

HDFC Pension Management Company Limited

Annual Report 2019 -20

Corporate Information

Board of Directors

Mr Prasad Chandran,
Non-Executive Independent Director

Mr AKT Chari,
Non-Executive Independent Director

Ms Vibha Padalkar,
Non-Executive Director

Mr Parvez Mulla,
Non-Executive Director

Chief Executive Officer

Mr Sumit Shukla

Chief Financial Officer

Mr Fagun Pancholi

Company Secretary & Compliance Officer

Mr Nagesh Pai

Statutory Auditors

M/s Kirtane & Pandit LLP *(For Company financials)*

M/s Khandelwal Jain & Co. *(For Scheme financials)*

Registered Office

14th Floor, Lodha Excelus, Apollo Mills Compound,
N M Joshi Marg, Mahalaxmi, Mumbai - 400 011

Bankers

HDFC Bank Limited *[For Company]*

Axis Bank Limited *[For Scheme(s) managed under National Pension System & Point of Presence Collection Account]*

Directors' Report

TO THE MEMBERS OF HDFC PENSION MANAGEMENT COMPANY LIMITED

The Directors have pleasure in presenting the 9th Directors' Report of HDFC Pension Management Company Limited ("Company"/ "HDFC Pension") on its business and operations, along with the Audited Financial Statements for FY 2020 ("the financial year" or "year").

FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year along with previous year figures are summarized as under:

Particulars	₹ in thousands)	
	FY 2020	FY 2019
Gross Income	34,995	27,416
Total Expenses	43,073	30,886
Loss before Tax	(8,079)	(3,470)
Provision for Tax	-	-
Loss after Tax	(8,079)	(3,470)
Balance (Loss) from previous years	(13,015)	(9,545)
Loss carried forward to the Balance Sheet	(21,094)	(13,015)

DIVIDEND AND RESERVES

In view of the Company incurring losses, the Directors do not recommend any dividend for the Financial Year.

The Company does not propose to transfer any amount to reserves.

SHARE CAPITAL

There was no change in the Company's paid up share capital during the year, which stood at ₹ 28 Crores as on March 31, 2020. The entire paid-up share capital of the Company is held by HDFC Life Insurance Company Limited ('HDFC Life') and its nominees.

The Company has not issued any bonus shares, sweat equity shares, shares with differential voting rights or equity shares on right basis during the year under review.

BUSINESS REVIEW AND OUTLOOK

HDFC Pension, a wholly-owned subsidiary of HDFC Life, started its operations in August 2013.

HDFC Pension remains the #1 privately owned Pension Fund Manager in India in terms of Assets Under Management ('AUM') and also the fastest growing Pension Fund Manager under the National Pension System ('NPS') architecture.

The AUM of the Company as on March 31, 2020 was ₹ 8,265 Crores, registering growth of approximately 60% over

previous year. The market share of HDFC Pension amongst all private owned pension fund managers grew from 54% as on March 31, 2019 to 60% as on March 31, 2020.

The Company has approximately 5.5 lakh subscribers as on March 31, 2020, comprising 3.6 lakh in retail segment and 1.9 lakh in corporate segment. The Company stands to be #1 in corporate segment customers and #2 in retail segment customers amongst all the Pension Fund Managers.

During the year, Central Government employees have been allowed to choose any of the pension funds including the private sector Pension Funds for investment in NPS. This has opened up a big opportunity for HDFC Pension and the Company has started receiving inflow of funds from Central Government employees.

HDFC Pension was granted Certificate of Registration dated February 13, 2019 (Registration No: POP246022019) by the Pension Fund Regulatory and Development Authority ('PFRDA') for acting as Point of Presence ('POP') under NPS, to provide POP - NPS - Distribution and Servicing services for public at large.

During the FY 2020, HDFC Pension started its operation as a POP in both retail and corporate NPS segments and has positioned itself strongly in POP segment as well. HDFC Pension as POP was ranked #1 POP in terms of new corporate registration, #3 in new corporate subscriber registration and #8 in new retail subscriber registration amongst 90 plus POPs during FY 2020.

The last quarter of the year saw an disruption to the global economy as novel Coronavirus (Covid-19) spread across the world. The business continuity plan of the Company was put in motion and duly tested during this period. The situation will be closely monitored and our endeavour remains to be agile and adapt to the changing environment.

KEY REGULATORY CHANGES

FY 2020 witnessed several regulatory changes on the NPS Trust/PFRDA front. Some of the key regulatory changes during the year were as follows:

- PFRDA has now made a new option available to the Central Government Employees to choose any of the pension funds including the private sector Pension Funds for investment in NPS.
- Valuation Guidelines, 2019 were issued by the PFRDA for valuation of securities held in the name of NPS.
- Pension Funds have been allowed to invest in units of specified Overnight Funds and all such short duration funds as may be permitted by SEBI from time to time.
- POPs can now verify the Applicant's bank account through Penny Drop Procedure by transferring

Directors' Report

nominal amount to the bank account of applicant and receive confirmation from transferee bank.

- PFRDA has notified the PFRDA (Pension Fund) (Second Amendment) Regulations, 2020. The said regulations inter alia includes that the Pension Fund must achieve minimum tangible net worth of ₹ 50 Crores within the time as prescribed by PFRDA, prior approval of PFRDA would be required for changes in paid-up capital in excess of 5% or more of the sponsor or the Pension Fund in any financial year.
- PFRDA has allowed partial withdrawals to fulfill the financial needs of the subscribers towards treatment of COVID 19 disease, subject to fulfilment of other terms and conditions as prescribed under PFRDA (Exits and withdrawals under NPS) Regulations, 2015.
- POP can rely on third party 'client due diligence' as provided under sub rule 2 of Rule 9 of Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (as amended for time to time) for boarding subscribers in NPS.

NETWORTH

The PFRDA (Pension Fund) Regulations, 2015 requires a private sector Pension Fund to maintain a minimum positive tangible networth of ₹ 25.00 Crores. Accordingly, the Company has maintained a positive tangible networth of ₹ 25.00 Crores during the FY 2020.

As on March 31, 2020, the tangible networth of the Company stood at ₹ 25. 80 Crores.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

The Board of Directors of the Company ('Board') is responsible for overseeing the business and operations of the Company. The Company has an optimum mix of Non-Independent and Independent Directors. As on the date of making this report, the Board has been duly constituted, comprising of four Directors, which include two Independent Directors and two Non-Executive Directors, out of which one is a Woman Director.

During FY 2020, four (4) meetings of the Board of Directors of the Company were held on April 19, 2019, July 19, 2019, October 16, 2019 and January 20, 2020 and the maximum gap between two meetings did not exceed 120 days. The details of Board meetings are as follows:

Name	Category	Number of Meetings during the year 2019-20	
		Meetings Held	Meetings Attended
Mr AKT Chari	Independent Director	4	4
Mr Prasad Chandran	Independent Director	4	4
Ms Vibha Padalkar	Non-Executive Director	4	4
Mr Parvez Mulla	Non-Executive Director	4	4

Independent Directors

The Board of HDFC Pension comprises of two Independent Directors viz. Mr AKT Chari and Mr Prasad Chandran.

Mr AKT Chari had been re-appointed as Independent Director of the Company at eighth Annual General Meeting ('AGM') held on June 18, 2019 for a term of five consecutive years upto April 16, 2024.

The members may also note that Mr Prasad Chandran holds office of Independent Director upto August 20, 2022, this been his first term.

Further, the Independent Directors are not liable to retire by rotation, and therefore shall not be counted for determining the number of Directors liable to retire by rotation.

Statement on Declaration by Independent Directors

Pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr Prasad Chandran and Mr AKT Chari have registered with the Indian Institute of Corporate Affairs for inclusion of their names in Independent Directors Databank for a period of five years and one year respectively.

The Independent Directors of the Company have confirmed that they meet the criteria of Independence as provided under Section 149 of the Companies Act 2013 ("the Act").

