

8th
Annual Report
2014-2015



**You Save,
We Secure
Peaceful Retirement**



LIC Pension Fund Ltd.

BOARD OF DIRECTORS



Shri S. K. Roy
Chairman



Shri V. K. Sharma
Director



Shri Jagdish Capoor
Director



Shri M. N. Singh
Director



Smt. Bhavna G. Doshi
Director



Shri. Som Deo Chaturvedi
Director (From 18-11-2014)



Shri S. Hariharan
MD & CEO (Upto 31-05-2014)



Shri S. Bandyopadhyay
MD & CEO (From 01-06-2014)

Eighth Annual Report 2014-15



LIC Pension Fund Ltd.



LIC Pension Fund Ltd.

Banker to the Company

HDFC BANK

CORPORATION BANK

Statutory Auditors

M/S. P. C. GHADIALI & CO.

Internal Auditors

M/S. K. C. JAIN & CO.

Company Secretary

SHRI. AVINASH C. ABHYANKAR

Registered & Corporate Office

LIC Pension Fund Ltd.

“Yogakshema”, East Wing, Floor 7,

Jeevan Bima Marg,

Mumbai – 400 021.

Tel : 022-22882871, Fax : 022-22822289

E-mail : licpensionfund@licindia.com

Website : www.licpensionfund.in

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LIC Pension Fund Ltd.

Eighth Annual Report 2014-15

DIRECTORS' REPORT

To
The Members,
LIC Pension Fund Ltd.

Your Directors have pleasure in presenting the Eighth Annual Report of your Company together with the audited Financial Statements for the year ended 31st March, 2015.

Financial Results

Summary of your Company's financial performance is given below:

(Amt. in ₹)

Sr. No.	Particulars	Year ended 31 st March	
		2015	2014
1.	Income from Operations	2,09,27,950	1,33,72,934
2.	Other Income	3,19,56,981	3,20,99,491
3.	Total (1+2)	5,28,84,931	4,54,72,425
4.	Management expenses	2,87,56,967	2,81,99,637
5.	Profit/(Loss) before Tax (3-4)	2,41,27,964	1,72,72,787
6.	Tax Expenses	80,45,815	56,04,394
7.	Profit/(Loss) after Tax(6-7)	1,60,82,149	1,16,68,393
8.	Net Worth	32,42,20,242	30,85,00,249

Note:

Amount due to Sponsor(LIC of India) as on 31.03.2015 is ₹ 2,97,16,780/- as against ₹ 2,67,04,729/- as on 31.03.2014, and this has been duly accounted for in the Management Expenses.

Dividend

With a view to conserve and plough back the resources of the Company, the Board of Directors has decided not to recommend any dividend.

State of Company's Affairs / Performance

The Company earned a total income of ₹ 5,28,84,931/- for the year under review as against ₹ 4,54,72,425/- for previous year. Profit before tax and after tax stood at ₹ 2,41,27,964/- and ₹ 1,60,82,149/- respectively for current year as against ₹ 1,72,72,787/- and ₹ 1,16,68,393/- respectively for the previous year.



For the financial year 2014-15 Management fee was charged @ 0.0102% on funds managed for Government Sector excluding Corporate CG Scheme. Management Fees for Corporate CG Scheme and Private Sector Scheme is given below:

- Corporate CG Scheme - (0.01% since 1st August 2014, earlier it was 0.20%).
- Private Sector Schemes (Scheme E, C and G [Tier I and II]) - (0.01% since 1st August 2014, earlier it was 0.25%)

Amounts Transferred to Reserves

The Company has transferred ₹ 1,60,82,149/- to Reserves.

Financial Highlights

In the Financial year 2014-15 LIC Pension Fund Limited has received approximately an amount of ₹ 6580.68 crore as fresh inflow in respect of the following schemes:

Scheme	Amt. (₹ in crore)
Central Govt.	2435.18
State Govt.	3738.66
NPS Lite	150.85
Corporate CG Scheme	213.44
E Tier- I	17.81
C Tier- I	13.46
G Tier -I	11.02
E Tier – II	0.09
C Tier -II	0.09
G Tier- II	0.08
Total	6580.68

Summary of Assets under Management of the Company as on 31st March for last three financial years were as follows:

Particulars	Amount (₹ in Crore)	% Variation
31-Mar-13	8,463.58	113.24
31-Mar- 14	14,180.39	67.55
31-Mar- 15	24,010.12	69.32

