stimulus will continue till the situation stabilizes. Financial markets can be expected to remain volatile for the foreseeable future.

Interest rates are expected to remain low, at least till end of FY21, on account of the fiscal and monetary easing. The expanding fiscal deficit will however result in increased volatility in the bond markets. Equity markets may recover over the next few months after the sharp correction in March 2020. However, uncertainty on the earnings front, will result in increased volatility in the equity markets. This will impact fund performance over the next few quarters.

The Pension Fund industry will be under pressure in the short run as there could be a slowdown in the growth of Assets under Management because corporate subscribers may consider opting out of NPS in the present circumstances. This may be on account of the new tax laws limiting the available tax exemption on annual contributions to PF/Superannuation/NPS or because of subscribers deferring or reducing their NPS contributions to improve their in-hand cashflow position. It will be imperative to improve customer communication and build strong alternative narratives. There will be challenges as much of the communication with existing and prospective subscribers will need to shift from “in person interactions” to alternate digital modes. We will need to build a strong digital culture in the organization. The NPS digital on-boarding process will also require to be re-evaluated to ensure that the subscribers on-boarding journey is hassle free.

At the operating level, work from home has become the new normal and teams are geared to operate from their homes, enabled by technology. The transaction processing in the NPS architecture is completely on-line and we can compete all transaction processing remotely. The distribution team at our Point of Presence is utilizing the available digital assets to on-board corporates and subscribers. The adoption of these technologies will increase as we adopt a remote operating model.

On the regulatory front, the focus of the regulator will be to protect the interests of the NPS subscriber by ensuring that the Pension Fund Companies regularly monitor investment risks, credit risks, concentration risks etc. in their funds. Regulatory oversight will also be on measure needed to mitigate business process risks, especially cyber security risks.

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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.

Kamlesh Rao
Director
(DIN – 07665616)

Sandeep Asthana
Director
(DIN – 00401858)

Date: April 29, 2020

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:

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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.

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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.

Aditya Birla Sun Life Pension Management Ltd.

(Formerly known as Birla Sun Life Pension Management Ltd.)

+91 22 6723 9100 | (F) +91 22 6723 9386

care.pensionfunds@adityabirlacapital.com | <https://pensionfund.adityabirlacapital.com>

Correspondence & Registered Office:

One Indiabulls Centre, Tower 1, 16th Floor,
Jupiter Mill Compound, 841, Senapati Bapat Marg,
Elphinstone Road, Mumbai - 400 013
CIN: U66000MH2015PLC260801

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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 pay-outs, 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.

Kamlesh Rao
Director
(DIN – 07665616)

Sandeep Asthana
Director
(DIN – 00401858)

Date: April 29, 2020

Place: Mumbai

**ANNEXURE C TO DIRECTOR'S REPORT
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on March 31, 2020**

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

1 REGISTRATION & OTHER DETAILS:

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
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	52%
Point of Presence	66290	48%

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) One Indiabulls Centre, Tower-1, 16th floor, Jupiter Mill Compound, 841, S.B. Marg, Elphinstone Road, Mumbai 400 013	U99999MH2000PLC128110	Holding	100%	2(46)

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

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. from April 1, 2019)				No. of Shares held at the end of the year (i.e. March 31, 2020)				% change during the year#
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt.or State Govt.									
c) Bodies Corporates*		32,000,000	32,000,000	1		35,000,000	35,000,000	100.00%	9.38%
d) Bank/FI									
e) Any other									
SUB TOTAL:(A) (1)		32000000	32000000	100.00%		35,000,000	35,000,000	100.00%	9.38%
(2) Foreign									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
SUB TOTAL (A) (2)		0	0			0	0		NIL
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		32000000	32000000	100%		35000000	35000000	100.00%	9.38%
B. PUBLIC SHAREHOLDING	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(1) Institutions									
a) Mutual Funds									
b) Banks/FI									
C) Cenntal govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
SUB TOTAL (B)(1):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(2) Non Institutions									
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)									
SUB TOTAL (B)(2):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)= (B)(1)+(B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		32000000	32000000	100%		35000000	35000000	100%	9.38%

(# 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 rigts basis)

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

(ii) **Share Holding of Promoters**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (April 1, 2019)			Shareholding at the end of the year (March 31, 2020)			% 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*	32,000,000	100%	Nil	35000000	100%	Nil	9.38%
	Total	32000000	100%	Nil	35000000	100%	Nil	9.38%

(*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)**

Shareholders 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 (April 1, 2019)	32,000,000	100.00%	-	-
Allotment made on June 04, 2019	3,000,000	9.38%	35,000,000	100.00%
At the end of the year (March 31, 2020)	35,000,000	100.00%	35,000,000	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
Total	-	-	-	-

(v) Shareholding of Directors & Key Managerial Personnel

Sr. No.	Name of Director and KMP	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
1	Mr. Sashi Krishnan jointly held with Aditya Birla Sun Life Insurance Company Limited*				
	At the beginning of the year (April 1, 2019)	10	0.00%	10	0.00%
	Increase/Decrease during the year	-	-	-	-
	At the end of the year (March 31, 2020)	10	0.00%	10	0.00%

5 INDEBTEDNESS

(NIL)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total 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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (INR)
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 Amount (INR)
		<i>Mr. Harish Engineer</i>	<i>Mr.S.C. Bhargava</i>	<i>Mr. Vijay Agarwal</i>	
	3. Independent Directors				
1	· Fee for attending Board and Committee meetings	280000	300000	140000	720000
2	· Commission	-	-	-	-
3	· Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	4. Other Non-Executive	-	-	-	-
	Directors	-	-	-	-
	· Fee for attending board committee meetings	-	-	-	-
	· Commission	-	-	-	-
	· Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	280000	300000	140000	720000
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Mr. Sashi Krishnan (CEO)	Mr. Jaibind Sahu (Company Secretary)	Ms. Sandhya Upadhyay (CFO)	Total (Amount in INR)
	Gross salary (in INR)	22,144,366	749,522	3,589,675	26,483,563
1	(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	606,480	-	184,848	791,328
	(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...	5,202,422	-	-	5,202,422
5	Others, please specify	-	-	-	-
	Total	27,953,268	749,522	3,774,523	32,477,313

*Others – LTIP payout done in Sept 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)

Kamlesh Rao
Director
(DIN – 07665616)

Sandeep Asthana
Director
(DIN – 00401858)