The Independent Directors of the Company are person of integrity and possesses relevant expertise and professional experience in finance and financial related services.

Non-Independent Director

Mr Parvez Mulla, being a Non-Independent Director, is liable to retire by rotation at the forthcoming AGM and is eligible for re-appointment. A resolution for the said purpose along with a brief profile of Mr Parvez Mulla forms part of the Notice of the 9th AGM of the Company.

Statement on Non-disqualification of Directors

None of the Directors are disqualified under Section 164 of the Act, to act as Director.

Directors' Report

Key Managerial Personnel

Mr Sumit Shukla, Chief Executive Officer, Mr Fagun Pancholi, Chief Financial Officer, and Mr Nagesh Pai, Company Secretary & Compliance Officer, are designated as "Key Managerial Personnel" of the Company.

The members may note that Mr Vishwas Katela is the Chief Investment Officer of the Company as required under the PFRDA (Pension Fund) Regulations, 2015.

Mr Nagesh Pai has also been designated as the Compliance Officer as per the PFRDA (Pension Fund) Regulations, 2015.

BOARD COMMITTEES

The Board of Directors have constituted the following committees in compliance with the requirements of the Act read with the PFRDA (Pension Fund) Regulations, 2015 and the Investment Management Agreement executed with the NPS Trust. The details of the Committees are as follows:

Investment Committee

Name	Category	Number of Meetings during the year 2019-20	
		Meetings Held	Meetings Attended
Mr AKT Chari	Independent Director	4	4
Ms Vibha Padalkar	Non-Executive Director	4	4
Mr Parvez Mulla	Non-Executive Director	4	4
Mr Sumit Shukla	Chief Executive Officer	4	4
Mr Vishwas Katela	Chief Investment Officer	4	4

Risk Management Committee

Name	Category	Number of Meetings during the year 2019-20	
		Meetings Held	Meetings Attended
Mr Prasad Chandran	Independent Director	4	4
Ms Vibha Padalkar	Non-Executive Director	4	4
Mr Parvez Mulla	Non-Executive Director	4	4
Mr Sumit Shukla	Chief Executive Officer	4	4
Mr Vishwas Katela	Chief Investment Officer	4	4
Mr Nagesh Pai	Company Secretary & Compliance Officer	4	4

Nomination and Remuneration Committee

Name	Category	Number of Meetings during the year 2019-20	
		Meeting Held	Meeting Attended
Mr AKT Chari	Independent Director	1	1
Mr Prasad Chandran	Independent Director	1	1
Ms Vibha Padalkar	Non-Executive Director	1	1

Audit Committee

Name	Category	Number of Meetings during the year 2019-20	
		Meetings Held	Meetings Attended
Mr AKT Chari	Independent Director	4	4
Mr Prasad Chandran	Independent Director	4	4
Ms Vibha Padalkar	Non-Executive Director	4	4

Recommendations by the Audit Committee

During FY 2020, there were no instances where the recommendations made by the Audit Committee were not accepted by the Board.

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PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy and Technology Absorption

The Company has not incurred any expenditure on conservation of energy, research and development or towards technology absorption and therefore there are no disclosures with respect to the same.

Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings and outgo during the FY 2020.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Company has put in place a policy on remuneration of Directors, Key Managerial Personnel and other employees. The said policy is guided by the set of principles and objectives as envisaged under section 178 of the Act, which inter alia include principles pertaining to determining the qualifications, positive attributes, integrity and independence of Director etc.

The Nomination & Remuneration Committee of the Board deals with matters related to remuneration of employees of the Company. The Independent Directors remuneration comprise of sitting fees for attending the meetings of Board and Committees of the Board.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

Pursuant to and in line with the requirements prescribed under the Act, the Board of Directors carried out an annual evaluation of its performance and that of its Committees and Individual Directors through online portal. Further, the Independent Directors met separately, without the attendance of Non-Independent Directors and Members of the Management, and inter alia reviewed the performance of Non-Independent Directors, and the Board as a whole.

They further assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. Overall, the Independent Directors expressed their satisfaction on the performance and effectiveness of the Board, all the Committees, Individual Non-Independent Board Members, and on the quality, quantity and timeliness of flow of information between the Company Management and the Board. The Independent Directors expressed their satisfaction with the conduct and efficiency of the Board and Board Committees.

The Nomination & Remuneration Committee also undertook an evaluation of Individual Director's performance and expressed its satisfaction on performance of each Director.

The Board conducted the review of each Director's performance, Board as a whole and performance of Committees of the Board, and expressed its satisfaction. There has been no material adverse observation or conclusion, consequent to such evaluation and review.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has not given any loans and guarantees which attract the provisions of Section 186 of the Act. For the particulars of investments made during the year, please refer Notes to Accounts.

EMPLOYEES STOCK OPTION

During the FY 2020, the Company has not granted stock options to any of its employees. However, the Key Managerial Personnel and Director of the Company have been granted Stock Options by the Holding Company i.e. HDFC Life Insurance Company Limited.

During the year, there were no instances of loan granted by the Company to its employees for purchasing / subscribing to its shares.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, no Company has become or ceased to be subsidiary, associate or joint venture of the Company. The provisions regarding receipt of remuneration or commission from holding or subsidiary company are not applicable and hence, the disclosure under Section 197(14) of the Act is not required.

RELATED PARTY TRANSACTIONS

As per Section 177, read with Section 188 of the Act, the Audit Committee of the Board of Directors, at its quarterly meetings, approved the related party transactions. Since all the transactions entered into by the Company during FY 2020 have been on arms length basis and are in ordinary course of business, the approval of the Board or the Shareholders was not required.

DEPOSITS

The Company did not accept any Deposits within the meaning of Section 73 of the Act and rules framed thereunder, from the Members or from the public during the financial year under review.

AUDITORS

M/s Kirtane & Pandit LLP, Chartered Accountants are presently the Statutory Auditors of the Company. As per the provisions of the Act and PFRDA (Appointment of Auditors) Guidance Note, 2012, as amended, read with provisions of the Act, M/s Kirtane & Pandit LLP, Chartered Accountants were re-appointed as Statutory Auditors of

Directors' Report

the Company for second term of five consecutive years i.e. upto the conclusion of 13th AGM, at the AGM of the Company held on June 18, 2019.

The Statutory Auditors' have not made any qualification, reservation or adverse remark or disclaimer in their Audit Report for FY 2020.

ANNUAL RETURN EXTRACT

The extract of Annual Return of the Company in the prescribed form MGT-9 forms part of this Directors Report and has also been hosted on the website of the Company.

Weblink: <https://www.hdfcpension.com/about-hdfc-pmc/public-disclosures/>

Sr No	Name of Director	Particulars of Remuneration	Remuneration paid (₹)
1	Mr Prasad Chandran	Sitting Fees for attending meetings of the Board and Board Committees	140,000
2	Mr AKT Chari		140,000

Ms Vibha Padalkar and Mr Parvez Mulla do not avail sitting fees from the Company.

RISK MANAGEMENT, INTERNAL AUDIT FRAMEWORK & VIGIL MECHANISM

Risk Management

The Company firmly recognizes Risk Management as an integral building block to proactively manage risks and maximize opportunities related to achievement of strategic objectives. The Risk Management function is primarily responsible for identification, measurement, mitigation and reporting of various risks applicable to its operations, including financial risk, operational risk, information security risk and regulatory risk. Risk Management function is also entrusted with implementation of risk management framework and to periodically update the Risk Management Committee on the risk profile and status. The Company has put in place a Risk Management Policy ('Policy'), which provides a base for the overall risk management framework of the Company.

The Policy is reviewed by the Risk Management Committee and the Board on a quarterly basis.

Internal Audit Framework and Internal Financial Controls

The Company has in place an Internal Audit framework. Internal Audit is conducted by an independent firm of Chartered Accountants as per the scope of audit defined in PFRDA (Appointment of Internal Auditor) Guidance Note, 2013. The audit process also factors in verifying compliance with process, systems, regulatory guidelines and controls.

