

FY 2017-18

ALL THE SCHEMES

OF

AUDITED FINANCIAL
STATEMENTS

COMPRISING

ANNUAL REPORT

LIC PENSION FUND LIMITED

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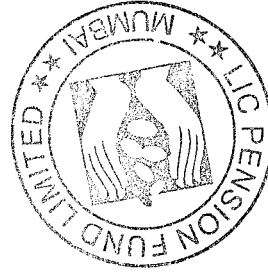
**LIC PENSION FUND LIMITED
Annual Report (Schemes) 2017-18**

Background

LIC Pension Fund Limited was incorporated in 2007 under the Companies Act 1956 by Life Insurance Corporation of India, the sponsor, with the main objective to act as a Fund Manager for managing the funds received from NPS Trust. The Company manages the investment portfolio as prescribed in the Investment Management Agreement (IMA) signed between NPS Trust and LIC Pension Fund Limited as well as according to investment guidelines issued by Pension Fund Regulatory & Development Authority (PFRDA) from time to time. Till 2012-13, LIC PFL has been managing the funds for Central Government Scheme, State Government Scheme, NPS Lite Scheme (on Govt. Pattern) and Corporate CG Scheme. On 18.04.2013, LIC Pension Fund was authorized by the PFRDA to manage the NPS Funds for Private sector also and an IMA (Investment Management Agreement) was signed between the LIC Pension Fund Ltd and NPS Trust stating the terms and conditions of managing pension fund under private sector. In the year 2015-16, a new scheme Atal Pension Yojana (APY) was introduced and LIC Pension Fund Ltd was entrusted with managing the funds under this scheme as one of the fund manager. During FY 2016-17 two more new schemes under private sector was introduced from 1st October 2016 by PFRDA and LIC Pension Fund Ltd is one of the fund managers to receive NPS fund under these schemes and out of which one scheme (A-Tier II) was withdrawn during current financial year.

Asset under Management

Name of the Scheme	AUM as on 31.03.2018 (Rs. In Cr.)	NAV as on 31.03.2018	Amount Received during 2017-18 from NPS Trust (Rs in Cr)	AUM as on 31.03.2017 (Rs. In Cr.)	NAV as on 31.03.2017
Central Govt. Scheme	26379.37	25.3839	4,370.51	20,721.72	23,9808
State Govt. Scheme	38095.12	22.6816	8138.25	28188.31	21,4375
NPS Lite Scheme	859.27	20.8934	53.30	759.66	19,7232
Corporate-CG-Scheme	2586.14	16.6773	602.09	1872.99	15,8133
E Tier I	355.58	17.5057	115.24	220.78	16,0524
C Tier I	231.72	16.0308	84.16	137.83	15,1425
G Tier I	342.59	16.3945	154.02	175.85	15,5362
E Tier II	8.98	14.6202	4.96	3.69	13,4738
C Tier II	6.51	15.0212	3.01	3.26	14,2400
G Tier II	8.77	16.3477	4.18	4.30	15,5779
Atal Pension Yojana	1255.84	12.8478	593.08	620.79	12,1823
A Tier I	0.39	10.9393	0.31	0.07	10,2511
A Tier II	0.00	NA	-0.01	0.01	10,1274
Total	70130.26		14123.10	52,709.26	



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Allocation of Assets as on 31.03.2018

1) Central Govt. Scheme (Rs in crore)

Name of the Scheme	Govt. Security (including SDLs)	NCDs/NCBS	Equity	Money Market Instruments	Others (cash & equivalents)	Total
Allocation as on 31.03.2018	13,111.29	8,888.71	3,685.59	67.29	626.49	26,379.37
Allocation as on 31.03.2017	10,076.13	7,243.02	2,769.95	138.70	493.32	20,721.72
	49.70%	33.70%	13.97%	0.29%	2.37%	100.00%
	48.63%	34.95%	13.37%	0.67%	2.38%	100.00%

2) State Govt. Scheme (Rs in crore)

Name of the Scheme	Govt. Security (including SDL)	NCDs/NCBS	Equity	Money Market Instruments	Others (cash & equivalents)	Total
Allocation as on 31.03.2018	18,803.33	12,518.68	5,271.00	610.19	891.92	38,095.12
Allocation as on 31.03.2017	13606.28	9888.45	3574.59	381.97	737.02	28188.31
	49.36%	32.86%	13.84%	1.60%	2.34%	100.00%
	48.27%	35.08%	12.68%	1.36%	2.61%	100.00%

3) NPS Lite Scheme (Rs in crore)

Name of the Scheme	G Security (including SDL)	NCDs/NCBS	Equity	Money Market Instruments	Others (cash & equivalents)	Total
Allocation as on 31.03.2018	426.44	283.80	120.48	4.34	24.21	859.27
Allocation as on 31.03.2017	363.15	273.58	101.63	12.90	8.40	759.66
	49.63%	33.03%	14.02%	0.51%	2.82%	100.00%
	47.80%	36.02%	13.38%	1.69%	1.11%	100.00%

4) Corporate CG Scheme (Rs in crore)

