



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 **Seventh** Annual Report and the Audited Financial Statements of your Company for the financial year ended March 31, 2021 ("financial year").

FINANCIAL SUMMARY AND HIGHLIGHTS

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

(₹ in crore)

Particulars	2020-21	2019-20
Total Revenue	4.42	2.68
Total Expenses	5.47	6.49
Profit / (Loss) before tax	(1.05)	(3.81)
Tax Expense	0.02	0.05
Profit/(Loss) after tax	(1.07)	(3.76)
Minority Interest	Nil	Nil
Profit / (Loss) after Minority Interest	(1.07)	(3.76)
Share Capital	39	35
Other Equity	(9.87)	(8.80)
Net worth	29.12	26.20

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>

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).

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 2020-21.

Industry Overview

The National Pension System (NPS) registered significant growth, both in terms of subscribers as well as Assets under Management (AuM), in 2020-21. The total subscriber base under various pension schemes overseen by the Pension Fund Regulatory and Development Authority (PFRDA), as on March 31, 2021, stood at around 4.24 Crore, a growth of 23 % over the previous year. The total AuM, under all sectors, stood at about Rs. 5.78 lakh crores, a growth of about 38%. The AuM under the Corporate sector is now at about Rs.62609 crores and showed a growth of 52% over the previous year. The AUM under all Citizens Model is now about Rs.22206 crores and showed a growth 72% 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. 297 crores
- The Returns for both Gsec scheme were in second quartile, whereas returns for Equity and Corporate bond schemes were in the third quartile for FY21.
- The Company closed the fiscal with AUA of Rs. Rs. 115 Cr with corporate subscriber of 2500.

MATERIAL EVENTS DURING THE YEAR

BUSINESS CONTINUITY AMIDST COVID-19

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

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, 2021 was ₹ 39 crore.

The authorized share capital of the Company is ₹ 40 Crore. During the Financial year under review, the Company issued and allotted 40,00,000 (Forty Lakh) Equity Shares of Rs.10/- (Rupees Ten) each fully paid amounting to ₹ 4,00,00,000 (Rupees Four 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

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 2020-21 was perhaps the 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.

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 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 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, 2021, 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, 2021 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, 2021, the Board of Directors of your Company ("the Board") comprised of 6 (Six) Directors, wherein there are 3 (three) 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.

During the year under review, Mr. Harish Engineer, Director on the Board has resigned from the directorship of the Company w.e.f. February 01, 2021. The Board places on record its sincere appreciation for the valuable guidance and contribution made by Mr. Harish Engineer in the deliberations of the Board during their tenure on the Board of the Company.

Mr. Kumar Sharadindu was appointed as Additional Director (Independent Director) of the Company, and he shall hold office upto the date of the next Annual General Meeting (AGM) or the last date upto which the AGM should have been held, whichever is earlier and thereafter to hold office as Independent Director for a period of 5 (five) consecutive years, with effect from February 1, 2021, subject to approval of the shareholders of the Company at the ensuing AGM.

Mr. Balasubramanian Athmanathan (DIN 02928193) was appointed as Additional Director (Non-Executive Director) of the Company, and he shall hold office upto the date of the next Annual General Meeting (AGM) or the last date upto which the AGM should 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. Kamlesh Rao, (DIN: 07665616) retires from the Board by rotation this year and being eligible, offers themselves for re-appointment at the Seventh Annual General Meeting of the Company.

A detailed profile of the Directors seeking appointment/re-appointment is provided in the Notice of the 7th 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)

Mr. Sashi Krishnan had tendered his resignation from the position of Chief Executive Officer and Chief Investment Officer of the company with effect from the closure of business hours on January 22, 2021 vide a letter dated January 13, 2021 on account of his early retirement from the services of Aditya Birla Sun Life Insurance Company Limited ("Sponsor Company") to which the Board took note of the same and extended its deep appreciation for his remarkable contribution towards the Company in its meeting held on January 13, 2021.

Pursuant to his retirement/resignation, Mr. Krishnan ceases to be the Principal Officer of the Company under Pension Fund Regulatory and Development Authority (Pension Fund) Regulation 2015. He also ceases to be the Designated Director of the Company under Prevention of Money Laundering Rules, 2005. Both these would be with effect from the closure of business hours on January 22, 2021.

Ms. Sandhya Upadhyay was appointed as Interim Principal Officer w.e.f. January 22, 2021 vide Board circular resolution passed on January 22, 2021 till appointment of new CEO of the Company.

ANNUAL PERFORMANCE EVALUATION

The evaluation framework for assessing the performance of the Directors of your Company comprises of contributions at the Meeting(s) and strategic perspective or inputs regarding the growth and performance of your Company, amongst others.

Pursuant to the provisions of the Act and in terms of the Framework of the Board Performance Evaluation, the Nomination and Remuneration Committee and the Board of Directors had carried out an annual performance evaluation of the performance of various Committees of the Board 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 include, 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 18, 2021, 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 2020-21 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 (Resigned w.e.f. February 01, 2021)	Independent Director	4
3	Mr. Vijay Agarwal	Independent Director	4
4	Mr. Kamlesh Rao	Non-Executive Director	4
5	Mr. Sandeep Asthana	Non-Executive Director	4
6	Mr. Kumar Sharadindu (Appointed w.e.f. February 01, 2021)	Independent Director	0
7.	Mr. Balasubramanian Athmanathan (Appointed w.e.f. February 24, 2021)	Non-Executive Director	0

During the financial year under review, the Board met 4 (Four) times. Meetings of the Board were held on April 28, 2020, July 21 2020, October 22, 2020 and January 13, 2021.

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 2020-21 were as under:

Sr. No.	Name of the Directors	Designation	No. of Meeting Attended
1	Mr. S.C. Bhargava	Independent Director	4
5	Mr. Vijay Agarwal	Independent Director	4
6	Mr. Kamlesh Rao	Non-Executive Director	4

The Company has a qualified and independent Audit Committee, and its composition is in line with the applicable provisions of Section 177 of the Act. During the financial year under review, the Committee met 4(Four) times. The meetings were held on April 28, 2020, July 21, 2020, October 22, 2020, and January 13, 2021.

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 2020-21 were as under:

Sr. No.	Name of the Directors	Designation	No. of Meeting Attended
1	Mr. Harish Engineer (Resigned w.e.f. February 01, 2021)	Independent Director	2
2	Mr. Vijay Agarwal	Independent Director	2
4	Mr. Sandeep Asthana	Non-Executive Director	2
5	Mr. Kamlesh Rao (appointed w.e.f. 18/10/2019)	Non-Executive Director	2
6.	Mr. Kumar Sharadindu (appointed w.e.f. 01/02/2021)	Independent Director	0

Note:

1. *Mr. Harish Engineer resigned w.e.f. February 01, 2021 and hence ceased as a member of Nomination and Remuneration Committee
2. *Mr. Kumar Sharadindu was appointed w.e.f. February 01, 2021 and hence appointed 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 April 28, 2020 and October 22, 2020.