SECRETARIAL COMPLIANCE CERTIFICATE

As a part of good governance practice, the Company voluntarily undertakes an audit of the Secretarial records and had engaged the services of Mr DM Dalal, Practicing Company Secretary (ACS: 4147 and CP: 8728), to conduct the audit for FY 2020. The Auditor has not made any qualification, reservation or adverse remark or disclaimer in his Secretarial Compliance Certificate.

REMUNERATION OF DIRECTORS

The details of remuneration paid to Directors are mentioned in the below table:

Internal Audit Reports are placed at Audit Committee to discuss the audit observations and recommendations. The Internal Auditors and the Audit Committee track the status of implementation of various recommendations/actionables. The internal audits, in addition to ensuring compliance to policies, regulations, processes, etc. also test and report adequacy of internal financial controls with reference to financial reporting/statements.

Vigil Mechanism

In terms of the provisions of the Act read with the Companies (Meeting and Powers of the Board of Directors) Rules, 2014, the Company is not required to have a Vigil Mechanism in place.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134 of the Act, the Board of Directors state that:

- (i) In the preparation of the annual accounts, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures (if any);
- (ii) Such accounting policies have been selected and applied consistently, and judgments and estimates made that are reasonable and prudent, so as to give a true and fair view of the Company's state of affairs, as on March 31, 2020, and of the Company's loss for the year ended on that date;

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- (iii) Proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis; and
- (v) Proper systems have been devised to ensure compliance with the provisions of all applicable laws, and such systems were adequate and operating effectively.

MATERIAL ORDERS AFFECTING THE COMPANY

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

MATERIAL EVENTS FROM CLOSE OF FINANCIAL YEAR

There have been no material events impacting the finances of the Company from the close of the financial under review, till the date of this report.

OTHER DISCLOSURES

1. The Company has not received any complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
2. The provisions relating to constitution of Corporate Social Responsibility Committee and Stakeholders' Relationship Committee are not applicable to the Company.
3. The Statutory Auditor of the Company has not reported any instances of fraud or irregularities in the management of the Company during the financial year under review.
4. The Company has complied with the Secretarial Standards on Meeting of Board of Directors and on General Meetings during the financial year under review.

AWARDS AND RECOGNITION

During the year under review, the Company has been awarded with the Best Pension Fund House at Business Today-Money Today Financial Services Awards 2019-20.

APPRECIATION AND ACKNOWLEDGEMENT

The Board of Directors thanks the subscribers, customers and business associates for reposing their trust in the Company. The Directors also thank the Company's employees for their continued hard work, dedication and commitment; and the Management for continuing success of the business.

The Directors further take this opportunity to thank HDFC Life, the Sponsor Company for their continued support and guidance. The Directors would also like to thank the Pension Fund Regulatory and Development Authority, and other Government authorities for their support, advice and direction provided from time to time.

**On behalf of the Board of Directors
For HDFC Pension Management Company Limited**

AKT Chari
Director
DIN: 00746153

Vibha Padalkar
Director
DIN: 01682810

Date: April 23, 2020
Place: Mumbai

Form No MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN	U66020MH2011PLC218824
ii) Registration Date	20/06/2011
iii) Name of the Company	HDFC Pension Management Company Limited
iv) Category / Sub Category of the Company	Public Company / Company Limited by Shares
v) Address of the Registered office and contact details	14 th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai - 400 011. Telephone: 022-6751 6666 Fax: 022-6751 6333 Email: compliance@hdfcpension.com
vi) Whether listed Company	Yes (×) No (✓)
vii) Name, Address and Contact details of Registrar and Transfer Agent	Datamatics Financial Services Ltd Plot No. B-5 Part B Cross lane MIDC Andheri (East) Mumbai 400 093. Telephone No: +91-22-66712151. Fax no. : +91-22-66712156 Email: depository@dfssl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No	Name and Description of main products/ services	NIC Code of the Product / Service (As per NIC Code 2008)	% to total turnover of the Company
1	Pension Fund Management	66302	52
2	Point of Presence	66290	48

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	HDFC Life Insurance Company Limited Add.: 13 th Floor, Lodha Excelus, Apollo Mills Compound, Mahalaxmi, Mumbai- 400 011.	L65110MH2000PLC128245	Holding Company	100.00	Section 2(46) of the Companies Act, 2013
2	Housing Development Finance Corporation Limited* Add.: Ramon House, 169, Backbay Reclamation, H T Parekh Marg, Mumbai- 400 020.	L70100MH1977PLC019916	Holding Company	0.00	Section 2(46) of the Companies Act, 2013

*Housing Development Finance Corporation Limited is the Holding Company of HDFC Life Insurance Company Limited.

The Company does not have a Subsidiary Company.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp*	27,999,994	6	28,000,000	100.00	27,999,994	6	28,000,000	100.00	0.00
(e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1)	27,999,994	6	28,000,000	100.00	27,999,994	6	28,000,000	100.00	0.00
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	27,999,994	6	28,000,000	100.00	27,999,994	6	28,000,000	100.00	0.00
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
(c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1)	0	0	0	0.00	0	0	0	0.00	0.00
(1) Non- Institutions									
(a) Bodies Corp - Indian - Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals - Individual shareholders holding nominal share capital upto ₹ 1 lakh - Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
(c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Public Shareholding (B) = (B) (1) + (B) (2)	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	27,999,994	6	28,000,000	100.00	27,999,994	6	28,000,000	100.00	0.00

*Above mentioned 6 shares (one each) are held by below mentioned individuals as nominee of HDFC Life Insurance Company Limited:

1. Ms Vibha Padalkar
2. Mr Suresh Badami
3. Mr Parvez Mulla
4. Mr Srinivasan Parthasarathy
5. Mr Narendra Gangan
6. Mr Sumit Shukla

(ii) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		Number of shares	% of total shares of the Company	&of shares pledged/ encumbered to total shares	Number of shares	% of total shares of the Company	&of shares pledged/ encumbered to total shares	
1	*HDFC Life Insurance Company Limited	28,000,000	100.0	0.00	28,000,000	100.00	0.00	0.00
	Total	28,000,000	100.00	0.00	28,000,000	100.00	0.00	0.00

*Out of the above mentioned 2,80,00,000 Equity Shares, 6 shares (one each) are held by below mentioned individuals as nominee of HDFC Life Insurance Company Limited

1. Ms Vibha Padalkar
2. Mr Suresh Badami
3. Mr Parvez Mulla
4. Mr Srinivasan Parthasarathy
5. Mr Narendra Gangan
6. Mr Sumit Shukla

(iii) Changes in Promoters' Shareholding (please specify, if there is no change)

SI No	Date wise increase/ decrease in promoters shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Shareholding at the beginning of the year			Cumulative Shareholding during the year		
		Number of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	Number of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares
1	*HDFC Life Insurance Company Limited						
	*During the year, there was no change in the Promoter Shareholding. However, the shares held by Mr Rajendra Garg, nominee of HDFC Life Insurance Company Limited were transferred to Mr Sumit Shukla, other nominee of HDFC Life Insurance Company Limited.						

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

SI No	For each of the top 10 Shareholders Date wise increase/ decrease in promoters shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding at the during the year	
		Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
	The entire paid-up share capital of the Company is held by HDFC Life Insurance Company Limited and its Nominees.				