Mumbai, April 29, 2020

Dilip Bharadiya

B.Com., A.C.A., F.C.S.
Proprietor

DILIP BHARADIYA & ASSOCIATES

COMPANY SECRETARIES
Phone: +91 22 28883756
Mob : +91 98202 90360
Email : dilipbcs@gmail.com
dilip@csdilip.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED

16th Floor, One India Bulls Centre,
Jupiter Mills Compound,
841 S. B. Marg,
Mumbai 400 013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aditya Birla Sun Life Pension Management Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Considering the situation due to pandemic "COVID 2019" and lockdown being declared nationwide, the process of audit has been modified. Some of the documents /records /returns / registers /minutes were not verified physically, however, the documents were made available in electronic mode and were verified based on the representations received from the Company for its accuracy and authenticity.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on March 31, 2020 ("period under review"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure - A**, for the period under review, according to the applicable provisions of:
 - (i) The Companies Act, 2013 ("the Act") and the rules made thereunder and the Companies Act, 1956 (*to the extent applicable*);
 - (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder (*to the extent applicable*);

Contd .. 2

:: 2 ::

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - to the *extent applicable*

The Laws/ Regulations specifically applicable to the Company:

- i. The Pension Fund Regulatory and Development Authority Act, 2013 and Guidelines, Notifications & Circulars as may be applicable.
 - ii. Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015
 - iii. Pension fund Regulatory and Development Authority (National Pension System Trust) Regulations 2015
 - iv. Pension Fund Regulatory And Development Authority (Point Of Presence) Regulations, 2018
 - v. Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015
 - vi. Prevention of Money Laundering Act, 2002
1. We have relied on the representations made by the Company and its officers and to the report of the Internal Auditors and the Statutory Auditors for systems and mechanism formed by the Company and for compliances being carried out under other applicable Laws. Observations in the report of the Internal Auditor are being appropriately replied.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the financial year under review the Company has complied with the provisions of the applicable Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All resolutions/decisions including Circular Resolutions of the Board of Directors and its Committees are approved by the requisite majority and are duly recorded in the respective minutes.

Contd .. 3

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that

There have been active and passive breaches in the limit of investments in few Schemes of Tier I during the financial year under review which have been reflected in the Internal Audit Reports and management has taken corrective action to bring the investment of the schemes within the permissible investment limit.

We further report that

- i. The shareholders of the Company have passed the special resolution for increase in Authorized Share Capital from Rs. 35 crores to Rs. 40 crores and subsequent alteration to the Memorandum and Articles of Association in the 5th Annual General Meeting of the Company held on 3rd July, 2019.
- ii. The Board of Directors of the Company on 23rd April 2019 passed the resolution for issue of 30,00,000 Equity Shares of Rs.10/- each on Rights Basis to the existing shareholders of the Company.

This report is to be read with our letter of even date, which is annexed as **Annexure - B** to this report.

For **DILIP BHARADIYA & ASSOCIATES**

Place : Mumbai
Date : April 29, 2020
UDIN : F007956B000188158

DILIP BHARADIYA
Proprietor
FCS No.: 7956., C P No.: 6740

Annexure - A

List of documents verified:

1. Memorandum and Articles of Association of the Company.
2. Annual Report for the Financial Year ended March 31, 2019.
3. Minutes and Attendance Registers of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Investment Committee, held during the period under review.
4. Minutes of General Body Meetings held during the period under review.
5. Statutory Registers viz.
 - Register of Members;
 - Register of Debenture holders and other security holders;
 - Register of Directors and Key Managerial Personnel and their Shareholding;
 - Register of Employee Stock Options;
 - Register of loans, guarantee, security and acquisition made by the Company;
 - Register of Renewed and Duplicate Share Certificates;
 - Register of Charge;
 - Register of Contracts with Related Party and contracts and bodies, etc. in which directors are interested.
6. Agenda papers submitted to all the Directors / Members for the Board and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Sections 184(1), 164(2), 149(3) and 149(7) of the Act.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act, alongwith the attachments thereof, during the period under review.

Annexure - B

To,
The Members,
ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED
16th Floor, One India Bulls Centre,
Jupiter Mills Compound,
841 S. B. Marg,
Mumbai 400 013

Our report of even date is to be read along with this letter,

- 1) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed by us provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **DILIP BHARADIYA & ASSOCIATES**

Place : Mumbai
Date : April 29, 2020

DILIP BHARADIYA
Proprietor
FCS No.: 7956., C P No.: 6740



SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Sun Life Pension Management Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Aditya Birla Sun Life Pension Management Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, 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 then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required by the Act 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, 2020, the 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 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the board's report including annexures thereto, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Parag Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.

Tel. (22) 2204 7722/23, 2286 9900 Fax (22) 2286 9949 E-mail : admin.mumbai@stllp.in

Shreedhar T. Kunte Ramnath D. Kare Edwin P. Augustine Raghunath P. Acharya

Firdosh D. Buchia Tirtharaj A. Khot Pavan K. Aggarwal

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

Responsibility of Management and those charged with governance for the 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 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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.

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 Companies Act, 2013, we give in the **Annexure 'A'** a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The 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 financial statements comply with the Ind AS specified under Section 133 of the Act
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 financial statements – Refer Note 23 to the 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



Place: Mumbai
Date: 28th April, 2020

Edwin P. Augustine
Partner
(Membership No. 043385)

UDIN: 20043385AAAACG2073

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details of fixed assets.
- (b) As explained to us, during the year, the Company has verified the existence of laptops given to employees by obtaining email confirmations from them. Based on our review, no 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 immovable 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 partnership and other parties covered in the register maintained under Section 189 of the Act and accordingly, the Paragraph 3(iii) of the Order concerning grant of loan 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 Act. Accordingly, the 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 to the Company.
- (vi) The Central government has not prescribed maintenance of cost records under section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules 2014 (as amended) for the services rendered by 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 accounts in respect of undisputed statutory dues including Provident fund, income tax, goods and service tax, and any other statutory dues, have 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 examined by us, there are no disputed statutory dues as at 31st March 2020 which have not been deposited on account of a dispute.
- (viii) According to the information and explanations given to us and records of the Company examined by us, the Company did not have any loans or borrowing from a financial institutions, bank or government. The Company has not issued debentures. Accordingly, the Paragraph 3(viii) of the Order is not applicable to the Company.