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

The Composition of Investment Committee and the attendance of Members at the Meeting during FY 2020-21 were as under:

Sr. No.	Name of the Directors	Designation	No. of Meeting Attended
1	Mr. Sandeep Asthana	Non-Executive Director	4
2	Mr. Sashi Krishnan (resigned w.e.f. 22/01/2021)	Chief Executive Officer and Chief Investment Officer	4
3	Mr. Nilesh Bharkhada (resigned w.e.f. 06/01/2021)	Fund Manager	4
4	Mr. Sanjeev Kumar	CRO	4
5	Mr. Kamlesh Rao	Non-Executive Director	4
6.	Mr. S.C. Bhargava	Independent Director	2
7.	Mr. Vijay Agrawal	Independent Director	2

Note:

1. *Mr. Sashi Krishnan resigned as CEO&CIO and hence ceased as a member w.e.f. January 22, 2021.
2. *Mr. Nilesh Bharkhada resigned as the Fund manager and hence ceased as a member w.e.f. January 06, 2021. Mr. Paras Mehta was appointed as the Fund manager w.e.f. February 18, 2021 vide Board circular resolution passed on February 24, 2021.

Pursuant to amendment in Schedule X (I) "Investment Committee" of the PFRDA (Pension Fund) (Third Amendment) Regulation, 2020, notified on May 14, 2020, the Pension fund shall constitute an Investment Committee consisting of two independent directors, the Chief Executive Officer, Chief Risk Officer and the Chief Investment Officer or Fund Manager in case CEO and CIO are the same official. Further the Independent director should not be the same for the Investment and the Risk Management Committee.

The Company has a qualified and independent Investment Committee, and its composition is in line with the applicable provisions of PFRDA Regulation for the Committee meeting during the financial year. During the financial year under review, the Committee met 4 (Four) times. The meetings were held on April 28, 2020, July 21, 2020, October 22, 2020 and January 05, 2021.

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 2020-21 were as under:

Sr. No.	Name of the Directors	Designation	No. of Meeting Attended
1	Mr. Harish Engineer (resigned w.e.f 01/02/2021)	Independent Director	4
2	Mr. Sashi Krishnan (resigned w.e.f 22/01/2021)	Chief Executive Officer and Chief Investment Officer	4
3	Mr. Nilesh Bharkhada (resigned w.e.f 06/01/2021)	Fund Manager	4
4	Mr. Jaibind Kumar Sahu	Compliance Officer	2
5	Mr. Sanjeev Kumar	CRO	4

Note:

1. *Mr. Sashi Krishnan resigned as the CEO & CIO w.e.f. January 22, 2021 and hence ceased as a member of Risk Management Committee
2. *Mr. Harish Engineer resigned as a Independent director w.e.f. February 01, 2021 and hence ceased as a member of Risk Management Committee
3. *Mr. Nilesh Bharkhada resigned as the Fund Manager w.e.f. January 06, 2021 and hence auditor ceased as a member of Risk Management Committee. Mr. Paras Mehta was appointed as the Fund manager w.e.f. February 18, 2021 vide Board circular resolution passed on February 24, 2021.

Pursuant to the PFRDA (Pension Fund) (Third Amendment) Regulation, 2020, notified on May 14, 2020, in terms of Schedule X (II) "Risk Management Committee" of PFRDA (Pension Fund) Regulation 2015 the Pension fund shall constitute a Risk Management Committee which shall consist of at least one independent director, the Chief Executive Officer, Chief Risk Officer, Chief Investment Officer or fund manager in case CEO and CIO are the same official and the Compliance Officer.

The Company has a qualified and independent Risk Management Committee, and its composition is in line with the applicable provisions of PFRDA Regulation for the Committee meeting held during the

financial year. During the financial year under review, the Committee met 4(Four) times. The Meetings were held on April 28, 2020, July 21, 2020, October 22, 2020 and January 05, 2021.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies act, 2013, the Annual Return in form MGT-7 for the Company is available on the Company's website at <http://pensionfund.adityabirlacapital.com>.

AUDITORS

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

Pursuant to Section 139 of Companies Act, 2013 and other applicable rules there under, M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No 109982W) were appointed as Statutory Auditor of the Company for 5 consecutive financial years commencing from conclusion of 6th Annual General Meeting till the conclusion of 11th Annual General Meeting of the Company for the financial years 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 2021-22.

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 C** 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

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 unswerving focus on nurturing and retaining talent, your Company provide avenues for learning and development through functional, behavioural and leadership training programs as well as on the job training to enable the employees to constantly upgrade their skills. The Human Resources function over the last one year also has travelled a significant distance in digitalization of all employee facing process and now all human resource process are available to employees on their handphones. This has ensured significant ease of access for the individual employee as well as helped the Human Resource function to deliver it services to the employees in a much faster and efficient manner.

The Company's total workforce stood at 12 as on March 31, 2020 against 14 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.
- 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. Sashi Krishnan jointly held with Aditya Birla Sun Life Insurance Company Limited to Mr Kamlesh Rao jointly held with Aditya Birla Sun Life Insurance Company Limited, bearing Certificate No. 4 on January 22, 2021.
- 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 reflected or incorrect amount reflected in the account, subscribers change request and PRAN related. Accordingly, appropriate resolution was provided to the subscribers within stipulated time frame, and it was reviewed by the Board.

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**

**Sd/-
Kamlesh Rao
Director
(DIN - 07665616)**

**Sd/-
Sandeep Asthana
Director
(DIN - 00401858)**

Mumbai, April 22, 2021

ANNEXURE A TO DIRECTOR'S REPORT MANAGEMENT DISCUSSION AND ANALYSIS

Economic Environment

Covid pandemic and world economy

The evolution and progress of Covid pandemic which began in early 2020 rapidly spread throughout the world was the most important factor for global and domestic economy and markets throughout FY21. The early template to deal with the pandemic was the model of strict lockdowns and social distancing, which resulted in sharp collapse in growth, equity and commodity markets early in the pandemic. Bond yields fell sharply in both EMs and DMs. Growth estimates were cut to the lowest since Great Depression.

Policy makers responded by the most aggressive monetary-fiscal stimulus by both advanced and emerging economies. Total global pandemic-related fiscal actions as estimated by IMF stands at an astoundingly high level of \$16 trillion: \$10 trillion consists of additional spending and forgone revenue, and \$6 trillion of government loans, guarantees, and capital injections. It was complimented by aggressive and synchronous Central Banks' policy actions, which took global interest rates to the lowest levels on record and ensured that despite the high fiscal push, borrowing cost remained low.