(v) Shareholding of Directors and Key Managerial Personnel

Sl No	For each of the Directors and KMP Date wise increase/ decrease in promoters shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
1	Mr Prasad Chandran (Non-Executive Independent Director)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
2	Mr AKT Chari (Non-Executive Independent Director)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
3	Ms Vibha Padalkar (Non-Executive Director)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
4	Mr Parvez Mulla (Non-Executive Director)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
5	Mr Sumit Shukla (Chief Executive Officer)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Mr Fagun Pancholi (Chief Financial Officer)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
7	Mr Nagesh Pai (Company Secretary)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Amount in Rupees)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. The details on remuneration to Managing Director, Whole - time Directors and/or Manager are given below:

(Amount in Rupees)

Sl No	Particulars of Remuneration	Managing Director, Whole - time Directors and/or Manager	Total
1	Gross Salary:	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2	Stock Options Granted during the year (No. of Options)	-	-
3	Sweat Equity	-	-
4	Commission:		
	- As % of profits	-	-
	- Others, specify	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act*		-

*As specified under Schedule V of the Companies Act, 2013

B. The details on remuneration to other Directors are given below:

(Amount in Rupees)

Sl No	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Mr Prasad Chandran	Mr AKT Chari	
	Fee for attending Board/ Committee meetings	140,000	140,000	280,000
	Commission	-	-	-
	Other, please specify	-	-	-
	Total (1)	140,000	140,000	280,000
2	Other Non-Executive Directors	Ms Vibha Padalkar	Mr Parvez Mulla	
	Fee for attending Board/ Committee meetings	-	-	-
	Commission	-	-	-
	Other, please specify	-	-	-
	Total (2)	-	-	-
	Total (B) = (1) + (2)	140,000	140,000	280,000
	Total Managerial Remuneration*			-
	Overall ceiling as per the Act*			-

*The Total Managerial Remuneration is exclusive of Sitting Fees paid to Directors and is within the limits specified under Schedule V of the Companies Act, 2013.

C. The details on remuneration to Key Managerial Personnel are given below:

(Amount in Rupees)

Sl No	Particulars of Remuneration	Mr Sumit Shukla Chief Executive Officer	Mr Fagun Pancholi Chief Financial Officer	Mr Nagesh Pai Company Secretary	Total Amount
1	Gross Salary:				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	14,523,668	8,060,258	3,839,881	26,423,807
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	28,800	32,000	60,800
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options granted during the year (No. of Options)	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission:				
	- As % of profits	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (C)	14,523,668	8,089,058	3,871,881	26,484,607

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty			N.A		
Punishment			N.A		
Compounding			N.A		
B. DIRECTORS					
Penalty			N.A		
Punishment			N.A		
Compounding			N.A		
C. OTHER OFFICERS IN DEFAULT					
Penalty			N.A		
Punishment			N.A		
Compounding			N.A		

**On behalf of the Board of Directors
For HDFC Pension Management Company Limited**

AKT Chari

Director

DIN: 00746153

Vibha Padalkar

Director

DIN: 01682810

Date: April 23, 2020
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of HDFC Pension Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of HDFC Pension Company Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of 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 Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management 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 management 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Financial Statements.

As a 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 Standalone 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 Companies Act, 2013, 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With the 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: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of the Section 197 of the Act.
- (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 does not have any pending litigations which would impact its financial position.
 - ii. Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **Kirtane & Pandit LLP**,
Chartered Accountants

Firm's Registration No.105215W/W100057

Sandeep Welling
Partner

Place: Mumbai
Date: 23/04/2020

M. No. 044576
UDIN: 20044576AAAAFH5273

Annexure A

to the Auditor's Report - March 31, 2020

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 HDFC Pension Company Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 about the adequacy of the internal financial controls 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 risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March

31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Kirtane & Pandit LLP**,
Chartered Accountants
Firm's Registration No.105215W/W100057

Sandeep Welling
Partner
Place: Mumbai
Date: 23/04/2020
M. No. 044576
UDIN: 20044576AAAAFH5273

Annexure B

to the Auditor's Report - March 31, 2020

Annexure B referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date to the members of HDFC Pension Company Limited on the accounts of the company for the year ended March 31, 2020.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
 - (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
 - (c) According to the information and explanation given to us and on the basis of examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
 - (ii) The Management has been conducted physical verification of the inventories at reasonable intervals, no major discrepancies were found in the physical verification. All minor discrepancies have been properly dealt with in books of accounts.
 - (iii) The Company has granted not any loans, secured or unsecured to Companies, Firms, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - (iv) In respect of loans, investments, guarantees and security, provisions of Section 185 and section 186 of the Companies Act, 2013 have been complied with.
 - (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
 - (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-Section (1) of Section 148 of the Act.
 - (vii) According to the information and explanations given to us and based on the records of the company examined by us,
 - (a) The company has generally been regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Custom Duty and other material statutory dues, as applicable, with the appropriate authorities in India;
- Custom Duty and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Goods & Service Tax and Customs Duty which have not been deposited on account of any disputes for more than 6 months.
 - (viii) In our opinion, and according to the information and explanations given to us and based on our examination of the records, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
 - (ix) In our opinion, and according to the information and explanations given to us, the Company does not raise money by way of initial public offer or further public offer and term loans, other than for what it was purposes.
 - (x) During the course of audit, we have not noticed any fraud by the company or any fraud on the company by its officers or employees during the year.
 - (xi) The Company has complied with Clause 3 (xi) of the Order.
 - (xii) The nature of business is not related to Nidhi Company; hence, this clause is not applicable.
 - (xiii) In our opinion, and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliances with the section 177 & 188 of the Companies Act, 2013 and details have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.
 - (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
 - (xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
 - (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

According to the information and explanation given to us, no undisputed amount payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax,

For **Kirtane & Pandit LLP**,
Chartered Accountants
Firm's Registration No.105215W/W100057

Sandeep Welling
Partner

Place: Mumbai
Date: 23/04/2020

M. No. 044576
UDIN: 20044576AAAAFH5273

Balance Sheet as at March 31, 2020

Particulars	Note	(₹ '000)	
		As at March 31, 2020	As at March 31, 2019
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	280,000	280,000
Reserves and surplus	4	(21,094)	(13,015)
		258,906	266,985
NON-CURRENT LIABILITIES			
Long-term borrowings		-	-
Other long-term liabilities		-	-
Long-term provisions		-	-
CURRENT LIABILITIES			
Short-term borrowings		-	-
Trade payables	5	-	-
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other current liabilities	6	67,430	643
Short-term provisions	7	9,844	7,745
		336,180	275,373
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment			
(i) Tangible assets	8	1,380	60
(ii) Intangible assets	9	875	1,175
(iii) Capital work-in-progress		-	-
Non-current investments	10	241,029	200,801
Deferred tax assets (net)		-	-
Long-term loans and advances	11	3,741	4,787
Other non-current assets	12	2,150	4,538
CURRENT ASSETS			
Current investments	13	7,604	50,129
Trade receivables	14	1,847	987
Cash and cash equivalents	15	70,576	2,881
Short-term loans and advances	16	2,116	1,426
Other current assets	17	4,862	8,589
		336,180	275,373
See accompanying notes forming part of the financial statements			

In terms of our report of even date attached.

For Kirtane and Pandit LLP
Chartered Accountants
Firm Registration No. 105215W/W100057

Sandeep D. Welling
(Partner)
Membership No. 044576

Place- Mumbai
Date- April 23, 2020

For and on behalf of the Board of Directors
HDFC Pension Management Company Limited

Vibha Padalkar
(Director)
(DIN :01682810)

Sumit Shukla
(Chief Executive Officer)

Nagesh Pai
(Company Secretary)

Parvez Mulla
(Director)
(DIN :08026994)

Fagun Pancholi
(Chief Financial Officer)

Statement of Profit and Loss Account

for the year ended March 31, 2020

(₹'000)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations			
- Investment management fees	18	6,793	3,553
- POP Income		6,148	32
Other income	19	22,054	23,831
Total revenue		34,995	27,416
EXPENSES			
Employee benefit expenses	20	28,304	22,035
Establishment expenses	21	3,557	2,134
Other expenses	22	10,529	6,362
Depreciation and amortisation	23	683	355
Total expenses		43,073	30,886
Loss before exceptional and extraordinary items and tax		(8,079)	(3,470)
Exceptional items		-	-
Loss before extraordinary items and tax		(8,079)	(3,470)
Extraordinary items		-	-
Loss before tax		(8,079)	(3,470)
Tax expense		-	-
Loss for the year from continuing operations		(8,079)	(3,470)
Loss from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Loss for the period from discontinuing operations (after tax)		-	-
Loss for the period		(8,079)	(3,470)
Earnings per equity share (face value ₹ 10 each)	25		
Basic (₹)		(0.29)	(0.12)
Diluted (₹)		(0.29)	(0.12)
See accompanying notes forming part of the financial statements			

In terms of our report of even date attached.