SHARP & TANNAN

LETTER NO: _____

SHEET NO: _____

- (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, the 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 any fraud by the Company or any fraud on the Company by its officers or employees on deputation noticed or reported during the year, nor have we been informed of such case by management.
- (xi) According to the information and explanations given to us, the Company has not paid/provided for managerial remuneration during the financial year. Accordingly, the 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, the 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 the transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the relevant details of such related party transactions have been disclosed in the financial statements, etc., as required under 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. Accordingly, the 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, the Paragraph 3 (xv) of the Order 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)



Place: Mumbai
Date: 28th April, 2020

UDIN: 20043385AAAACG2073

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 Sun Life Pension Management Limited (**'the Company'**) as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors 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" issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 auditor's judgment, 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, to the best of our information and according to the explanations given to us, 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 31st March, 2020, 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 the ICAI.

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



Edwin P. Augustine
Partner
(Membership No. 043385)

Place: Mumbai
Date: 28th April, 2020

UDIN: 20043385AAAACG2073

Aditya Birla Sun Life Pension Management Limited

Balance Sheet as at 31st March, 2020

		Amount in Rs	
	Note No.	As at 31st Mar, 2020	As at 31st Mar, 2019
I ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	2	12,35,686	6,37,492
(b) Bank Balance other than (a) above	3	32,94,970	30,89,116
(c) Receivables			
(i) Trade Receivables	4	56,829	27,430
(d) Investments	5	26,25,21,158	26,10,03,563
Sub-Total		26,71,08,643	26,47,57,601
(2) Non-Financial Assets			
(a) Deferred tax assets (Net)	24	7,10,621	2,62,698
(b) Property, Plant and Equipment	6	13,33,609	34,93,405
(c) Other Intangible assets	7	17,65,617	10,68,304
(d) Other non-Financial assets	8	2,27,56,427	1,42,36,255
Sub-Total		2,65,66,274	1,90,60,662
Total assets		29,36,74,917	28,38,18,263
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(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		53,16,524	5,65,600
(b) Other Financial Liabilities	10	2,62,54,049	1,32,99,263
Sub- Total		3,15,70,573	1,38,64,863
(2) Non Financial Liabilities			
(a) Other Non Financial Liabilities	11	1,13,615	1,30,196
Sub- Total		1,13,615	1,30,196
(3) Equity			
(a) Equity Share capital	12	35,00,00,000	32,00,00,000
(b) Other Equity	13	(8,80,09,272)	(5,01,76,796)
Equity attributable to owners of the parents		26,19,90,728	26,98,23,204
Total equity		26,19,90,728	26,98,23,204
Total Equity and Liabilities		29,36,74,917	28,38,18,263

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

For and on behalf of the Board of Directors

Aditya Birla Sun Life Pension Management Limited

Edwin P. Augustine
Partner
Membership No. 043385

Kamlesh Rao
Director
DIN:07665616

Sandeep Asthana
Director
DIN:00401858

Sashi Krishnan
CEO & CIO

Jaibind Sahu
Company Secretary

Sandhya Upadhyay
CFO

Mumbai, April 28, 2020

Aditya Birla Sun Life Pension Management Limited

Statement of Profit and Loss For the Year Ended 31st March 2020

		Amount in Rs	
	<u>Note</u>	<u>Year Ended 31st Mar, 2020</u>	<u>Year Ended 31st Mar, 2019</u>
Revenue from operations			
Fees and Commission Income	14	2,50,398	66,147
Other Income			
Interest Income	15	2,14,73,671	2,07,29,068
Net Gain on Fair Value Changes	16	51,04,796	(1,95,315)
Total Other Income		2,65,78,467	2,05,33,753
Total Income		2,68,28,865	2,05,99,900
EXPENSES			
(a) Fees and Commission Expenses	17	1,88,466	1,77,797
(b) Employee benefits expense	18	4,78,42,462	4,68,35,435
(c) Finance Costs	19	-	102
(d) Depreciation and amortisation expenses	20	30,35,924	24,91,417
(e) Other expenses	21	1,38,36,781	1,12,56,843
Total Expenses		6,49,03,633	6,07,61,594
Loss before tax		(3,80,74,768)	(4,01,61,694)
Tax Expenses			
Current Tax		-	-
Deferred Tax	24	(4,47,923)	(1,92,119)
Total Tax Expenses		(4,47,923)	(1,92,119)
Loss for the year (A)		(3,76,26,845)	(3,99,69,575)
Other Comprehensive Income for the year, net of tax		-	-
Total Comprehensive Income for the year, net of tax :		(3,76,26,845)	(3,99,69,575)
Earnings per equity share :			
Basic- (Rs.)		(1.09)	(1.31)
Diluted - (Rs.)	22	(1.09)	(1.31)
(Face Value of Rs.10 each)			

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

For and on behalf of the Board of Directors

Aditya Birla Sun Life Pension Management Limited

Edwin P. Augustine
Partner
Membership No. 043385

Kamlesh Rao
Director
DIN:07665616

Sandeep Asthana Sashi Krishnan
Director CEO & CIO
DIN:00401858

Jaibind Sahu
Company Secretary

Sandhya Upadhyay
CFO

Mumbai, April 28, 2020

Cash Flow Statement for the year ended 31st March, 2020

PARTICULARS	Amount in Rupees	
	Year ended 31st Mar 2020	Year ended 31st Mar 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(3,80,74,768)	(4,01,61,694)
Adjustments for :		
Interest Income on Long Term Investments	(2,12,65,603)	(2,06,48,431)
Interest on Bank Deposit	(2,08,069)	(80,637)
Employee Stock Options Scheme	(2,05,631)	-
Mark to market on assets through FVTPL	(42,27,088)	15,74,841
Depreciation and Amortisation	30,35,924	24,91,417
Loss on sale of property, plant and equipment	3,18,358	-
Net gain on sale of investment	(8,77,708)	(13,79,526)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(6,15,04,584)	(5,82,04,030)
Adjustments for:		
Decrease / (Increase) in Trade Receivables	(29,399)	(21,806)
Decrease / (Increase) other financial assets	(2,05,854)	(19,96,109)
Decrease / (Increase) in other non financial assets	(85,20,172)	(56,86,219)
Increase/(Decrease) in Trade Payables	47,50,924	(3,77,152)
Increase / (Decrease) in Other financial Liabilities	1,29,54,786	78,89,585
Increase / (Decrease) in Other non financial Liabilities	(16,581)	41,637
CASH GENERATED FROM OPERATIONS	(5,25,70,879)	(5,83,54,094)
Income Taxes Refund/(Paid)	(2,214)	1,02,878
NET CASH FROM OPERATING ACTIVITIES	(5,25,73,093)	(5,82,51,216)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(20,02,632)	(15,86,574)
Sale proceeds of property, plant and equipment	1,10,833	-
Sale proceed from Current Investments	3,26,57,946	6,68,84,900
Purchase of current investments	(2,87,91,924)	(6,80,00,000)
Purchase of Long-term Investments	-	(1,00,12,260)
Interest on Long term Investments	2,11,94,850	2,02,87,200
Interest on Bank Deposits	2,214	-
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	2,31,71,288	75,73,266
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	3,00,00,000	5,00,00,000.00
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	3,00,00,000	5,00,00,000
NET INCREASE IN CASH AND EQUIVALENTS	5,98,194	(6,77,950)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	6,37,492	13,15,442
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	12,35,686	6,37,492
	5,98,194	(6,77,950)