The combination of aggressive policy actions and evolution of medical response to deal with pandemic resulted in spectacular rebound in global economy and risk assets. IMF now expects global contraction in 2020 at -3.3%, compared to April 2020 forecasts of -5.2% contraction. It was the same story across the world with sharp downgrade followed by healthy upgrades in growth estimates and equity/commodity markets. Bond yields have also rebounded but are still quite low. With progress in vaccinations across the world and significant part of stimulus persisting, the outlook of global economy in 2021 is quite bright with IMF forecasting fastest growth in 50 years, aided by favorable base.

India

In India also we had a similar story with economy and markets being guided by the evolution of pandemic and government's response to the same. Early in the pandemic India's response was of a very strict nationwide lockdown beginning mid-March. This resulted in sharp collapse in economic growth, Indian currency, equity markets and bond yields. Growth in 1Q FY21 turned out to lowest on record with GVA contracting by -22.4% y-y, with industrial sector contracting by -35% and services by -21%. Agriculture was the only segment which posted good growth throughout the year with negligible impact of pandemic.

Growth rebounded sharply in the following three quarters of the year as lockdown restrictions were gradually eased and strong pent-up demand was unleashed with 2Q and 3Q growth at -7.3% and +1%/y. The impact of pandemic in FY21 finally turned out to be more benign than earlier expectations. Both Central government and RBI responded to the pandemic with a series of measures. RBI unleashed aggressive monetary easing, unprecedented liquidity injection and few forbearance measures to reduce the impact of pandemic. Government came out with a series of measure to support the vulnerable sections of society as well as credit guarantee schemes for

MSMEs and for specified sectors. It also came out with some ambitious structural and supply side reforms including ambitious farm sectors reforms and PLI scheme to boost medium term growth. It also used the pandemic to clear past subsidy dues and fiscal deficit rose very sharply to 9.5% of GDP. Annual GVA in FY21 is expected to finally come at -6.5%, lowest on records but better than double digits contraction earlier feared. Agri sector grew by 3%, industry contracted by -8.2% y-y and services by -8.1% y-y. Financial, real estate and financial services declined by -1.4% y-y, but banking sector credit growth remained positive, although declined to 5.52% y-y (6.03% in FY20). Equity markets reflected the sharp deterioration and then improvement in growth prospects of the economy as also the sharp fall and rebound in global equity markets. Interest rates and bond yields remained low for most of FY21 before rising post the Union Budget with sharp rise in fiscal deficit and new fiscal roadmap.

The collapse in import demand and fall in international prices resulted in current account turning to surplus in the fiscal, largely due to strong surplus in 1H. After sharp capital outflows in 1Q, foreign capital flows also returned strongly in the rest of the year, led by healthy FDI flows. Current account surplus and good capital inflows resulted in good surplus in BoP account and strong build-up of forex reserves, which helped in reducing INR volatility through the pandemic.

The beginning of FY22 saw the strong second wave of Covid pandemic. Second wave has turned out to be much stronger than the first wave. However, in place of a national lockdown in first wave, lockdown and other social distancing response are being taken by State Governments in this wave. Growth estimates are once again getting slashed by 1-4% and the median growth forecast currently stands at 10-11% range. We expect services sector to bear the brunt of pandemic, especially in hospitality, travel and tourism, and trade sector. We expect a much lower impact in industry this time given that most of the manufacturing has been untouched by lockdown restrictions, unlike in 2020 when lockdown restrictions had a serious negative impact on industrial growth. However lower demand, generally weak sentiments, and logistical hiccups will have some negative impact on industrial growth. On the positive side, global growth is likely to be the strongest in 50 years which is positive for industrial exports. Evolution of pandemic and pace/efficacy of vaccination will be the key determinant of the economy for the second year in succession.

MARKET OUTLOOK

Equity

The NSE NIFTY 50 gained about 70% during the FY2020-21 after correcting by 26% during the last FY. Markets rebounded fairly after the lifting of the lockdown and global easy monetary conditions led to unprecedented rally in the stock market. Primarily the rally was fuelled by FII investment inflow to the tune of Rs. 2 Trillion during the FY21. Corporate results showed some normalisation due to pent up demand however sustainability of the broad-based recovery is still a concern given the rising number of Covid infections. Markets are expected to take cue from mass vaccination drive, risk of further rise in infections, withdrawal/imposition of lockdowns and Monetary policy support. We expect the market to consolidate after the recent run up and react only based on corporate results and recovery.

Fixed Income

US Treasury after touching a low of 0.50% in August 2020 rose to 1.70% as on 31st March 2021 driven by expectations of higher inflation and expectations of growth normalisation given the rollout of vaccination drive. Brent Crude ended the year at over 65 dollars per barrel after dropping below 20 dollars in April 2020. During the year 10-Year Indian Government Bond yield saw a high of 6.49% and a low of 5.76%. However, 10-year yield closed only 12 bps lower compared to the last FY. CPI inflation in India dropped to 5.03% in Feb 2021, after touching a high of 7.61% in October 2020. GDP is expected to grow by 10.5% during FY22 as per RBI estimates. The global risk aversion sentiment amidst rise in UST yields is an imminent risk to the trajectory of India's bond yield movement along with further hardening of global oil prices and unwarranted increase in core price pressures. Given the ample liquidity in the domestic market we expect a gradual hardening of yields during FY22 as RBI moves towards normalization of monetary policy and focus returns to Inflation. We expect the yields to rise to 6.40-6.65% during the second half of FY 2022.

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 2020-21.

The number of subscribers in various schemes under the National Pension System (NPS) has increased by 22.8 % from 345.55 lakh in March 2020 to 424.40 lakh in March 2021 and assets under management stood at Rs 5,78,025 crore in March 2021 with an increase of 38% on a YoY basis.

Particular	AUM as on (Rs in Crore)			No of Subscribers in Crore		
	31 st Mar 2021	31 st Mar 2020	Increase %	31 st Mar 2021	31 st Mar 2020	Increase %
Corporate (including Corporate CG)	62,609	41,231	52%	0.11	0.10	16%
All Citizen	22,206	12,924	72%	0.16	0.13	32%
Central Govt	1,81,416	1,38,015	31%	0.22	0.21	4%
State Govt	2,91,960	2,11,500	38%	0.51	0.48	8%
NPS Lite	4,354	3,728	17%	0.43	0.43	-1%
Total (A)	5,62,545	4,07,398	38%	1.44	1.34	7%
Atal Pension Yogana (B)	15,687	10,526	49%	2.80	2.11	33%
Total AUM (A + B)	5,78,232	4,17,924	38%	4.24	3.46	23%

Company's Initiatives & Strategy

During the year PFRDA invited interested applicants to make an offer for being selected as a sponsor of a Pension Fund, which may be registered as a Pension Fund (PF) by the Pension Fund Regulatory and Development Authority (PFRDA) subject to satisfying the requisite criteria.

According to the new RFP, PFRDA has increased the Investment Management Fees from 0.01% to maximum Investment Management Fees up to 0.09%. The investment management fee is inclusive of brokerage but exclusive of custodian fee and applicable taxes.