For **Kirtane and Pandit LLP**
Chartered Accountants
Firm Registration No. 105215W/W100057

Sandeep D. Welling
(Partner)
Membership No. 044576

Place- Mumbai
Date- April 23, 2020

For and on behalf of the Board of Directors
HDFC Pension Management Company Limited

Vibha Padalkar
(Director)
(DIN :01682810)

Sumit Shukla
(Chief Executive Officer)

Nagesh Pai
(Company Secretary)

Parvez Mulla
(Director)
(DIN :08026994)

Fagun Pancholi
(Chief Financial Officer)

Cash Flow Statement

for the year ended March 31, 2020

(₹ '000)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(8,079)	(3,470)
Adjustments for:		
Depreciation and amortisation	683	355
Interest income on investments	(21,141)	(22,919)
Profit on sale of investments	(618)	(717)
Profit on sale of fixed assets	(76)	-
Unrealised gain / loss and amortisation of discount/(premium) on investments	(189)	(195)
Movement in working capital		
(Increase)/Decrease in trade receivable, loans and advances & other current assets	(1,846)	(826)
Increase/(Decrease) in trade payables, other current liabilities & short-term provisions	4,333	70
Income taxes received as refund / (paid) - net	(113)	(384)
NET CASH FROM OPERATING ACTIVITIES	(27,046)	(28,086)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,743)	(1,278)
Investment in Fixed Deposits	-	(4,000)
Purchase of investments	(40,040)	-
Maturity proceeds of Fixed Deposits	5,000	-
Sale of investments	50,000	-
Income received on investment	24,329	23,326
Sale of Fixed assets	116	-
NET CASH FROM INVESTING ACTIVITIES	37,662	18,048
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	-
NET CASH USED IN FINANCING ACTIVITIES	-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	10,616	(10,038)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,010	13,048
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	13,626	3,010
See accompanying notes forming part of the financial statements		
Components of cash and cash equivalents at end of the year:		
Bank balances-current accounts	6,022	2,881
Money market instruments (Refer note number 13)*	7,604	129
Total cash and cash equivalents	13,626	3,010
Reconciliation of cash and cash equivalents with cash and bank balances as per Balance Sheet:		
Cash and cash equivalents	13,626	3,010
Money market instruments (Refer note number 13)*	(7,604)	(129)
Payable to NPS trust	64,554	-
Cash and bank balances as per Balance Sheet	70,576	2,881

*Money market instruments at cost

In terms of our report of even date attached.

For **Kirtane and Pandit LLP**
Chartered Accountants
Firm Registration No. 105215W/W100057

Sandeep D. Welling
(Partner)
Membership No. 044576

Place- Mumbai
Date- April 23, 2020

For and on behalf of the Board of Directors
HDFC Pension Management Company Limited

Vibha Padalkar
(Director)
(DIN :01682810)

Sumit Shukla
(Chief Executive Officer)

Nagesh Pai
(Company Secretary)

Parvez Mulla
(Director)
(DIN :08026994)

Fagun Pancholi
(Chief Financial Officer)

Notes Forming Part of the Financial Statements

1 Corporate information

HDFC Pension Management Company Limited ('the Company'/'HDFC Pension') is a wholly owned subsidiary of HDFC Life Insurance Company Limited (Formerly HDFC Standard Life Insurance Company Limited) (or 'HDFC Life'). The Company is a public limited company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956. The Company was incorporated on June 20, 2011 with Registration Number U66020MH2011PLC218824 with the purpose of managing pension fund business under the National Pension System, to which HDFC Life acts as the Sponsor. The Company was granted licence to undertake pension management under the National Pension System by the Pension Fund Regulatory and Development Authority ('PFRDA') on April 23, 2013 and is in business from August 2013.

The Company was granted Certificate of Registration dated February 13, 2019 (Registration code: POP246022019) by the PFRDA for acting as Point of Presence (PoP) under National Pension System, to provide PoP - NPS - Distribution and Servicing services for public at large.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements for the year ended March, 31, 2020 are prepared under the historical cost convention, on an accrual basis of accounting in accordance with the Companies Act, 1956, as amended from time to time, to the extent applicable and the Companies Act, 2013 and amendments and rules made thereto, as applicable. Pursuant to Section 133 of Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, whereby till the accounting standards or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing accounting standards notified under Companies Act, 1956, shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards specified under section 211 (3C) of the Companies Act, 1956 notified under Companies (Accounting Standards) Rules, 2006, as amended. Accounting policies have been consistently applied to the extent applicable and in the manner so required.

2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles in India ('Indian GAAP') requires that the Company's management makes estimates and

assumptions that affect the reported amounts of income and expenses for the year, reported balances of assets and liabilities and disclosures relating to contingent liabilities as on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances upto and as of the date of the financial statements. Actual results could differ from the estimates. Any revision to the accounting estimates is recognised prospectively.

2.3 Revenue recognition

(a) Investment management fees

Investment management fees are recognised on an accrual basis on daily closing assets under management across respective schemes under pension funds. The investment management fees are presented net of Goods and services Tax in the Statement of Profit and Loss.

(b) POP collection income

POP collection income includes account opening fees, contribution processing fees and persistency income.

- i) Account opening fees are due and recognised on generation of Permanent retirement account number (PRAN).
- ii) Contribution Processing fees are recognised on receipt of contribution from the customer.
- iii) Persistency Income is recognised on subscriber accounts active for more than six months.

POP Collection Income are presented net of Goods and Services tax in the Statement of Profit and Loss.

(c) Other income

Interest income on debt investments is recognised on an accrual basis. Amortisation of premium or accretion of discount on debt investments is recognised over the period of maturity / holding of the investments on a straight line basis.

Amortisation of premium or accretion of discount on money market instruments is recognised over the period of maturity / holding on a straight line basis, subject to the change in value of investments due to market movements.

Dividend income is recognised on the "ex-dividend" date in case of listed equity shares and in case of unlisted equity shares when right to receive dividend is established.

Notes Forming Part of the Financial Statements

Profit or loss on sale of debt investments, including money market instruments, is calculated as the difference between the net sale proceeds and the weighted average amortised cost.

Profit or loss on sale of equity shares/mutual fund units is calculated as the difference between the net sale proceeds and the weighted average cost.

2.4 Investments

Investments maturing within twelve months from the Balance Sheet date and investments made with the specific intention to dispose them within twelve months from the Balance Sheet date are classified as current investments. All other investments are classified as long term investments and disclosed as non-current investments. Current investments are valued at lower of cost or fair value determined for each individual investment. Long term investments are valued at cost, subject to amortisation of premium or accretion of discount, over the period of maturity/holding, on a straight line basis. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

2.5 Fixed assets and Depreciation / Amortisation

The fixed assets are stated at cost less accumulated depreciation/amortisation and impairment if any. Cost includes the purchase price and any cost directly attributable to bring the asset to its working condition for its intended use. Fixed assets individually costing less than ₹ 5,000, are fully depreciated in the month of purchase. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.

Any additions to the original fixed assets are depreciated over the remaining useful life of the original asset.

Depreciation/amortisation is charged on pro-rata basis from the month in which the asset is put to use and in case of assets sold, up to the previous month of sale.

Cost of assets as at the Balance Sheet date not ready for its intended use as at such date are disclosed as capital work in progress. Advances given towards acquisition of fixed assets are disclosed under 'Long term loans and advances' in Balance Sheet.

Tangible fixed assets

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management.