Notes:

- Cash and cash equivalents are as disclosed under Note 2 of the financial statements
- The aforesaid statement has been prepared under the indirect method, as set out in "Indian Accounting Standard 7 - Statement of Cash Flows"
- 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

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)**

Edwin P. Augustine
Partner
Membership No. 043385

Kamlesh Rao
Director
DIN:07665616

Sandeep Asthana
Director
DIN:00401858

Sashi Krishnan
CEO & CIO

Mumbai, April 28, 2020

Jaibind Sahu
Company Secretary

Sandhya Upadhyay
CFO

Aditya Birla Sun Life Pension Management Limited
Notes forming part of the Financial Statements for the year ended 31 March 2020

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)

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 marketplace (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 Company subsequently measures all equity investments at fair value through profit or loss, unless the Company'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 Company 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 include 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.

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 life of assets which are different from Schedule II to the Companies Act, 2013 are as under:

S .No	Asset Type	As per Schedule II of the Companies Act 2013 (years)	Estimated Useful life (years)
1	Computers	3	3
2	Vehicles	8	4
3	Office Equipment	5	5

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 Company 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.

k) Leases

The Company as a lessee

The lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1. The contract involves the use of an identified asset
2. The Company has substantially all the economic benefits from use of the asset through the period of the lease and
3. The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes right – of – use (“ROU”) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the under lying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value – in – use) is determined on an individual asset basis unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

I) Segment Reporting

Identification of Segments

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Company.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Further, inter-segment revenue has been accounted for based on the transaction price agreed to between segments, which is primarily market based.

Unallocated Corporate Items include general corporate income and expenses, which are not attributable to segments.

Aditya Birla Sun Life Pension Management Limited**Notes forming part of Financial Statements for the year ended 31st March 2020**

	As at	Amount in Rs
	31st Mar, 2020	As at
	31st Mar, 2019	
NOTE: 2		
Cash and Cash Equivalents		
Cash on Hand	-	-
Balances with Banks		
Current Accounts	1,235,686	637,492
Deposit Accounts *		
(with original maturity of 3 months or less)	-	-
	1,235,686	637,492

NOTE: 3**Bank Balance other than Cash and Cash Equivalents**

Deposit Accounts *		
(with maturity of more than 12 months)	3,294,970	3,089,116
	3,294,970	3,089,116

* 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.3,000,000) has been marked as lien against the bank guarantee.

NOTE: 4**Trade Receivables**

Unsecured, Considered Good	56,828	27,430
Unsecured, Considered doubtful	-	-
	56,828	27,430
Less: Provision for impairment	-	-
	56,828	27,430

Aditya Birla Sun Life Pension Management Limited

Notes forming part of Financial Statements for the year ended 31st March 2020

NOTE: 5

Particulars	Face Value Per Unit	Numbers/ Units/ Shares	Amount in Rs		
			As at 31st Mar 2020	As at 31st Mar 2019	
Investments					
A. Carried at Fair value through profit or loss					
Bonds :					
9.34% HDFC 28th August 2024	100,000	100	112,725,485	100	111,276,896
9.24% LICHF 30th Sept 2024	100,000	50	55,364,280	50	54,532,572
8.47% LICHF 15th June 2026 Put 15 Jul 19	100,000	75	82,639,544	75	80,950,090
8.95% Reliance Industries 9 Nov 2028	100,000	10	11,187,293	10	10,786,511
Mutual funds					
ABSL Cash Plus Growth Direct			604,557		3,457,494
Total			262,521,158		261,003,563

Aditya Birla Sun Life Pension Management Limited

Notes forming part of Financial Statements for the year ended 31st March 2020

NOTE 6: Property,, Plant and Equipments

	Amount in Rs			
	Computers	Office Equipments	Vehicles	TOTAL
Gross Block				
As at 1st April, 2018	3,333,990	110,870	1,297,347	4,742,207
Additions	1,568,574			1,568,574
Deletions				-
As at 31st March, 2019	4,902,564	110,870	1,297,347	6,310,781
Additions	9,086	241,546		250,632
Deletions			1,297,347	1,297,347
As at 31st March, 2020	4,911,650	352,416	-	5,264,066
Accumulated Depreciation				
As at 1st April, 2018	1,006,287	19,489	271,910	1,297,686
For the year	1,173,180	22,174	324,336	1,519,690
Deletions				-
As at 31st March, 2019	2,179,467	41,663	596,246	2,817,376
For the year	1,686,534	22,793	271,910	1,981,237
Deletions			868,156	868,156
As at 31st March, 2020	3,866,001	64,456	(0)	3,930,457
As at 31st March, 2019	2,723,097	69,207	701,101	3,493,405
As at 31st March, 2020	1,045,649	287,960	0	1,333,609

Aditya Birla Sun Life Pension Management Limited

Notes forming part of Financial Statements for the year ended 31st March 2020

NOTE: 7

Intangible Assets

Amount in Rs

	Computer Software	TOTAL
Gross Block		
As at 1st April, 2018	2,916,068.00	2,916,068
Additions		-
Deletions		-
As at 31st March, 2019	2,916,068	2,916,068
Additions	1,752,000	1,752,000
Deletions		-
As at 31st March, 2020	4,668,068	4,668,068
Accumulated Amortisation		
As at 1st April, 2018	876,037	876,037
For the year	971,727	971,727
Deletions		-
As at 31st March, 2019	1,847,764	1,847,764
For the year	1,054,687	1,054,687
Deletions		-
As at 31st March, 2020	2,902,451	2,902,451
As at 31st March, 2019	1,068,304	1,068,304
As at 31st March, 2020	1,765,617	1,765,617

Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the year ended 31st March 2020

	As at 31st Mar, 2020	Amount in Rs As at 31st Mar, 2019
NOTE: 8		
Other non-financial assets		
(Unsecured, unless otherwise stated)		
Balance with Government authorities	22,750,322	14,232,364
Tax deducted at source	6,105	3,891
Advance for expenses	-	-
	22,756,427	14,236,255

NOTE: 9

Trade payables

-Total outstanding dues of micro enterprises and small enterprises	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises:	5,316,524	565,600
	5,316,524	565,600

NOTE: 10

Other Financial Liability

(Carried at amortised cost, except otherwise stated)

Other Payables		
Payable related to employees	16,680,000	9,430,000
Payable to Holding Company	9,574,049	3,869,263
	26,254,049	13,299,263

NOTE: 11

Other Non Financial Liabilities

Others

Statutory Dues	113,615	130,196
	113,615	130,196

Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the year ended 31st March 2020

	<u>Numbers</u>	<u>As at 31st Mar, 2020</u>	<u>Numbers</u>	<u>Amount in Rs As at 31st Mar, 2019</u>
NOTE: 12				
SHARE CAPITAL				
Authorised:				
Equity Shares of Rs 10/- each	40,000,000	400,000,000	35,000,000	350,000,000
		<u>400,000,000</u>		<u>350,000,000</u>
Issued:				
EQUITY SHARE CAPITAL				
Equity Shares of Rs10/- each	35,000,000	350,000,000	32,000,000	320,000,000
		<u>350,000,000</u>		<u>320,000,000</u>
Subscribed and Paid-up:				
EQUITY SHARE CAPITAL				
Equity Shares of Rs 10/- each, fully paid-up	35,000,000	350,000,000	32,000,000	320,000,000
		<u>350,000,000</u>		<u>320,000,000</u>

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

Sr. No.	Description	As at 31st Mar, 2020		As at 31st Mar, 2019	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No of Shares Outstanding at the beginning of the year	32,000,000	Nil	27,000,000	Nil
2	Allotment of fully paid up shares the year	3,000,000	Nil	5,000,000	Nil
3	No. of Shares Outstanding at the end the year	35,000,000	Nil	32,000,000	Nil

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 Mar, 2020		As at 31st Mar, 2019	
		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)	35,000,000	100%	32,000,000	100%

Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the year ended 31st March 2020

NOTE: 13

OTHER EQUITY

	As at	Amount in Rs
	31st Mar, 2020	As at
	31st Mar, 2019	
i) Surplus in Profit and loss account		
Opening Balance	(50,382,428)	(10,412,852)
Addition:		
Loss for the year	(37,626,845)	(39,969,575)
	(88,009,272)	(50,382,427)
ii) Equity Component of ESOP		
Opening Balance	205,631	
Addition		205,631
Transferred to Statement of Profit and Loss	(205,631)	-
	-	205,631
Total Other Equity	(88,009,272)	(50,176,796)

Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the year ended 31st
March 2020

	Year Ended 31st Mar, 2020	Amount in Rs Year Ended 31st Mar, 2019
NOTE: 14		
Fees and Commission		
Investment Management Fees *	131,196	66,147
Point of Presence Fees (POP)	119,201	-
	<u>250,398</u>	<u>66,147</u>

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

NOTE: 15

Interest Income

Interest Income from Investments

On Financial Assets classified at fair value through profit or loss	21,265,603	20,648,431
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Interest on deposits with Banks

On Financial Assets classified at amortised cost	208,069	80,637
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	<u>21,473,671</u>	<u>20,729,068</u>
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NOTE: 16

Net Gain on Fair Value Changes

Net gain / (loss) on financial instruments at fair value through profit or loss

On trading portfolio

Equity investment at FVTPL	805,016	1,408,515
Debt instrument at FVTPL	4,299,780	(1,603,830)

	<u>5,104,796</u>	<u>(195,315)</u>
--	------------------	------------------

Fair Value changes :

Realised	877,708	1,379,526
Unrealised	4,227,088	(1,574,841)
	<u>5,104,796</u>	<u>(195,315)</u>

Aditya Birla Sun Life Pension Management Limited

Notes forming part of Financial Statements for the year ended 31st March 2020

	Year Ended 31st Mar, 2020	Amount in Rs Year Ended 31st Mar, 2019
NOTE: 17		
FEES AND COMMISSION EXPENSES		
Brokerage	177,048	134,172
Investment transaction cost	11,418	43,625
	188,466	177,797
NOTE: 18		
EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	44,297,278	41,492,690
Contribution to Provident and Other Funds (Refer Note no 25)	2,042,769	2,431,478
Expense on Employee Stock Options Scheme (Refer Note no 26)	752,415	2,731,267
Staff Welfare Expenses	750,000	180,000
	47,842,462	46,835,435
NOTE: 19		
FINANCE COST		
Other borrowing costs	-	-
Interest (others)	-	102
	-	102
NOTE: 20		
DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Property, plant and equipment	1,981,237	1,519,690
Amortization of Intangible Assets	1,054,687	971,727
	3,035,924	2,491,417
NOTE: 21		
OTHER EXPENSES		
Rent	2,973,416	2,432,790
Software support charges	1,319,500	122,600
Rates and Taxes	1,520,678	2,216,530
Legal and Professional Expenses	3,982,800	1,913,854
Software license annual maintenance charges	557,040	905,428
Membership and subscription	1,987,304	2,065,312
Auditors remuneration		
- Audit Fees	75,000	75,000
- Other services	240,000	250,000
- Certification charges	44,998	55,000
- Reimbursement of Expenses	30,688	6,317
Director sitting fees	720,000	1,070,000
Loss on sale of Property, Plant and Equipment	318,358	-
Miscellaneous Expenses	66,999	144,012
Total	13,836,781	11,256,843

reclassification to be effected in system

Aditya Birla Sun Life Pension Management Limited

Notes forming part of Financial Statements for the year ended 31st March 2020

		As at	Amount in Rs
		31st Mar, 2020	As at
			31st Mar, 2019
NOTE: 22			
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)	34,467,213	30,438,356
Add: Shares Held in Abeyance			
Add: Dilutive impact of Employee Stock Options			
Add: Potential Equity Shares Due to Share Warrants			
Weighted-average number of Equity Shares for calculation of Diluted EPS	(B)	34,467,213	30,438,356
Nominal Value of Shares (Rs.)		10.00	10.00
Loss attributable to equity holders :			
Continuing Operations	(C)	(37,626,845)	(39,969,575)
Basic EPS (Rs.)	(C/A)	(1.09)	(1.31)
Diluted EPS (Rs.)	(C/B)	(1.09)	(1.31)
Discontinued Operations	(D)	-	-
Basic EPS (Rs.)	(D/A)	-	-
Diluted EPS (Rs.)	(D/B)	-	-
Continuing and Discontinued Operations	(E)	(37,626,845)	(39,969,575)
Basic EPS (Rs.)		(1.09)	(1.31)
Diluted EPS (Rs.)		(1.09)	(1.31)

Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the year ended 31st March 2020

NOTE: 23

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 Mar, 2020	As at 31st Mar, 2019
Others	Performance Guarantee issued to Pension Fund Regulatory Development authority	3,000,000	3,000,000
Grand Total		3,000,000	3,000,000

B) Commitments made and outstanding on Fixed Assets

Particular	As at 31st Mar, 2020	As at 31st Mar, 2019
Estimated amounts of contracts to be executed on capital account and not provided for (net of advances)	500,000	-

NOTE: 24

INCOME TAXES

Amount in Rupees

	Year Ended 31st Mar, 2020	Year Ended 31st Mar, 2019
(A) The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:		
(a) Profit or loss section		
Current income tax:		
Current income tax charge		
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(447,923)	(192,119)
Relating to origination and reversal of temporary differences of previous year		
Income tax expense reported in Profit or Loss	(447,923)	(192,119)

(B) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

Particulars	2019-2020	2018-2019
Accounting profit / (loss) before income tax	(38,074,768)	(40,161,694)
Corporate tax rate	26.00%	26.00%
Tax on Accounting profit / (loss)	<u>-9,899,440</u>	<u>-10,442,041</u>
Adjustments in respect of current income tax of previous years losses	10,347,363	10,634,160
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>447,923</u>	<u>192,119</u>

(C) Deferred tax:

Deferred tax relates to the following:

	Balance Sheet		Statement of Profit & Loss	
	31st Mar, 2020	31st Mar, 2019	31st Mar, 2020	31st Mar, 2019
	INR	INR	INR	INR
Deferred tax Assets				
Other items giving rise to temporary differences				
Depreciation	711,354	282,333	429,021	199,774
Deferred tax Liabilities				
Depreciation	-			
Other items giving rise to temporary differences	733	19,635	(18,902)	7,655
Deferred tax expense/(income)	<u>710,621</u>	<u>262,698</u>	<u>447,923</u>	<u>192,119</u>

Reflected in the balance sheet as follows:

	31st Mar, 2020	31st Mar, 2019
	INR	INR
Deferred tax assets	711,354	282,333
Deferred tax liabilities	733	19,635
Deferred tax Assets/(liabilities), net	<u>710,621</u>	<u>262,698</u>

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

	31st Mar, 2020	31st Mar, 2019
	INR	INR
Opening balance as of 1st April Asset/ (Liabilities)	262,698	70,579.00
Tax income/(expense) during the year recognised in profit or loss	447,923	192,119
MAT Credit recognized directly in the Balance Sheet		
Relating to origination and reversal of temporary differences of previous year		
Closing balance as at 31st March	<u>710,621</u>	<u>262,698.00</u>

(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)
pertaining to Assessment year 2019-2020			
- Unabsorbed depreciation	2,155,023	560,306	Indefinitely
- Brought forward business loss	37,285,157	9,694,141	A.Y 2026-2027
pertaining to Assessment year 2020-2021			
- Unabsorbed depreciation	1,704,198	443,092	Indefinitely
- Brought forward business loss	39,265,932	10,209,142	A.Y 2027-2028
	<u>80,410,310</u>	<u>20,906,681</u>	

Aditya Birla Sun Life Pension Management Limited

Notes forming part of Financial Statements for the year ended 31st March 2020

NOTE: 25

RETIREMENT BEFNEFITS

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, 2020	31st Mar, 2019
Contribution to Employees Provident Fund	1,282,751	1,088,877
Contribution to National Pension Scheme	760,018	1,342,601
Total	2,042,769	2,431,478

NOTE: 26

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 7,52,415. has been recovered from the Company during the year (Previous year Rs 27,31,267)

Aditya Birla Sun Life Pension Management Limited

Notes forming part of Financial Statements for the year ended 31st March 2020

NOTE: 27

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 Rupees

Sr No.	Nature of transaction	Year ended 31st Mar 2020	Year ended 31st Mar 2019
		Audited	Audited
1	Aditya Birla Sun Life Insurance Company Limited		
	Equity Share Capital	30,000,000	50,000,000
	Rent (including taxes)	3,281,319	2,558,547
	Reimbursement of expenses (including taxes)	48,094,692	44,145,690
2	Aditya Birla Capital Limited	-	
	allotment of ESOP's to employees	958,046	2,731,267
3	Director sitting fees		
	Harish Engineer	280,000	450,000
	S.C Bhargav	300,000	370,000
	Vijay Agarwal	140,000	250,000
4	Key Management Personnel		
	-Sashi Krishnan - Chief Executive Officer		
	Short term employee benefits *	22,216,081	21,768,758
	Post employment benefits *	1,362,972	1,362,972
	Sale of Property, Plant and Equipment (Vehicle)	110,833	-

* being amounts reimbursed to Aditya Birla Sun Life Insurance Company Limited

(c) Amount due to related parties

Sr No.	Nature of transaction / relationship	As At	
		31st Mar, 2020	31st Mar, 2019
1	Aditya Birla Sun Life Insurance Company Ltd	9,574,049	3,869,263
2	Aditya Birla Capital Ltd	-	-
		9,574,049	3,869,263

NOTE: 28

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 2020 and 31 March 2019

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 2020:

Particulars	Level 1	Level 2	Level 3	Total
FVTPLAssets:				
Equity				
Treasurybills				
Corporate NCDs	261,916,602			261,916,602
Mutual fund investments		604,557		604,557
CBLO				
Preferenceshares				
Others				
Total	261,916,602	604,557	-	262,521,158
Total	261,916,602	604,557	-	262,521,158

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

Particulars	Level 1	Level 2	Level 3	Total
FVTPLAssets:				
Equity				
Treasurybills				
Corporate NCDs	257,546,069			257,546,069
Mutual fund investments		3,457,494		3,457,494
CBLO				
Preferenceshares				
Others				
Total	257,546,069	3,457,494	-	261,003,563
Total	257,546,069	3,457,494	-	261,003,563