Our Sponsor had submitted the said application under the new RFP along with a deviation statement on meeting the pre-qualification criteria of monthly average assets under management. PFRDA had given the timeline of 9 months to Sponsor w.e.f. March 19, 2021 to meet the pre-qualification condition of “monthly average assets under management of the sponsors individually or jointly must not be less than Rs 50000 for the last 12 months ending the preceding month of application” considering its past performance, existing subscriber base and to avoid inconvenience to subscribers.

Till such time we shall continue to operate at the existing terms and condition of fee structure i. e. 0.01% of the AuM and annual fees @0.005% of the AUM and without reimbursement of the brokerage.

On meeting the said criteria fresh letter of appointment under the new RFP would be issued to the sponsor after consideration and due approval by the authority.

Given the large opportunity available in the pension fund space, your Company is taking several initiatives. In addition to the sales offices at Mumbai, New Delhi and Bangalore the Company plans to open another two or three sales office this year. 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.

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.

Sd/-

Kamlesh Rao
Director
(DIN – 07665616)

Sd/-

Sandeep Asthana
Director
(DIN– 00401858)

Date: April 22, 2021

Place: Mumbai

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

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

Aditya Birla Group: Executive Remuneration Philosophy/Policy

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

Our business and organizational model

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

I. Objectives of the Executive Remuneration Program

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

Our executive remuneration program is intended to:

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

II. Covered Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

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

III. Business and Talent Competitors

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

IV. Executive Pay Positioning

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

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

V. Executive Pay-Mix

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

Annual Incentive Plan:

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

Long-Term Incentive:

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

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

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

VI. Performance Goal Setting

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

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

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

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

VII. Executive Benefits and Perquisites

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

Other Remuneration Elements

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

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

Risk and Compliance

We aim to ensure that the Group's remuneration programs do not encourage excessive risk taking. We review our remuneration programs for factors such as remuneration mix overly weighted towards annual incentives, uncapped 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.

Sd/-

Kamlesh Rao
Director
(DIN – 07665616)

Sd/-

Sandeep Asthana
Director
(DIN – 00401858)

Date: April 22, 2021

Place: Mumbai

ANNEXURE C TO DIRECTOR'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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.

On account of ongoing and evolving pandemic of COVID-19 and consequent lockdown as directed by the Central and State Government(s), 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. Our report also covers the due adherence of the miscellaneous circulars/ notifications/guidelines as issued by the regulatory bodies from time to time. Further we have verified 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 31st March, 2021, 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

- (iii) 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;
- (iv) 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
2. 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.

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 Board of Directors of the Company in their meeting dated 28th April 2020 passed the resolution for issue of 40,00,000 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 22, 2021
UDIN : F007956C000133257

Sd/-
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, 2020.
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 22, 2021

Sd/-
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 2021, 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 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, 2021, 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.

Ravindra 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@sharpandtannan.com

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 skepticism 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 Act, 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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

Edwin P. Augustine
Partner
(Membership No. 043385)
UDIN : 21043385AAAACY3704

Place : Mumbai
Date : 22nd April, 2021

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 2021 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.

- (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)
UDIN : 21043385AAAACY3704

Place : Mumbai
Date : 22nd April, 2021

**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, 2021 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, 2021, 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)
UDIN : 21043385AAAACY3704

Place : Mumbai
Date : 22nd April, 2021

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED

Balance Sheet as at

		Amount in ₹
	As at	As at
	31st Mar 2021	31st Mar, 2020
I ASSETS		
(1) Financial Assets		
(a) Cash and Cash Equivalents	2 4,144,896	1,235,686
(b) Bank Balance other than (a) above	3 3,503,039	3,294,970
(i) Trade Receivables	4 81,673	56,829
(d) Investments	5 271,644,790	262,521,159
Sub-Total	279,374,397	267,108,644
(2) Non-Financial Assets		
(a) Current Tax Assets (Net)	27,580	13,105
(b) Deferred tax assets (Net)	24 489,539	710,621
(c) Property, Plant and Equipment	6 713,788	1,333,609
(d) Other Intangible assets	7 1,751,559	1,765,617
(e) Other non-Financial assets	8 29,181,600	22,743,322
Sub-Total	32,164,067	26,566,274
Total assets	311,538,465	293,674,918
II LIABILITIES AND EQUITY		
LIABILITIES		
(1) Financial Liabilities		
(a) Payables		
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9 7,602,432	5,316,525
(b) Other Financial Liabilities	10 12,617,835	26,254,049
Sub-Total	20,220,267	31,570,574
(2) Non Financial Liabilities		
(a) Other Non Financial Liabilities	11 92,573	113,615
Sub-Total	92,573	113,615
(3) Equity		
(a) Equity Share capital	12 390,000,000	350,000,000
(b) Other Equity	13 (98,774,375)	(88,009,272)
Total Equity	291,225,625	261,990,728
Total Equity and Liabilities	311,538,465	293,674,918
Significant Accounting Policies	1	
The accompanying notes are an integral part of the financial statements.		

In terms of our report attached

For SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

Edwin P. Augustine
Partner

Mumbai, April 22, 2021



Mumbai, April 22, 2021

For and on behalf of the Board of Directors

Aditya Birla Sun Life Pension Management Limited

Kamlesh Rao

Director

DIN:07665616

Jaibind Sahu

Company Secretary

Sandeep Asthana

Director

DIN:00401858

Sandhya Upadhyay

Chief Financial Officer

Aditya Birla Sun Life Pension Management Limited
Statement of Profit and Loss for the year ended 31st March, 2021

		Year Ended 31st Mar 2021	Amount in ₹ Year Ended 31st Mar 2020
Note			
	Revenue from operations		
	Fees and Commission Income	14 695,128	250,398
	Other Income		
	Interest Income	15 20,609,530	21,473,671
	Net Gain on Fair Value Changes	16 9,522,713	5,104,796
	Provision no longer required written back	17 13,408,137	-
	Total Other Income	43,540,380	26,578,467
	Total Income	44,235,508	26,828,865
	EXPENSES		
	(a) Fees and Commission Expenses	18 193,022	188,466
	(b) Employee benefits expense	19 39,103,642	47,842,462
	(c) Depreciation and amortisation expenses	20 1,846,624	3,035,924
	(d) Other expenses	21 13,636,242	13,836,781
	Total Expenses	54,779,530	64,903,632
	Loss Before Tax	(10,544,021)	(38,074,767)
	Tax Expenses		
	Current Tax	-	-
	Deferred Tax	24 221,082	(447,923)
	Total Tax Expenses	221,082	(447,923)
	Loss for the year (A)	(10,765,103)	(37,626,844)
	Other Comprehensive Income for the year, net of tax	-	-
	Total Comprehensive Income for the year, net of tax :	(10,765,103)	(37,626,844)
	Earnings per equity share :		
	Basic- (Rs.)	(0.28)	(1.10)
	Diluted - (Rs.)	22 (0.28)	(1.10)