Useful lives of the tangible assets are as follows:

Asset class	Useful life of assets (in years)
Information technology equipment-End user devices [^]	3
Information technology equipment- Non end user devices* [^]	4
Furniture & Fixtures* [^]	5
Office Equipment [^]	5
Motor Vehicles* [^]	4

^{*}For these class of assets, based on internal assessment and internal technical evaluation carried out by the management, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

[^]For these class of assets, based on internal assessment carried out by the management, the residual value is considered to be nil.

Leasehold improvements are amortised over the lock in period of the leased premises subject to a maximum of five years.

Intangible assets

Intangible assets are stated at cost of acquisition, including any cost attributable for bringing the same to its working condition for its intended use, less accumulated amortisation and impairment if any. These are amortised over the useful life of the asset subject to maximum of four years.

Any expenditure for support & maintenance of the intangible asset is charged to the Statement of Profit and Loss.

2.6 Impairment of assets

The Company's management periodically assesses, using internal and external sources, whether there is any indication that an asset may be impaired. If any such indication of impairment exists, the recoverable amount of such asset is estimated. An impairment loss is recognised in the Statement of Profit and Loss where the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use. Value in use which is the present value of future cash flows expected to arise from the continuing use of the asset and its ultimate disposal. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

Notes Forming Part Of The Financial Statements

2.7 Employee benefits

a) **Short term employee benefits:** All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and bonuses, short term compensated absences and contribution towards Employee Deposit Linked Insurance are recognised in the period in which the employee renders the related service. All short term employee benefits are accounted for on an undiscounted basis.

b) Post employment benefits

Defined contribution plan:

The Company's Provident Fund Scheme (Company contribution) and National Pension Scheme (Company contribution) is a defined contribution plan. The contributions paid/payable towards the fund are charged to the Statement of Profit and Loss during the year in which the employee renders the related service on an undiscounted basis.

Defined benefit plan:

The Company's Gratuity plan is an unfunded defined benefit plan. The gratuity benefit payable to the employees of the Company is as per the provisions of 'The Payment of Gratuity Act, 1972. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation at the Balance Sheet date using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Provision for gratuity is accounted for taking into consideration the actuarial valuation of plan obligation as at the Balance Sheet date, in accordance with Accounting Standard (AS) 15 (Revised), 'Employee Benefits'.

Actuarial gains / losses, if any, due to experience adjustments and the effects of changes in actuarial assumptions are recognised in the Statement of Profit and Loss, in the year in which they arise.

c) Other long term employee benefits

The obligation for long term employee benefits such as accumulated long term compensated absences, are accounted for based on actuarial valuation determined using the projected unit credit method.

Actuarial gains / losses, if any, due to experience adjustments and the effects of changes in actuarial assumptions are recognised in the Statement of Profit and Loss, in the year in which they arise.

2.8 Leases

Finance leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Operating leases

Leases, where lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Rental payments under operating leases including committed increase in rentals are recognised as an expense, on a straight line basis, over the non cancellable lease period.

2.9 Taxation

a) Direct tax

i) Provision for current tax

Provision for income tax is made in accordance with the provisions of the Income Tax Act, 1961 as applicable to the company carrying on pension business. Where Company has provided for tax liability based on Minimum alternate tax (MAT) provisions, MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

ii) Deferred tax

In accordance with the requirements of Accounting Standard (AS) - 22, "Accounting for Taxes on Income", deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient taxable income will be available against which such deferred tax asset can be realised. With respect to carry forward of losses/unabsorbed depreciation under the Income Tax Act, 1961, deferred tax asset is recognised only to the extent that there is a virtual certainty supported by convincing evidence that future taxable income will be available against which the deferred tax asset can be realised.

b) Indirect tax

The Company claims credit of Goods and Services Tax ('GST') on input services, which is set off against GST on output services. As a matter of prudence, unutilised credits towards GST on input services are carried forward under the head Long-term loans and advances in the Balance Sheet, wherever there is reasonable certainty of utilisation.

Notes Forming Part of the Financial Statements

2.10 Provisions, contingent liabilities and contingent assets

Provisions are recognised in respect of present obligations that arise as a result of past events where it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are determined on the basis of best estimate of the outflow of economic benefits required to settle the obligation at the Balance Sheet date. Where no reliable estimate can be made, a disclosure is made as contingent liability.

Contingent liabilities are disclosed in respect of ;

- a) possible obligations that arise from past events, the existence or otherwise of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company or
- b) present obligation that arises from past events, but is not recognised because there is remote probability that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither accounted nor disclosed.

2.11 Earnings per equity share

In accordance with the requirement of Accounting Standard (AS) 20, "Earnings Per Share", basic earnings per share is calculated by dividing the net profit or

loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. 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. Potential equity shares are treated as dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

2.12 Cash flow statement

Cash flows are reported using the indirect method as explained in Accounting Standard (AS) - 3, "Cash Flow Statements", whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are separately presented.

2.13 Cash and cash equivalents (for cash flow statement purposes)

Cash comprises cash, cheques in hand and bank balances. Cash equivalents comprise money market instruments including highly liquid mutual funds and highly liquid investments that are readily convertible into measurable amounts of cash and which are subject to insignificant risk of change in value.

Notes Forming Part Of The Financial Statements

3 Share capital

The Company is a wholly owned subsidiary of HDFC Life Insurance Company Limited (Formerly HDFC Standard Life Insurance Company Limited).

Details of outstanding share capital are as given below:

Particulars	(₹'000)	
	As at March 31, 2020	As at March 31, 2019
Authorised capital		
30,000,000 Equity shares of ₹ 10 each (Previous year: 30,000,000 Equity shares of ₹ 10 Each)	300,000	300,000
	300,000	300,000
Issued, subscribed and fully paid-up capital		
28,000,000 Equity shares of ₹ 10 each (Previous year: 28,000,000 Equity shares of ₹ 10 Each)	280,000	280,000
	280,000	280,000

The Company has only one class of shares referred to as equity shares having face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

The holders of equity shares are entitled to dividend, if any, proposed by the Board of Directors and approved by shareholders in the Annual General Meeting.

Reconciliation of number of shares outstanding at the beginning and at the end of the year, is as given below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	(₹'000)	Number of shares held	(₹'000)
Equity shares outstanding as at the beginning of the year	28,000,000	280,000	28,000,000	280,000
Equity shares issued during the year	-	-	-	-
Equity shares outstanding as at the end of year	28,000,000	280,000	28,000,000	280,000

Details of each shareholder, holding more than 5 percent shares in the Company are as given below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares held	Percentage of holding	Number of Shares held	Percentage of holding
HDFC Life Insurance Company Ltd (Formerly HDFC Standard Life Insurance Company Limited) along with it's nominees	28,000,000	100%	28,000,000	100%

Notes Forming Part of the Financial Statements

4 Reserves and surplus

(₹ '000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Profit & Loss account		
Opening balance	(13,015)	(9,545)
Add:- Net Loss during the year as per the Statement of Profit and Loss	(8,079)	(3,470)
Closing balance	(21,094)	(13,015)

5 Trade payables

(₹ '000)		
Particulars	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	-	-

6 Other current liabilities

(₹ '000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Payable for statutory dues	979	427
Payable to others	773	216
Payable to Pension scheme	1,124	-
Payable to NPS Trust	64,554	-
Total	67,430	643

7 Short-term provisions

(₹ '000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	8,784	2,235
Provision for expenses	1,060	5,510
Total	9,844	7,745

Notes Forming Part Of The Financial Statements

8 Tangible assets

Particulars	Cost / Gross Block			Depreciation			Net Block	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	For the year ended March 31, 2020	On Sales / Adjustments	As at March 31, 2020	As at March 31, 2019
Land	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Computer hardware - Non end user devices	2,500	-	-	2,500	-	-	2,500	-
Computer hardware - End user devices	259	-	-	259	-	-	259	-
Furniture and fixtures	111	-	-	111	-	-	111	-
Office equipment	144	-	-	144	-	-	144	-
Vehicles	957	1,743	957	1,743	384	918	363	1,380
Leasehold improvements	26	-	-	26	-	-	26	-
Total	3,997	1,743	957	4,783	384	918	3,403	1,380
Capital work in progress	-	-	-	-	-	-	-	-
Grand Total	3,997	1,743	957	4,783	384	918	3,403	1,380
Previous year	3,919	78	-	3,997	330	-	3,937	60