Name of the Scheme	G Security (including SDL)	NCDs/NCBS	Equity	Money Market Instruments	Others (cash & equivalents)	Total
Allocation as on 31.03.2018	1,275.80	868.92	362.21	20.89	58.32	2,586.14
Allocation as on 31.03.2017	910.63	662.74	249.98	8.80	40.84	1,872.99
	49.33%	33.60%	14.01%	0.81%	2.26%	100.00%
	48.62%	35.38%	13.35	0.47%	2.18%	100.00%



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Allocation as on 31.03.2017	94.04%	3.47	0.10	0.12	3.20%	3.69	100.00%
Allocation as on 31.03.2018	97.90%	8.79	0.31	-1.41%	-0.13	8.98	100.00%
Name of the Scheme	Equity Portfolio	Money Market Instruments	Others (cash & cash equivalents)	Total			

8) Scheme E, Tier II (Rs in crore)

Allocation as on 31.03.2017	92.69%	162.99	8.34	4.52	2.57%	175.85	100.00%
Allocation as on 31.03.2018	95.38%	326.77	0.00	4.62%	15.81	342.59	100.00%
Name of the Scheme	Govt. Securities (incl. SDLS)	Money Market Instruments	Others (cash & cash equivalents)	Total			

7) Scheme G, Tier I (Rs in crore)

Allocation as on 31.03.2017	93.25%	128.53	5.01	4.29	3.12%	137.83	100.00%
Allocation as on 31.03.2018	90.10%	208.77	14.87	3.48%	8.07	231.72	100.00%
Name of the Scheme	Debt Portfolio	Money Market Instruments	Others (cash & cash equivalents)	Total			

6) Scheme C, Tier I (Rs in crore)

Allocation as on 31.03.2017	97.44%	215.12	6.37	-0.71	-0.32%	220.78	100.00%
Allocation as on 31.03.2018	99.14%	352.53	6.95	-1.09%	-3.89	355.58	100.00%
Name of the Scheme	Equity Portfolio	Money Market Instruments	Others (cash & cash equivalents)	Total			

5) Scheme E, Tier I (Rs in crore)



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Name of the Scheme	Alternative Investments	Money Market Instruments	Others (cash & cash equivalents)	Total
Allocation as on 31.03.2018	0.00	0.38	0.01	0.39
Allocation as on 31.03.2017	0.00	0.06	0.01	0.07
		97.82%	2.18%	100.00%
		93.47%	6.57%	

(Rs in crore)

12) Scheme A, Tier I

Name of the Scheme	G Security (including SDL)	NCDs/NCBS	Equity	Money Market Instruments	Others (cash & cash equivalents)	Total
Allocation as on 31.03.2018	618.66	403.23	180.08	28.87	25.00	1,255.84
Allocation as on 31.03.2017	304.41	211.12	84.84	9.03	11.39	620.79
	49.26%	32.11%	14.34%	2.30%	1.99%	100.00%
	49.04%	34.01%	13.67%	1.45%	1.83%	100.00%

(Rs in crore)

11) Atal Pension Yojana (APY)

Name of the Scheme	Govt. Securities including SDL	Money Market Instruments	Others (cash & cash equivalents)	Total
Allocation as on 31.03.2018	8.27	0.00	0.49	8.77
Allocation as on 31.03.2017	4.13	0.09	0.07	4.30
	97.12%	2.88%	0.00%	100.00%
	96.19%	2.13%	1.68%	100.00%

(Rs in crore)

10) Scheme G, Tier II

Name of the Scheme	Debt Portfolio	Money Market Instruments	Others (cash & cash equivalents)	Total
Allocation as on 31.03.2018	5.65	0.00	0.86	6.51
Allocation as on 31.03.2017	2.90	0.13	0.22	3.26
	86.75%	0.00%	13.25%	100.00%
	89.01%	4.10%	6.90%	100.00%

(Rs in crore)

9) Scheme C, Tier II



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Name of the Scheme	5 Year Rolling CAGR	3 Year Rolling CAGR	Annualized Return for 1 Yr
Central Govt Scheme	9.86%	8.30%	5.85%
State Govt Scheme	9.44%	8.30%	5.80%
NPS Lite Scheme (Govt pattern)	10.00%	8.35%	5.93%
Corporate CG Scheme	9.90%	8.28%	5.46%
Atal Pension Yojana (APY)	NA	NA	5.46%
E Tier I	NA	6.78%	9.05%
C Tier I	NA	8.96%	5.87%
G Tier I	NA	8.71%	5.52%
E Tier II	NA	6.81%	8.51%
C Tier II	NA	8.65%	5.49%
G Tier II	NA	8.39%	4.94%
A Tier I	NA	NA	6.71%
A Tier II	NA	NA	2.71%

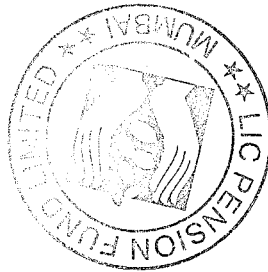
Performance at a glance as on 31.03.2018 *