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



Mumbai, April 22, 2021

Jaibind Sahu
Company Secretary

Sandhya Upadhyay
Chief Financial Officer

Aditya Birla Sun Life Pension Management Limited
Statement of Cash Flows

Particulars	Year Ended 31st Mar 2021	Year Ended 31st Mar 2020
A. Cash Flow from Operating Activities		
Loss Before Tax	(10,544,021)	(38,074,767)
Adjustment for-		
Expense on Employee Stock Options Scheme	-	(205,631)
Interest on Bonds	(20,401,461)	(21,265,603)
Interest on Fixed Deposit	(208,068)	(208,069)
Net gain on Fair value changes	(8,389,793)	(4,227,088)
Loss on sale of property, plant and equipment	-	318,358
Gain on Sale of Investments (Non - current)	(570,860)	-
Gain on Sale of Investments (current)	(562,060)	(877,708)
Provision no longer required written back	(13,408,137)	-
Depreciation and Amortisation	1,846,624	3,035,924
Operating Profit before Working Capital changes	(52,237,778)	(61,504,584)
Adjustment for-		
Decrease/(Increase) in Trade Receivables	(24,844)	(29,399)
Decrease/(Increase) in Other Financial Assets	(0)	(205,854)
Decrease/(Increase) in Other Non Financial Assets	(6,438,279)	(8,520,172)
(Decrease)/Increase in Trade Payables	2,285,907	4,750,924
(Decrease)/Increase in other Financial Liabilities	(228,077)	12,954,786
(Decrease)/Increase in other Non Financial Liabilities	(21,042)	(16,581)
Cash used in Operations	(56,664,113)	(52,570,879)
Income Taxes Refund/(paid)	(14,475)	(2,214)
Net cash (Used in)/from operations	(56,678,588)	(52,573,093)
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Intangibles	(1,212,745)	(2,002,632)
Proceeds from sale of Property, Plant and Equipment and Intangibles	-	110,833
Purchase of Investments (Current)	(87,707,970)	(28,791,924)
Proceeds from sale of Investments (non-current)	10,882,985	-
Proceeds from sale of Investments (Current)	77,241,200	32,657,946
Interest on Bank Deposits	-	2,214
Interest Received on Investments	20,384,329	21,194,850
Net Cash (Used in)/from Investing Activities	19,587,798	23,171,287
C. Cash Flow from Financing activities		
Share of Proceeds from Issue of Equity Shares	40,000,000	30,000,000
Net Cash (Used in)/from financing Activities	40,000,000	30,000,000
Net increase in Cash and Cash Equivalents	2,909,210	598,194
Opening Cash and Cash Equivalents	1,235,686	637,492
Closing Cash and Cash Equivalents	4,144,896	1,235,686

Notes:

1) 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

2) Flows"

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

Mumbai, April 22, 2021

Jaibind Sahu

Company Secretary

Sandhya Upadhyay

Chief Financial Officer



ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED

Statement of Changes in Equity for the period ended

(A) EQUITY SHARE CAPITAL

Amount in ₹

Particulars	As at		As at	
	31st Mar 2021		31st Mar 2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of face value of ₹10/- each issued, subscribed and fully paid up				
Balance at the beginning of the year	35,000,000	350,000,000	32,000,000	320,000,000
Changes in Equity share capital during the Period	4,000,000	40,000,000	3,000,000	30,000,000
Balance at the end of the period	39,000,000	390,000,000	35,000,000	350,000,000

(B) OTHER EQUITY

Amount in ₹

Particulars	Reserve and Surplus		Items of Other Comprehensive income			Equity attributable to Shareholders of Company	Equity Component of ESOP	Total Other Equity
	Retained Earnings							
	Surplus as per Statement of Profit and Loss	General Reserve	Financial Instrument through Other Comprehensive Income	Foreign Currency Translation reserve	Effective Portion of Cash flow hedges			
Balance as of 1st April 2020	(88,009,272)	-	-	-	-	(88,009,272)	-	(88,009,272)
Loss for the period	(10,765,103)	-	-	-	-	(10,765,103)	-	(10,765,103)
Total Comprehensive income	(10,765,103)	-	-	-	-	(10,765,103)	-	(10,765,103)
Balance as on 31st March, 2021	(98,774,375)	-	-	-	-	(98,774,375)	-	(98,774,375)

Particulars	Reserve and Surplus		Items of Other Comprehensive income			Equity attributable to Shareholders of Company	Equity Component of ESOP	Total Other Equity
	Retained Earnings							
	Surplus as per Statement of Profit and Loss	General Reserve	Available for Sale Financial Investments Reserve	Foreign Currency Translation reserve	Effective Portion of Cash flow hedges			
Balance as at 1st April, 2019	(50,382,427)	-	-	-	-	(50,382,427)	205,631	(50,176,796)
Loss for the year	(37,626,844)	-	-			(37,626,844)		(37,626,844)
Other Comprehensive Income/(loss) for the year	-					-	(205,631)	(205,631)
Total Comprehensive income	(37,626,844)	-	-	-	-	(37,626,844)	(205,631)	(37,832,475)
Balance as at 31st March, 2020	(88,009,272)	-	-	-	-	(88,009,272)	-	(88,009,272)

For and on behalf of the Board of Directors

Aditya Birla Sun Life Pension Management Limited



Mumbai, April 22, 2021

Kamlesh Rao
Director
DIN:07665616

Sandeep Asthana
Director
DIN:00401858

Jaibind Sahu
Company Secretary

Sandhya Upadhyay
Chief Financial Office

Aditya Birla Sun Life Pension Management Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021

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.



l) 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.

m) Employee Benefit Expenses

Employee deputed on secondment basis by the holding company are considered under employee benefit expenses and disclosed accordingly.



Aditya Birla Sun Life Pension Management Limited

Notes forming part of Financial Statements for the period ended March 2021

	As at 31st Mar 2021	Amount in ₹ As at 31st Mar 2020
NOTE: 2		
Cash and Cash Equivalents		
Cash on Hand	-	-
Balances with Banks		
Current Accounts	4,144,896	1,235,686
	<u>4,144,896</u>	<u>1,235,686</u>

NOTE: 3

Bank Balance other than Cash and Cash Equivalents

Deposit Accounts *

(with maturity of more than 12 months)

3,503,039	3,294,970
<u>3,503,039</u>	<u>3,294,970</u>

* 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
Unsecured, Considered doubtful

81,673	56,829
-	-
<u>81,673</u>	<u>56,829</u>
-	-
<u>81,673</u>	<u>56,829</u>

Less: Provision for impairment



Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the period ended March 2021

NOTE: 5

INVESTMENTS

Amount in ₹

Particulars	Face Value Per Unit	Numbers	As at 31st Mar 2021	Numbers	As at 31st Mar 2020
A. Carried at Fair value through profit or loss (FVTPL)					
9.34% HDFC 28th August 2024	100,000	100	116,137,374	100	112,725,485
9.24% LICHF 30th Sept 2024	100,000	50	57,380,637	50	55,364,280
8.47% LICHF 15th June 2026 Put 15 Jul 19	100,000	75	86,226,528	75	82,639,544
8.95% Reliance Industries 9 Nov 2028 <i>(Sold on 9th April, 2020)</i>	100,000	-	-	10	11,187,293
Sub Total		225	259,744,539	235	261,916,602