9 Intangible assets

Particulars	Cost / Gross Block			Depreciation			Net Block	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	For the year ended March 31, 2020	On Sales / Adjustments	As at March 31, 2020	As at March 31, 2019
Intangibles (Computer software)	8,920	-	-	8,920	300	-	8,045	1,175
Capital work in progress	-	-	-	-	-	-	-	-
Grand Total	8,920	-	-	8,920	300	-	8,045	1,175
Previous year	7,720	1,200	-	8,920	25	-	7,745	1,175

Notes Forming Part of the Financial Statements

10 Non-current investments

Particulars	(₹ '000)	
	As at March 31, 2020	As at March 31, 2019
Investments in Government Securities		
- 8.32% GOI, August 2, 2032 --- 500,000 units of face value ₹ 100 each (Previous year 500,000 units of face value of ₹ 100 each)	48,219	48,075
- 9.20% GOI, September 30, 2030 --- 500,000 units of face value ₹ 100 each (Previous year 500,000 units of face value of ₹ 100 each)	50,724	50,793
- 9.23% GOI, December 23, 2043 --- 500,000 units of face value ₹ 100 each (Previous year 500,000 units of face value of ₹ 100 each)	52,752	52,868
Investments in Non convertible debentures (NCD) - Infrastructure Bonds	49,301	49,065
- 8.90% Power Finance Corporation Limited, March 18, 2023 - 50 units of face value ₹ 1,000,000 each (Previous year 50 units of face value of ₹ 1,000,000 each)		
Investments in Non convertible debentures (NCD) - Private Corporate Bonds	40,033	-
- 7.60% LIC Housing Finance Co. Ltd. Mat 22-Nov-2022- 40 units of face value ₹ 1,000,000 each		
Total	241,029	200,801
Aggregate value of quoted investments	241,029	200,801
Market value of quoted investments	272,511	219,666

11 Long-term loans and advances

Particulars	(₹ '000)	
	As at March 31, 2020	As at March 31, 2019
Loans	-	-
Others		
Unutilised goods and services tax input credit	3,057	4,216
Advance tax paid - Tax deducted at source (net of provision for tax)	684	571
Total	3,741	4,787

12 Other non-current assets

Particulars	(₹ '000)	
	As at March 31, 2020	As at March 31, 2019
Bank Deposits with maturity of more than 12 months (Refer note no.30)	2,000	4,000
Interest accrued on Fixed deposit	150	538
Total	2,150	4,538

Notes Forming Part Of The Financial Statements

13 Current investments

Particulars	(₹'000)	
	As at March 31, 2020	As at March 31, 2019
Investment in Mutual Funds - valued at lower of cost or market value		
(a) Quoted	-	-
(b) Unquoted - ICICI Prudential Liquid - Direct Plan-Growth 26230.435 units of ₹ 289.908 each (Previous Year 477.4 units of ₹ 269.8977 each)	7,604	129
Investments in Non convertible debentures (NCD) - Private Corporate Bonds - 9.51% LIC Housing Finance Company Limited, July 24, 2019 - 50 units of face value ₹ 1,000,000 each	-	50,000
Total	7,604	50,129
Aggregate value of unquoted investments	7,604	50,129
Market value of unquoted investments*	7,702	50,423

* Market value of ICICI Prudential Liquid Mutual Fund is the net asset value as declared by ICICI Prudential Mutual Fund

14 Trade receivables

Particulars	(₹'000)	
	As at March 31, 2020	As at March 31, 2019
Outstanding for a period exceeding six months from the date they are due for payment		
- Trade Receivables considered good - Unsecured	-	-
Trade Receivables considered good - Unsecured	1,847	987
Total	1,847	987

15 Cash and cash equivalents

Particulars	(₹'000)	
	As at March 31, 2020	As at March 31, 2019
Cash on hand	-	-
Balances with banks:		
-In current accounts	70,576	2,881
Other bank balances		
-Deposits with maturity of less than 12 months	-	-
-Deposits with maturity of more than 12 months	2,000	4,000
Sub-Total	72,576	6,881
Amount disclosed under other non-current assets (Refer note no.12)	(2,000)	(4,000)
Total	70,576	2,881

Notes Forming Part of the Financial Statements

16 Short-term loans and advances

Particulars	(₹ '000)	
	As at March 31, 2020	As at March 31, 2019
Loans	-	-
Others		
Prepaid expenses	1,620	1,426
Others	496	-
Total	2,116	1,426

17 Other current assets

Particulars	(₹ '000)	
	As at March 31, 2020	As at March 31, 2019
Bank Deposits with maturity of less than 12 months (Refer note no.30)	-	3,000
Interest accrued on investments	3,210	5,392
Receivable from pension schemes (Goods and Services Tax)	369	197
Receivable from NPS Trust	1,283	-
Total	4,862	8,589

18 Investment management fees

Investment management fees @ 0.01% (Previous Year @0.01%) per annum is charged in accordance with the terms of the "Investment Management Agreement"(IMA) entered into with the National Pension System (NPS) Trust amounting to ₹ 6793 thousands (Previous Year ₹ 3,553 thousands).

19 Other income

Particulars	(₹ '000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Investment income on current investments		
Interest income	(92)	339
Profit on sale of investments	618	717
Investment income on long-term investments		
Interest income	21,233	22,580
Amortisation of discount/(premium) on investments	189	195
Profit on sale of fixed assets	76	-
Interest on income tax refund	30	-
Total	22,054	23,831

20 Employee benefit expenses

Particulars	(₹ '000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and bonuses	27,051	20,945
Contributions to Provident fund and National Pension Scheme	1,253	1,090
Total	28,304	22,035

Notes Forming Part Of The Financial Statements

21 Establishment expenses

Particulars	(₹ '000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Shared Service Expenses	960	724
PFRDA licence fees	2,582	1,280
Other expenses	15	130
Total	3,557	2,134

22 Other expenses

Particulars	(₹ '000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Brokerage expenses	6,786	3,578
Payment to auditors :		
- as auditor	150	100
- others	-	-
Directors sitting fees	280	280
General office expenses	73	93
Legal & professional charges	1,507	1,534
Information technology support expenses	207	172
Marketing expenses	-	(439)
Travel expenses	384	329
Miscellaneous expenses	212	169
Membership & subscription	931	546
Total	10,530	6,362

23 Depreciation and amortisation

Particulars	(₹ '000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on tangible assets	383	330
Amortisation of intangible assets	300	25
Total	683	355

24 Earnings per share

Particulars	(₹ '000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Loss as per Statement of Profit & Loss (₹'000)	(8,079)	(3,470)
Weighted average number of equity shares for Basic earnings per share	28,000,000	28,000,000
Basic earnings per share (₹)	(0.29)	(0.12)
Weighted average number of equity shares for Diluted earnings per share	28,000,000	28,000,000
Diluted earnings per share (₹)	(0.29)	(0.12)
Nominal value of share (₹)	10.00	10.00

Notes Forming Part of the Financial Statements

25 Tax provision

a) Direct tax

i) Provision for current tax

The Company has made a provision for Minimum Alternate Tax (MAT) u/s 115JB of the Income Tax Act, 1961 of ₹ NIL (Previous Year ₹ NIL) in the Statement of Profit and loss for the year ended March 31, 2020 in accordance with the rules and regulations there under, as applicable to the Company. In the absence of convincing evidence with respect to its utilisation, MAT credit entitlement for the year has not been recognised.

ii) Deferred tax

With reference to the carry forward of losses /unabsorbed depreciation, in view of lack of virtual certainty supported by convincing evidence in the business, that future taxable income will be available against which the deferred tax asset can be realised, the Company has concluded that it would not be prudent to recognise deferred tax asset during the year.