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:

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

NOTE: 29

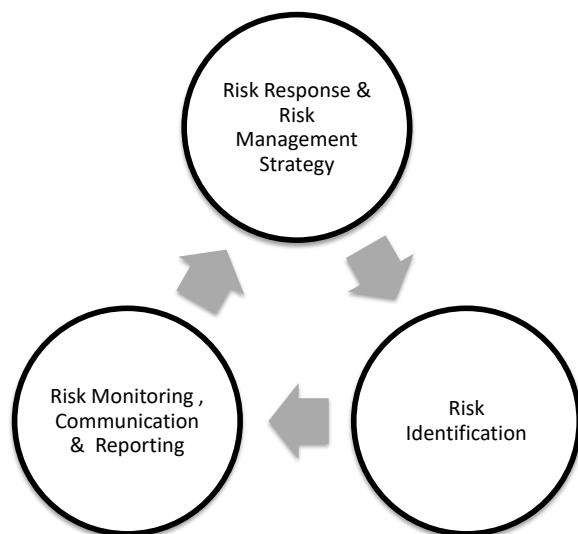
RISK MANAGEMENT FRAMEWORK

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

NOTE: 29

RISK MANAGEMENT FRAMEWORK

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 2020

Amount in Rupees	
Particulars	Total
Paid up Capital	350,000,000
Retained earning	(88,009,272)
Total	261,990,728

Available capital resources at 31 March 2019

Amount in Rupees	
Particulars	Total
Paid up Capital	320,000,000
Retained earning	(50,176,796)
Total	269,823,204

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: 30
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 counterparty fails to make timely payments pursuant to the terms of the underlying contractual arrangement or when the counterparty'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, 2020

Amount in Rupees

Particulars	Construction	Electricity, Gas, Steam And Air Conditioning Supply	Financial And Insurance Activities	Govt	Information And Communication	Manufacturing	Others	Total
1 Financial Assets At FVTPL								-
Debt	-	-	261,916,602	-	-	-	-	261,916,602
Equity								-
Equity Exchange Traded Funds								-
Mutual Fund Units	-	-	604,557	-	-	-	-	604,557
Preference Shares								-
2 Amortised Cost Financial Assets								-
Debt								-
Total credit risk exposure	-	-	262,521,158	-	-	-	-	262,521,158

As on March 31, 2019

Particulars	Construction	Electricity, Gas, Steam And Air Conditioning	Financial And Insurance Activities	Govt	Information And Communication	Manufacturing	Others	Total
1 Financial Assets At FVTPL								-
Debt	-	-	257,546,069	-	-	-	-	257,546,069
Equity								-
Equity Exchange Traded Funds								-
Mutual Fund Units	-	-	3,457,494	-	-	-	-	3,457,494
Preference Shares								-
2 Amortised Cost Financial Assets								-
Debt								-
Total credit risk exposure	-	-	261,003,563	-	-	-	-	261,003,563

Credit exposure by credit rating

As on March 31, 2020

Particulars	UNR	SOVEREIGN	AAA	AA+	AA	A1+	Others	Total
1 Financial Assets At FVTPL								-
Debt			261,916,602					261,916,602
Equity								-
Equity Exchange Traded Funds								-
Mutual Fund Units						604,557		604,557
Preference Shares								-
2 Amortised Cost Financial Assets								-
Debt								-
Total credit risk exposure	-	-	261,916,602	-	-	604,557	-	262,521,158

As on March 31, 2019

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

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 counterparty 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.

Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the year ended 31st March 2020

NOTE: 31
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, 2020

Amount in Rupees

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
Financial assets					
Amortised Cost					
FVOCI					
FVTPL	604,557			261,916,602	262,521,158
Investment contract liabilities					-
Other financial liabilities	26,254,049				26,254,049
Trade and other payables	5,316,524				5,316,524

As on March 31, 2019

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
Financial assets					
Amortised Cost					
FVOCI					
FVTPL	3,457,494			257,546,069	261,003,563
Investment contract liabilities					-
Other financial liabilities	13,299,263				13,299,263
Trade and other payables	565,600				565,600

Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the year ended 31st March 2020

NOTE: 32
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 2020	
		Impact on loss before tax	Impact on equity
Interest rate	0.0025	Rs 22.67 lakhs	Rs 22.67 lakhs

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

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.

Aditya Birla Sun Life Pension Management Limited (formerly known as Birla Sun Life Pension Management Limited)
Notes forming part of Financial Statements for the year ended 31st March 2020

Note 33: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	Amount in Rs					
	31-Mar-20			31-Mar-19		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	1,235,686		1,235,686	637,492		637,492
Bank Balance other than above		3,294,970	3,294,970		3,089,116	3,089,116
Derivative financial instruments			-			-
Loans			-			-
Investments	604,557	261,916,602	262,521,158	3,457,494	257,546,069	261,003,563
method			-			-
Trade receivables	56,829		56,829	27,430		27,430
Financial guarantee assets			-			-
Other financial assets			-			-
			-			-
			-			-
Non-financial Assets						
Deferred tax assets (net)	710,621		710,621	262,698		262,698
Contract asset			-			-
Current tax asset			-			-
Property, plant and equipment		1,333,609	1,333,609		3,493,405	3,493,405
Capital work-in-progress			-			-
Goodwill			-			-
Intangible assets under development			-			-
Other intangible assets		1,765,617	1,765,617		1,068,304	1,068,304
Other non financial assets	22,756,427		22,756,427	14,236,255		14,236,255
Total assets	25,364,120	268,310,798	293,674,918	18,621,369	265,196,894	283,818,263
Liabilities						
Financial Liabilities						
Trade payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	5,316,524		5,316,524	565,600		565,600
Derivative financial liabilities			-			-
Debt Securities			-			-
Borrowings (other than debt security)			-			-
Subordinated Liabilities			-			-
Financial guarantee obligations			-			-
Other Financial liabilities	26,254,049		26,254,049	13,299,263		13,299,263
			-			-
Non-financial Liabilities						
Current tax liabilities (net)			-			-
Contract liability			-			-
Provisions			-			-
Deferred tax liabilities (net)			-			-
Other non-financial liabilities	113,615		113,615	130,196		130,196
			-			-
Total Liabilities	31,684,189	-	31,684,189	13,995,059	-	13,995,059
Net	(6,320,069)	268,310,798	261,990,729	4,626,310	265,196,894	269,823,204

NOTE: 34

OPERATING SEGMENTS

During the financial year the Company started its operations as POP (distribution of NPS) in addition to managing the funds as a Pension Fund Manager.