Investment objectives of the schemes:- The Central Government has introduced the National Pension System (NPS) with effect from 01 January 2004, initially for the new entrants to Central Government services (excluding Armed Forces) and State Government services, with an objective to promote old age income security by establishing, developing and regulating pension funds. LIC Pension fund was selected along with other two fund managers, SBI Pension Fund Pvt. Ltd and UTI Retirement Solution Ltd through a selection process to manage the NPS funds for Govt. Sector. This was further renewed pursuant to a Request for Proposal (RFP) dated 16th February, 2012 floated by PFRDA for managing the pension assets of the government employees, including employees of Central Government autonomous organizations, covered by the NPS notified from 01.01.2004. Further as per directive of PFRDA, Corporate CG scheme was carved out of Central Govt. Scheme on 1.11.2012. On 18.04.2013, LIC Pension Fund was authorized by the PFRDA to manage the NPS Funds for Private sector also.

The AUM as on 31.03.2018 was Rs 70,130.26 crore (taking all the schemes together) as against Rs 52,709.26 crore as on 31.03.2017, with a growth of 33.05%. The growth in the AUM of Central Govt. Scheme was 27.30%, State Govt. scheme was 35.15%, NPS Lite Scheme was 13.11%, Corporate CG Scheme was 38.08% and for Atal Pension Yojana growth was 102.30% for the financial year 2017-18. For private sector, the growth was 74.89% for all the Private Schemes E, C, G and A (Tier I & II) as a whole for the financial year 2017-18. During the financial year 2016-17, two new schemes named A Tier and A Tier II were introduced by the NPS Trust/PFRDA from 1.10.2016 and out of that one scheme (A Tier II) was withdrawn in FY 2017-18.

Name of the Scheme	Alternative Investments	Money Market Instruments	Others (cash & cash equivalents)	Total
Allocation as on 31.03.2018	0.00	-0.01	0.00	-0.01
Allocation as on 31.03.2017	0.00	0.01	21.27%	0.01

13) Scheme A, Tier II (Discontinue w.e.f. 8th May 2017) (Rs. in crore)



While taking investment decisions for all class of assets, LIC PFL has taken all due diligence, promptness and vigilance in carrying out its duties and in protecting the rights and interest of the subscribers, with emphasis on safety and security with optimum returns. LIC PFL has not invested any amount in speculative transactions.

The Pension Fund is responsible for managing the funds received from NPS Trust through its trustee bank i.e. Axis Bank (Current Trustee Banker)/Bank of India (Previous Trustee Banker), on day to day basis in accordance with the investment Guidelines, Scheme Objectives, the Deed of Trust and provisions of the PFRDA, rules/guidelines/directions/notifications/circulars/regulations and law in force from time to time. The LICPFL acts as the Investment Manager of the Schemes with respect to the investment and reinvestment of the cash, securities and other properties comprising the assets of each scheme with full discretionary authority in accordance with the investment policies set forth in the IMA and guidelines/directions issued by NPS Trust/PFRDA from time to time. All transactions entered into by LICPFL are in accordance with the PFRDA Guidelines, Trust deed and the Code of ethics prescribed by the NPS Trust.

Liabilities and responsibilities of the Pension Fund:-

The investments under the schemes are made in securities such as Equity, Bonds, Debentures, Govt. Securities including State Development Loans, Fixed Deposits and Money market Instruments etc. The valuation of all the securities is done on Marked to Market basis as provided by Stock Holding Corporation of India Ltd (SHCIL) except fixed Deposits which is valued on amortization basis. The Price and redemption value of the units can go up as well as down with the fluctuations in the market value of its underlying investment.

Funds received from NPS Trust through Axis Bank (the Trustee Bank) under twelve schemes managed by LIC PFL are invested as per investment pattern stipulated by PFRDA and the terms and conditions laid down in Schedule II (for Govt. and Private sector) of the Investment Management Agreement (IMA). The Investment Guidelines issued by PFRDA from time to time and the internal investment guidelines approved by the Board of LIC PFL, for the investment of funds in equity, debt & money market instruments also contain exposure norms, prudential norms, minimum required credit rating, financials of the company, price volatility, returns generated as compared to the benchmark etc which are taken into consideration before arriving at any investment decision. It is ensured that each scheme maintains appropriate mix of long/short term duration of instruments to ensure that liquidity is available to meet redemptions as and when necessary and the scheme generates market related returns. Efforts are taken to minimize the risks associated with investment by continuous monitoring of the financials of the companies in which investments have been made, identifying the risks and steps to be taken to mitigate these risks as laid down in the risk policy. The primary objective of generating reasonable returns on the long term savings of the subscribers is always kept in mind for taking any investment decision.

Basis and Policy of Investments underlying the scheme:-

The above table provides the annualized returns of each scheme which reflects our performance. We are confident that with our steady performance & promoter credential i.e., LIC's brand name, we will be able to serve the very basic purpose of the schemes for Govt. Sector as well as of Private Sector.

* Past performance may or may not be sustained in future.