26 Leases

In accordance with the Accounting Standard (AS) - 19, "Leases", the following disclosures are made in respect of operating leases:

The Company has no operating lease. In respect of the operating leases, the lease rentals debited to the Statement of Profit and Loss are ₹ NIL (Previous Year ₹ NIL).

27 Related party & other group company disclosures

During the year ended March 31, 2020, the Company had transactions with related parties, which have been identified by the management as per the requirements of the Accounting Standard (AS) 18, "Related Party Disclosures". Details of these related parties, nature of the relationship, transactions entered into with them and the balances in related party accounts at year end, are as mentioned below:

A) Related party disclosures as per Accounting Standard 18

Related parties and nature of relationship

Nature of the relationship	Name of Related Party
Ultimate holding company	Housing Development Finance Corporation Limited (HDFC Ltd.)
Holding company	HDFC Life Insurance Company Limited (Formerly HDFC Standard Life Insurance Company Limited) (Till 14 th August, 2019)
Fellow subsidiaries of holding company	HDFC Asset Management Company Limited
	HDFC Holdings Limited
	HDFC Trustee Company Limited
	HDFC Investments Limited
	HDFC ERGO General Insurance Company Limited
	HDFC Capital Advisors Limited
	HDFC Sales Private Limited
	HDFC Venture Capital Limited
	HDFC Ventures Trustee Company Limited
	HDFC Property Ventures Limited
	HDFC Credila Financial Services Private Limited
	HDFC Education and Development Services Private Limited
	Griha Investments (Subsidiary of HDFC Holdings Ltd.)
	Gruh Finance (Upto 30 th Aug, 2019/Associate of Ultimate holding company from 30 th Aug 2019 to 17 th Oct 2019)
	Griha Pte Ltd., Singapore (Subsidiary of HDFC Investments Ltd.)
	HDFC Ergo Health Insurance Ltd (w.e.f January 9, 2020)
Fellow subsidiary of the company	HDFC International Life and Re Company Limited
Entities over which control is exercised	HDFC Investment Trust
	HDFC Investment Trust II
Key management personnel	Mr. Sumit Shukla

Notes Forming Part Of The Financial Statements

The following are the transactions between the Company and its related parties:

(₹'000)					
Particulars	Description	Total value of transactions for the year ended March 31, 2020	Receivable/ (payable) at March 31, 2020	Total value of transactions for the year ended March 31, 2019	Receivable/ (payable) at March 31, 2019
HDFC Life Insurance Company Limited (Formerly HDFC Standard Life Insurance Company Limited)	Cost of resource utilisation	6,287	-	4,949	-
HDFC ERGO General Insurance Company Ltd.	Car Insurance premium	-	-	13	-
	General insurance premium	9	-	-	-
Mr. Sumit Shukla	Managerial remuneration	16,502	-	11,851	-

28 Employee benefit obligations:

a) Defined contribution plans

During the year, the Company has recognised the below amounts in the Profit & Loss Account under defined contribution plans:

(₹'000)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to Employees Provident Fund	684	602
Contribution to National Pension Scheme	569	488
Total	1253	1090

b) Defined benefit plans

i) Gratuity:

a) General description of defined plan

Gratuity: This is an unfunded defined benefit plan. The plan provides for lumpsum payment to vested employees either at retirement, or on death while in employment or on termination of employment. The benefit vests after five years of continuous service.

b) The following tables set out the status of the Gratuity plan as at March 31, 2020:

The Company has recognised following amounts in the Balance Sheet:

(₹'000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligations at the end of the year	1,943	1,324
Fair value of plan assets at the end of the year	-	-
Liability recognised in Balance Sheet	1,943	1,324

The Company has recognised following amounts in the Statement of Profit and Loss for the year:

(₹'000)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	268	235
Interest cost	102	73
Expected return on plan assets	-	-
Actuarial (gains)/losses	249	64
Total of above included in "Employee benefit expenses" in the Statement of Profit and Loss	619	372

Notes Forming Part of the Financial Statements

Reconciliation of opening and closing balances of present value of the defined benefit obligations:

Particulars	(₹ '000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Present value of defined benefit obligations at the beginning of the year	1,324	952
Current service cost	268	235
Interest cost	102	73
Actuarial (gains)/losses	249	64
Benefits paid	-	-
Present value of defined benefit obligations at the end of the year	1,943	1,324

The amounts of the present value of the defined benefit obligation and experience adjustments arising on plan liabilities for the current year and comparative previous years are as given below:

Gratuity (Unfunded Plan)	(₹ '000)				
	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
Present value of the defined benefit obligation at the end of the year	1943	1324	952	777	485
Fair value of the plan assets at the end of the year	NA	NA	NA	NA	NA
Unfunded liability transferred from Group Company	NA	NA	NA	NA	NA
(Surplus) / Deficit in the plan	NA	NA	NA	NA	NA
Experience adjustments on plan commitments - (Gain) / Loss	77	58	(53)	39	33
Experience adjustments on plan assets - Gain / (Loss)	NA	NA	NA	NA	NA

ii) Principal assumptions for actuarial valuation of defined benefit obligation of gratuity plan as at the Balance Sheet date

Particulars	(₹ '000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	6.75%	7.70%
Salary growth	8.00% for the first year and 7.50% for future years	8.00% for the first year and 7.50% for future years
Attrition rate	3.50%	3.50%
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

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

c) Other long term employee benefits

Long term compensated absences: This is an unfunded employee benefit. The liability for accumulated long term absences is determined by actuarial valuation using projected unit credit method. The assumptions used for valuation are as given below:

Particulars	(₹ '000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	6.75%	7.70%
Salary growth	8.00% for the first year and 7.50% for future years	8.00% for the first year and 7.50% for future years
Attrition rate	3.50%	3.50%
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

Notes Forming Part Of The Financial Statements

29 Segment Reporting

As per Accounting Standard (AS) 17 on "Segment Reporting", the company has two business segments - 'Pension fund business' and 'Point of Presence'. Since the business operates in India only, there are no geographical segments.

(₹'000)

	Year ended March 31, 2020			
	Pension Fund Management	Point of Presence	Unallocated corporate overheads	Total
Segment revenue	6,701	6,283	22,011	34,995
Segment results	(9,304)	5,573	(4,348)	(8,079)
Depreciation/Amortisation	300	-	383	683
Segment assets	4,755	2,646	328,778	336,180
Segment liabilities	(1,941)	(64,554)	(10,779)	(77,274)
Significant non-cash expenses	-	-	-	-

Note: Previous year comparatives are not provided, since there were no reportable segments in year ended March 31, 2019

30 Encumbrances on assets: The assets of the Company are free from all encumbrance as at March 31, 2020, except for Government Securities of ₹ 9,000 thousands (Previous year ₹ 5,000 thousands) with HDFC Bank Limited, as a security towards guarantee issued by the bank on behalf of the Company in favour of the PFRDA and Bank Fixed deposit of ₹ 2000 thousands (Previous year ₹ 2000 thousands) with lien in favour of PFRDA (Refer Note 31 on Contingent liabilities below).

31 Contingent liabilities

(₹'000)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Bank guarantee given on behalf of Company:		
Issued in favour of the PFRDA	9,000	5,000
Bank Fixed Deposit with lien in favour of PFRDA	2,000	2,000
Total	11,000	7,000

32 There are no dues payable to vendors covered by the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2020 (Previous year ₹ NIL).

33 Previous year comparatives

Previous year amounts have been regrouped and reclassified wherever necessary to conform to current year's presentation.

34 Impact of Covid on going concern

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe, which has contributed to a significant slowdown in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. In assessing the recoverability of receivables and Investments the Company has found nil impact on as on the date of the approval of these financial statements. Further as on the date of approval of these Financial statements the Company has found no impact on going concern assumption and on the minimum tangible networth as required by PFRDA and it expects the networth to be above the minimum statutory limit. The Company will continue to closely monitor any material changes in future economic conditions.