Particulars	Units	As at 31st Mar 2021	Units	As at 31st Mar 2020
B. Carried at Fair value through profit or loss - Mutual Fund				
ABSL Cash Plus Growth Direct Plan	35,894.6410	11,900,251	1,891.8420	604,557
Sub Total	35,894.6410	11,900,251	1,891.8420	604,557

Total (A + B)

271,644,790

262,521,158



NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Amount in ₹

	Computers	Office Equipments	Vehicles	Total
Gross Block				
As at 1st April, 2019	4,902,564	110,870	1,297,347	6,310,781
Additions	241,546	9,086	-	250,632
Deletions	-	-	1,297,347	1,297,347
As at 31st March, 2020	5,144,110	119,956	-	5,264,066
Additions	105,020	29,205	-	134,225
Deletions	-	-	-	-
As at 31st March, 2021	5,249,130	149,161	-	5,398,291
Accumulated Depreciation				
As at 1st April, 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	-	3,930,457
For the year	728,102	25,944	-	754,046
Deletions	-	-	-	-
As at 31st March, 2021	4,594,103	90,400	-	4,684,503
As at 31st March, 2020	1,278,109	55,500	-	1,333,609
As at 31st March, 2021	655,027	58,761	-	713,788



NOTE: 7

INTANGIBLE ASSETS

Amount in ₹

	Computer Software	TOTAL
Gross Block		
As at 1st April, 2019	2,916,068.00	2,916,068
Additions	1,752,000	1,752,000
Deletions		-
As at 31st March, 2020	4,668,068	4,668,068
Additions	1,078,520	1,078,520
Deletions		-
As at 31st March, 2021	5,746,588	5,746,588
Accumulated Amortisation		
As at 1st April, 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
For the year	1,092,577	1,092,577
Deletions		-
As at 31st March, 2021	3,995,029	3,995,029
As at 31st March, 2020	1,765,617	1,765,617
As at 31st March, 2021	1,751,559	1,751,559



Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the period ended March 2021

	As at 31st Mar 2021	Amount in ₹ As at 31st Mar 2020
NOTE: 8		
Other non-financial assets		
(Unsecured, unless otherwise stated)		
Balance with Government authorities	29,181,600	22,743,322
	29,181,600	22,743,322

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:	7,602,432	5,316,525
	7,602,432	5,316,525

Note:

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2021 and no interest payment made during the year to any Micro, Small and Medium Enterprises. (Previous Year MSME/Interest: NIL), This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extend such parties has been identified on the basis of information available with the company.

NOTE: 10

Other Financial Liability

(Carried at amortised cost, except otherwise stated)

Other Payables		
Payable related to employees	8,500,000	16,680,000
Payable to Holding Company	4,117,835	9,574,049
	12,617,835	26,254,049

NOTE: 11

Other Non Financial Liabilities

Others

Statutory Dues	92,573	113,615
	92,573	113,615



	Numbers	As at 31st Mar 2021	Numbers	Amount in ₹ As at 31st Mar 2020
NOTE: 12				
SHARE CAPITAL				
Authorised:				
Equity Shares of Rs 10/- each	40,000,000	400,000,000	40,000,000	400,000,000
		400,000,000		400,000,000
Issued:				
EQUITY SHARE CAPITAL				
Equity Shares of Rs10/- each	39,000,000	390,000,000	35,000,000	350,000,000
		390,000,000		350,000,000
Subscribed and Paid-up:				
EQUITY SHARE CAPITAL				
Equity Shares of Rs 10/- each, fully paid-up	39,000,000	390,000,000	35,000,000	350,000,000
		390,000,000		350,000,000

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

Amount in ₹

Sr. No.	Description	As at 31st Mar 2021		As at 31st Mar 2020	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No of Shares Outstanding at the beginning of the year	35,000,000	Nil	32,000,000	Nil
2	Allotment of fully paid up shares during the year	4,000,000	Nil	3,000,000	Nil
3	No. of Shares Outstanding at the end of the year	39,000,000	Nil	35,000,000	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 ₹

Sr. No.	Name of Shareholder	As at 31st Mar 2021		As at 31st Mar 2020	
		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)	39,000,000	100%	35,000,000	100%



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Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the period ended March 2021

NOTE: 13
OTHER EQUITY

	As at 31st Mar 2021	Amount in ₹ As at 31st Mar 2020
i) Surplus in Profit and loss account		
Opening Balance	(88,009,272)	(50,382,428)
Addition:		
Loss for the year	(10,765,102)	(37,626,844)
	(98,774,375)	(88,009,272)
ii) Equity Component of ESOP		
Opening Balance	-	205,631
Addition		
Transferred to Statement of Profit and Loss	-	(205,631)
	-	-
Total Other Equity	(98,774,375)	(88,009,272)



Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the period ended March 2021

NOTE: 14

Fees and Commission

Investment Management Fees

PoP fees

	Year Ended 31st Mar 2021	Amount in ₹ Year Ended 31st Mar, 2020
Investment Management Fees	218,145	131,196
PoP fees	476,983	119,201
	695,128	250,398

NOTE: 15

Interest Income

Interest Income from Investments

On Financial Assets classified at fair value through profit or loss

Interest on deposits with Banks

On Financial Assets classified at amortised cost

On Financial Assets classified at fair value through profit or loss	20,401,461	21,265,603
On Financial Assets classified at amortised cost	208,068	208,069
	20,609,530	21,473,671

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

Debt instrument at FVTPL

Equity investment at FVTPL	1,399,783	805,016
Debt instrument at FVTPL	8,122,930	4,299,780
	9,522,713	5,104,796

Fair Value changes :

Realised

Unrealised

Realised	1,132,920	877,708
Unrealised	8,389,793	4,227,088
	9,522,713	5,104,796

NOTE: 17

Provision no longer required written back

Provision no longer required written back

Provision no longer required written back	13,408,137	-
	13,408,137	-



Aditya Birla Sun Life Pension Management Limited
Notes forming part of Financial Statements for the period ended March 2021

	Year Ended 31st Mar 2021	Amount in ₹ Year Ended 31st Mar, 2020
NOTE: 18		
FEES AND COMMISSION EXPENSES		
Brokerage	185,718	177,048
Investment transaction cost	7,304	11,418
	193,022	188,466

NOTE: 19		
EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	33,007,989	44,297,278
Contribution to Provident and Other Funds (Refer Note no 25)	1,374,788	2,042,769
Gratuity (Refer Note no 25)	2,987,719	-
Leave Encashment (Refer Note no 25)	853,381	-
Expense on Employee Stock Options Scheme (Refer Note no 26)	432,145	752,415
Staff Welfare Expenses	447,620	750,000
	39,103,642	47,842,462

