

**Speech of the Chairman, Shri D. K. Mehrotra at the fourth Annual General Meeting of the Shareholders of LIC Pension Fund Ltd., Mumbai on September 26, 2011**

Dear Shareholders,

On behalf of the Board of Directors and on my personal behalf, I take immense pleasure in extending a warm welcome to each one of you on this fourth Annual General Meeting of LIC Pension Fund Ltd.

I trust you have already received Company's Audited Financial Statements for the year 2010-11 along with the report of the Board of Directors. With your consent, I take them as read.

As you are aware that the New Pension System (NPS), which is a funded defined contribution pension system, has been introduced for the employees of the Central Govt. who have joined services on or after 1<sup>st</sup> January 2004. Subsequently 22 State Governments have also joined the NPS. For unorganized sector NPS Lite scheme is operational from 1<sup>st</sup> October 2010 and LIC Pension fund Ltd. is managing the NPS Lite Government pattern from 4-10-2010.

For the year 2010-11, the allocation from NPS Trust to LIC Pension Fund Ltd. was 35% being highest among the Pension Fund Managers.

Investment management fee of 0.0009% (inclusive of transaction costs) was fixed by NPS Trust in the year 2009-10. During the year under report, company has received an amount of ₹1044.60 crore from NPS Trust, for fund management as against ₹ 586.90 crore in the financial year 2009-10.

I would also like to inform you that Investment Management of the company is carried out strictly in terms of PFRDA guidelines which are monitored by the NPS Trust on quarterly basis. The company pays due attention to Risk Management and Corporate Governance. Company's corporate governance philosophy is centered around its total commitment to ethical practices in the conduct of its business, while striving to enhance shareholders' value. The relationship between the Board, executives and other functionaries is configured so as to have distinctly demarcated roles and improved corporate performance.

Pension Industry in India is growing steadily and in the years to come it will occupy a bigger space in the financial sector and LIC Pension Fund will play a critical role in this sector.

I take this opportunity to inform you that our independent directors S/Shri Jagdish Capoor, M N Singh and Ms. Bhavna Doshi have always provided immense support and guidance for the growth of Company and I thank them all.

I thank Shri T. S. Vijayan, the-then Chairman and Dr. H. Sadhak the-then M.D. & CEO of the company since inception, for their contribution to the company.

I also welcome Shri V. Manickam who has taken over as MD & CEO of the company on superannuation of Dr. H. Sadhak on 30.11.2010.

I would also like to mention that the company has received valuable support and guidance from PFRDA, NPS Trust, Central Record Keeping Agency (NSDL), Trustee Bank (Bank of India), Custodian (Stock Holding Corporation of India Ltd.), Brokers, our Banker (HDFC Bank), Statutory Auditors (M/s. K. C. Jain & Co.), Internal Auditors, (M/s. Haribhakti & Co.), various Govt. agencies and other stakeholders, for which I thank them all.

I also take this opportunity to thank the shareholders for the unstinted support and assure them our commitment to enhance shareholders' value consistently. I wish to place on record the commitment, dedication and hard work of the team of LIC Pension Fund Ltd. under the leadership of its MD & CEO, Shri V. Manickam, to march ahead in the years to come.

I also assure the shareholders of the company that in the years to come LIC Pension Fund Ltd. will maintain its growth momentum and emerge as a significant institutional investor in the country.

Thanking you,

**(D. K. Mehrotra)**

Date: 26.09.2011