Particular	Amount
Segment Revenue	
Pension Fund Management (PFM)	131,196
Point of Presence (POP)	119,201
Total Segment Revenue	250,398
Less: Inter Segment Revenue	-
Total Segment Revenue	250,398
Segment Results (Profit before Finance Costs and Tax)	
Pension Fund Management (PFM)	(48,638,227)
Point of Presence (POP)	(5,729,184)
Total Segment Result	(54,367,410)
Less: Finance Costs	
Add: Interest Income	21,473,671
Less: Other Un-allocable (Expenditure) / Income - net	(4,733,106)
Loss after Finance Costs but before Exceptional Items	(37,626,845)
Exceptional Items	-
Profit before tax	(37,626,845)
Capital Employed	
(Segment Assets - Segment Liabilities)	
Pension Fund Management (PFM)	1,216,799
Point of Presence (POP)	1,775,646
Total Segment Capital Employed	2,992,445
Add: Unallocated Corporate Assets	258,998,283
Total Capital Employed	261,990,728
Cost to acquire tangible and intangible fixed assets	
Pension Fund Management (PFM)	96,618
Point of Presence (POP)	1,860,928
Depreciation and amortisation cost expense	
Pension Fund Management (PFM)	2,344,059
Point of Presence (POP)	85,282

The Company is domiciled in India and conducts all its operations from within India. Hence the reporting requirements as regards revenue from customer and non current by location of customer does not arise.

Revenues from three customers of the Company's Pension fund Management (PFM) segment represents Rs. 117,694 (approximately 47.00%) of the company's total revenues.

Revenues from one customer of the Company's Point of presence (POP) segment represents Rs. 26,400 (approximately 10.54%) of the company's total revenues.

NOTE: 35

LEASES

The Company has adopted Ind AS 116 - "Leases" w.e.f. 1st April, 2019. Since at the date of initial application, the lease term for all lease contracts were less than 12 months, the Company has elected not to apply the requirements of Ind AS 116 to such short term leases in accordance with the said standard. Considering the aforesaid, there is no impact on the financial statements on adoption of Ind AS 116.

The Company has taken computers and other accessories on cancellable operating lease. Lease rentals amounting to Rs. 1,22,200 (Previous year Rs. 102,600) 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. 2,851,216 (Previous year Rs. 2,330,190) have been charged to the Statement of Profit and Loss.

There are no restrictive covenants in the aforesaid lease agreements.

NOTE: 36

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, 2020 together with interest payable under this Act does not arise. (Previous year - Nil)

Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the year ended 31st March 2020

The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. The outbreak was identified in China and on March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too. Various governments have introduced a variety of measures to contain the spread of the virus. The Indian government had announced countrywide lockdown which is continued at present.

In this nation-wide lock-down period, though all the services across the nation were suspended (except the specified essential services), some establishments including securities market intermediaries could operate and were exempted from the lock-down.

“The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 on the Company. Barring any future covid 19 related escalations, based on the current assessment, the management is of the view that impact of COVID 19 on the operations of the Company and the carrying value of its assets and liabilities is not likely to be material.”

As per our attached Report of even date

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

SHARP & TANNAN
Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Kamlesh Rao
Director

DIN:07665616

Sandeep Asthana
Director

DIN:00401858

Sashi Krishnan
CEO & CIO

Edwin P. Augustine
Partner

Membership No. 043385

Place : Mumbai
Mumbai, April 28, 2020

Jaibind Sahu
Company Secretary

Sandhya Upadhyay
CFO

Aditya Birla Sun Life Pension Management Limited
Statement of Changes in Equity for the year ended 31st Mar 2020

(A) EQUITY SHARE CAPITAL

Amount in Rs

Particulars	As at		As at	
	31st Mar, 2020		31st Mar, 2019	
	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	3,20,00,000	32,00,00,000	27,00,000	2,70,00,000
Changes in Equity share capital during the year	30,00,000	3,00,00,000	5,00,000	50,00,000
Balance at the end of the period	3,50,00,000	35,00,00,000	32,00,000	32,00,00,000

(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						
Balance as of April 1, 2019	(5,03,82,427)	-	-	-	-	(5,03,82,427)	2,05,631	(5,01,76,796)
Loss for the year	(3,76,26,845)	-	-	-	-	(3,76,26,845)	-	(3,76,26,845)
Total Comprehensive income	(3,76,26,845)	-	-	-	-	(3,76,26,845)	-	(3,76,26,845)
Addition during the year	-	-	-	-	-	-	-	-
Loss during the year	-	-	-	-	-	-	-	-
Comprehensive loss during the year	-	-	-	-	-	-	-	-
ESOP expenses	-	-	-	-	-	-	(2,05,631)	(2,05,631)
Share issue expenses	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	(8,80,09,272)	-	-	-	-	(8,80,09,272)	-	(8,80,09,272)

For the year ended 31 March 2019

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		Available for Sale Financial Investments Reserve	Foreign Currency Translation reserve	Effective Portion of Cash flow hedges			
	Surplus as per Statement of Profit and Loss	General Reserve						
Balance as at 1st April, 2018	(1,04,12,852)	-	-	-	-	(1,04,12,852)	2,05,631	(1,02,07,221)
Loss for the year	(3,99,69,575)	-	-	-	-	(3,99,69,575)	-	(3,99,69,575)
Other Comprehensive Income/(loss) for the year	-	-	-	-	-	-	-	-
Total Comprehensive income	(3,99,69,575)	-	-	-	-	(3,99,69,575)	-	(3,99,69,575)
Addition during the year	-	-	-	-	-	-	-	-
Loss during the year	-	-	-	-	-	-	-	-
Comprehensive loss during the year	-	-	-	-	-	-	-	-
ESOP expenses	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-
Balance as at 31st March, 2019	(5,03,82,427)	-	-	-	-	(5,03,82,427)	2,05,631	(5,01,76,796)

In terms of our report attached

For SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

For and on behalf of the Board of Directors

Aditya Birla Sun Life Pension Management Limited

Edwin P. Augustine
Partner
Membership No. 043385

Kamlesh Rao
Director
DIN:07665616

Sandeep Asthana
Director
DIN:00401858

Sashi Krishnan
CEO & CIO

Mumbai, April 28, 2020

Jaibind Sahu
Company Secretary

Sandhya Upadhyay
CFO