NOTE: 20		
DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Property, plant and equipment	754,046	1,981,237
Amortization of Intangible Assets	1,092,577	1,054,687
	1,846,624	3,035,924

NOTE: 21		
OTHER EXPENSES		
Rent	3,278,850	2,973,416
Rates and Taxes	2,263,309	1,520,678
Repairs and Maintenance	169,715	-
Software support charges	1,904,104	1,319,500
Auditors remuneration		
- Audit Fees	100,000	100,000
- Other services	305,000	305,000
- Certification charges	7,500	44,998
- Reimbursement of Expenses	-	30,688
Legal and Professional Expenses	3,931,943	3,892,800
Software license annual maintenance charges	556,800	557,040
Membership and subscription	-	1,987,304
Director sitting fees	1,040,000	720,000
Loss on sale of Property, Plant and Equipment	-	318,358
Miscellaneous Expenses	79,021	66,999
Total	13,636,242	13,836,781



		As at 31st Mar 2021	Amount in ₹ As at 31st Mar 2020
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)	38,276,712	34,290,909
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)	38,276,712	34,290,909
Nominal Value of Shares (Rs.)		10.00	10.00
Loss attributable to equity holders :			
Continuing Operations	(C)	(10,765,103)	(37,626,844)
Basic EPS (Rs.)	(C/A)	(0.28)	(1.10)
Diluted EPS (Rs.)	(C/B)	(0.28)	(1.10)
Discontinued Operations	(D)	-	-
Basic EPS (Rs.)	(D/A)	-	-
Diluted EPS (Rs.)	(D/B)	-	-
Continuing and Discontinued Operations	(E)	(10,765,103)	(37,626,844)
Basic EPS (Rs.)		(0.28)	(1.10)
Diluted EPS (Rs.)		(0.28)	(1.10)



NOTE: 23

CONTINGENT LIABILITIES NOT PROVIDED FOR

A) Claims Against the Company not acknowledged as debts

Amount in ₹

Nature of Statute	Brief description of contingent liability	31st Mar 2021	31st Mar 2020
Others	Performance Guarantee issued to Pension Fund Regulatory Development authority (PFRDA)	3,000,000	3,000,000
Grand Total		3,000,000	3,000,000

B) Commitments made and outstanding on Fixed Assets

Particular	31st Mar 2021	31st Mar 2020
Estimated amounts of contracts to be executed on capital account and not provided for (net of advances)	-	500,000.00



NOTE: 24

INCOME TAXES

Amount in ₹

(A) The major components of income tax expense 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

221,082

(447,923)

Relating to origination and reversal of temporary differences of previous year

Income tax expense/(income) reported in Profit or Loss

221,082

(447,923)

(B) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2021 and 31 March 2020:

Particulars

Accounting profit / (loss) before income tax

31st Mar, 2021

31st Mar, 2020

(10,544,021)

(38,074,767)

Corporate tax rate

26.00%

26.00%

Tax on Accounting profit / (loss)

(2,741,446)

(9,899,440)

Adjustments in respect of current income tax of previous years

-

Adjustments in respect of Deferred Tax not being created on tax losses

2,962,528

9,451,517

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

221,082

(447,923)

(C) Deferred tax:

Deferred tax relates to the following:

Deferred tax Assets

Other items giving rise to temporary differences

Depreciation

551,578

711,354

(159,776)

429,021

Deferred tax Liabilities

Depreciation

-

-

Other items giving rise to temporary differences

62,039

733

61,306

(18,902)

Deferred tax (expense)/income

489,539

710,621

(221,082)

447,923

Reflected in the balance sheet as follows:

Deferred tax assets

551,578

711,354

Deferred tax liabilities

62,039

733

Deferred tax Assets/(liabilities), net

489,539

710,621

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

Opening balance as of 1st April Asset/ (Liabilities)

710,621

262,698

Tax income/(expense) during the year recognised in profit or loss

(221,082)

447,923

MAT Credit recognized directly in the Balance Sheet

Relating to origination and reversal of temporary differences of previous year

489,539

710,621

Closing balance as at 31st March

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

Particulars

Base amount

Deferred tax asset

Expiry date (A.Y)

pertaining to Assessment year 2020-2021

- Unabsorbed depreciation

1,665,008

432,902

Indefinitely

- Brought forward business loss

39,752,849

10,335,741

A.Y 2028-2029

pertaining to Assessment year 2021-2022

- Unabsorbed depreciation

1,634,649

425,009

Indefinitely

- Brought forward business loss

16,820,328

4,373,285

A.Y 2029-2030

59,872,834

15,566,937



NOTE: 25

RETIREMENT BENEFITS

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

a) Defined contribution plan

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

Particular	Year ended	
	31st Mar, 2021	31st Mar, 2020
Contribution to Employees Provident Fund	1,168,824	1,282,751
Contribution to National Pension Scheme	205,964	760,018
Total	1,374,788	2,042,769

b) Defined benefit plan

During the year the Company does not have any employees on its payroll. All employees are on deputation from the holding Company. Considering the aforesaid, the defined benefit obligations in respect of gratuity and leave encashment amounting to Rs.29,87,719 and Rs.8,53,381 respectively have been cross charged by the holding company to the company.

NOTE: 26

EMPLOYEE STOCK OPTION PLAN

Pursuant to ESOP Plan being established by the intermediary 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 4,32,145. has been recovered from the Company during the year (Previous year Rs 7,52,415)



Aditya Birla Sun Life Pension Management Limited

Notes forming part of Financial Statements for the period ended March 2021

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)	Ultimate Holding Company Grasim Industries Limited	No
(ii)	Intermediary Holding Company Aditya Birla Capital Limited	Yes
(iii)	Holding Company Aditya Birla Sun Life Insurance Company Limited (100%)	Yes
(iv)	Fellow Subsidiary Company Aditya Birla Capital Technology Services Limited	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 (till 22nd January 2021)

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

Sr No.	Nature of transaction	Amount in ₹	
		Year Ended	
		31st Mar 2021	31st Mar 2020
1	Aditya Birla Sun Life Insurance Company Limited		
	Equity Share Capital	40,000,000	30,000,000
	Reimbursement of expenses (incl. taxes)	41,919,010	48,094,692
	Rent (incl. taxes)	3,850,574	3,281,319
2	Aditya Birla Capital Limited		
	- allotment of ESOP's to employees	432,145	958,046
3	Aditya Birla Capital Technology Services Limited		
	- Software development service (incl. taxes)	646,876	-
3	Director sitting fees		
	Harish Engineer	320,000	280,000
	S.C Bhargav	340,000	300,000
	Vijay Agarwal	380,000	140,000
4	Remuneration to Key Management Personnel		
	Sashi Krishnan		
	Short term employee benefits *	13,493,575	22,216,081
	Post employment benefits *	2,364,247	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	Amount in ₹	
		As At	
		31st Mar 2021	31st Mar 2020
1	Aditya Birla Sun Life Insurance Company Ltd	4,117,835	9,574,049
2	Aditya Birla Capital Ltd	-	-
		4,117,835	9,574,049



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 31st March 2020 and 31st March 2021

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 31st March 2021:

Amount in ₹

Particulars	Level 1	Level 2	Level 3	Total
FVTPL Assets:				
Equity				
Treasury bills				
Corporate NCDs	259,744,539			259,744,539
Mutual fund investments		11,900,251		11,900,251
CBLO				
Preference shares				
Others				
Total	259,744,539	11,900,251	-	271,644,790
Total	259,744,539	11,900,251	-	271,644,790



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

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

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:



NOTE: 29

RISK MANAGEMENT FRAMEWORK

- 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 2021

Particulars	Amount in Rupees
	Total
Paid up Capital	390,000,000
Retained earning	(98,774,375)
Total	291,225,625

Available capital resources at 31 March 2020

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

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, 2021

Amount in ₹

	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	-	-	259,744,539	-	-	-	-	259,744,539
	Equity								-
	Equity Exchange Traded Funds								-
	Mutual Fund Units	-	-	11,900,251	-	-	-	-	11,900,251
	Preference Shares								-
2	Amortised Cost Financial Assets								-
	Debt								-
	Total credit risk exposure	-	-	271,644,790	-	-	-	-	271,644,790

As on March 31, 2020

	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



Credit exposure by credit rating

As on March 31, 2021

	Particulars	UNR	SOVEREIGN	AAA	AA+	AA	A1+	Others	Total
1	Financial Assets At FVTPL								-
	Debt			259,744,539					259,744,539
	Equity								-
	Equity Exchange Traded Funds								-
	Mutual Fund Units						11,900,251		11,900,251
	Preference Shares								-
2	Amortised Cost Financial Assets								-
	Debt								-
	Total credit risk exposure	-	-	259,744,539	-	-	11,900,251	-	271,644,790

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

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.



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, 2021

Amount in ₹

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	11,900,251			259,744,539	271,644,790
Investment contract liabilities					-
Other financial liabilities	12,617,835				12,617,835
Trade and other payables	7,602,432				7,602,432

As on March 31, 2020

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	5,316,525				5,316,525



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 2021	
		Impact on loss before tax	Impact on equity
Interest rate	0.0025	Rs 17.97 lakhs	Rs 17.97 lakhs

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

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.



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	31-Mar-21			31-Mar-20		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	4,144,896		4,144,896	1,235,686		1,235,686
Bank Balance other than above		3,503,039	3,503,039		3,294,970	3,294,970
Derivative financial instruments			-			-
Loans			-			-
Investments	11,900,251	259,744,539	271,644,790	604,557	261,916,602	262,521,159
Investments accounted for using the equity method			-			-
Trade receivables	81,673		81,673	56,829		56,829
Financial guarantee assets			-			-
Other financial assets			-			-
			-			-
			-			-
Non-financial Assets						
Deferred tax assets (net)	489,539		489,539	710,621		710,621
Contract asset			-			-
Current tax asset			-			-
Property, plant and equipment		713,788	713,788		1,333,609	1,333,609
Capital work-in-progress			-			-
Goodwill			-			-
Intangible assets under development			-			-
Other intangible assets		1,751,559	1,751,559		1,765,617	1,765,617
Other non financial assets	29,209,182		29,209,182	22,756,427		22,756,427
Total assets	45,825,540	265,712,925	311,538,465	25,364,120	268,310,798	293,674,918
Liabilities						
Financial Liabilities						
Trade payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	7,602,432		7,602,432	5,316,525		5,316,525
Derivative financial liabilities			-			-
Debt Securities			-			-
Borrowings (other than debt security)			-			-
Subordinated Liabilities			-			-
Financial guarantee obligations			-			-
Other Financial liabilities	12,617,835		12,617,835	26,254,049		26,254,049
			-			-
Non-financial Liabilities						
Current tax liabilities (net)			-			-
Contract liability			-			-
Provisions			-			-
Deferred tax liabilities (net)			-			-
Other non-financial liabilities	92,573		92,573	113,615		113,615
			-			-
Total Liabilities	20,312,840	-	20,312,840	31,684,189	-	31,684,189
Net	25,512,700	265,712,925	291,225,626	(6,320,069)	268,310,798	261,990,728



NOTE: 34

OPERATING SEGMENTS

The Company have two major operational segment such as POP (distribution of NPS) and managing the funds as a Pension Fund Manager (PFM).

S.N.	Particulars	31st Mar 2021	31st Mar 2020
1	Segment Revenue		
	Pension Fund Management (PFM)	218,145	131,479
	Point of Presence (POP)	476,983	119,201
	Total Segmental Revenue	695,128	250,680
	Less: Inter Segment Revenue	-	-
	Total Income from Operations (Net)	695,128	250,680
2	Segment Results (Profit before Finance Costs and Tax)		
	Pension Fund Management (PFM)	(38,308,395)	(48,638,227)
	Point of Presence (POP)	(8,036,111)	(5,729,184)
	Total Segment Result	(46,344,506)	(54,367,410)
	Less: Finance Costs	-	-
	Add: Interest Income	20,609,530	21,473,671
	Less: Other Un-allocable (Expenditure) / Income - net	15,190,955	(4,733,106)
	Profit after Finance Costs but before Exceptional Items	(10,544,021)	(37,626,845)
	Exceptional Items	-	-
3	Profit before Tax	(10,544,021)	(37,626,845)
4	Capital Employed		
	(Segment Assets - Segment Liabilities)		
	Pension Fund Management (PFM)	654,256	1,216,799
	Point of Presence (POP)	1,833,697	1,775,646
	Total Segment Capital Employed	2,487,952	2,992,445
	Add: Unallocated Corporate Assets	288,737,673	258,998,283
	Total Capital Employed	291,225,625	261,990,728

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 currents by location of customer does not arise.

Revenues from three customers of the Company's Pension fund Management (PFM) segment represents ₹ 195,248 (approximately 40.93%) of the company's total revenues.

Revenues from three customer of the Company's Point of presence (POP) segment represents ₹1,65,650 (approximately 34.73%) 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 intital 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 ₹ 1,09,814 (Previous year ₹ 1,22,200) 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 ₹ 31,69,036 (Previous year ₹ 2,851,216) 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, 2021 together with interest payable under this Act does not arise. (Previous year - Nil)



NOTE: 37

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

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Kamlesh Rao

Director

DIN:07665616

Sandeep Asthana

Director

DIN:00401858

Edwin P. Augustine

Partner

Membership No. 043385

Place : Mumbai

Jaibind Sahu

Company Secretary

Sandhya Upadhyay

Chief Financial Officer

Mumbai, April 22, 2021