AUM as on 31.03.2012 : (₹ in crore – 3968.96)

The Company is managing the AUM of ₹ 24,010.12 crore as at 31.03.2015 under the following NPS schemes:

Scheme	Amt. (₹ in Crore)
Central Govt.	11,047.42
State Govt.	11,999.01
NPS Lite	465.54
Corporate CG Scheme	403.95
E Tier- I	44.09
C Tier- I	27.74
G Tier- I	22.03
E Tier – II	0.14
C Tier- II	0.11
G Tier- II	0.09
Total	24,010.12

Investment Pattern of the Company under Government Sector Schemes (based on the directives of PFRDA) is detailed below:-

Sr. No.	Instruments	Prescribed limit
1	Government Securities , Govt. Securities (Central Govt.) & State Government*	Upto 55%
2	Corporate Bonds , PSU Bonds, Private Corporate Debt, Fixed Deposit	Upto 40%
3	Money Market Instruments	Upto 5%
4	Equity	Upto 15%

*SDL: Investment in State Development Loans is subject to further cap of 10% of total exposure in Govt. Securities.

Asset class E (equity market instruments) – The Investment by NPS subscriber in this asset class should not be more than 50%. The investment under Equity Asset class has to be made in Index funds/ Exchange Traded Funds that replicate the portfolio of either BSE Sensex index or NSE Nifty 50 index. Index Fund Schemes invest in securities in the same weightage comprising of an index. The PF will have to choose which index they intend to track in advance on an yearly basis. LICPFL had chosen BSE Sensex for replicating the portfolio for the financial year 2014-15

Asset class G (Government Securities) – This asset class will be invested in Central Government bonds and State Government bonds.

Asset class C (credit risk bearing fixed income instruments) – This asset class contains bonds issued by any entity other than Central and State Government. This asset class will be invested in Fixed deposits and credit rated debt securities. This includes rated bonds/securities of Public Financial Institutions and Public sector companies, rated municipal bodies/infrastructure bonds and bonds of all firms (including PSU/PSE).

**NAV for Government Sector NPS: (in ₹)**

Scheme	31.03.2015	31.03.2014	Growth(%)
Central Government	19.9845	16.8155	18.85
State Government	17.8583	14.9673	19.32
NPS Lite Scheme -Govt. Pattern	16.4254	13.7626	19.35
Corporate CG	13.1351	11.0044	19.36

NAV for Private Sector NPS: (in ₹)

Scheme	31.03.2015	31.03.2014	Growth(%)
E Tier -I	14.3782	11.3022	27.22
C Tier -I	12.3917	10.7431	15.35
G Tier -I	12.7618	10.5580	20.87
E Tier - II	11.9979	9.8910	21.30
C Tier- II	11.7110	10.4289	12.29
G Tier- II	12.8376	10.7085	19.88

The performance of investments function depends on market conditions, investment strategy, ability to forecast market movements, etc. The Company could register good performance due to the Company's ability to forecast the market movements and asset reallocation strategy adopted in fund management.

Fixed Deposits

The Company has not accepted any Deposits from public during the year under review.

Auditors

The Auditors of your Company are appointed by the Comptroller and Auditor General of India.

M/s. P. C. Ghadiali & Co., Chartered Accountants, Mumbai, had been appointed as Statutory Auditors of the Company for the financial year 2014-15.

Auditors' Report

The Auditors' report does not contain any qualifications, reservations or adverse remarks.

Audit Committee

The Company has constituted an Audit Committee as required under the Act. The Audit Committee of the Company comprises of three Directors viz.:

Shri Jagdish Capoor	Chairman/ Independent
Shri V. K. Sharma	Member
Shri M.N. Singh	Member/Independent

Directors

Shri V. K. Sharma retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment. The Directors recommend his reappointment.

Shri Som Deo Chaturvedi was appointed as an Additional /Independent Director with effect from 18th November, 2014 and holds office up to the date of ensuing Annual General Meeting. A notice from a member of the Company has been received proposing his candidature for the Office of Director. Shri Som Deo Chaturvedi has submitted a declaration under Section 149(7) of the Companies Act, 2013 confirming that he meets the criteria prescribed for Independent Director under Section 149(6) of the said Act.

Key Managerial Personnel

During the year, Mrs. Anjali Desai was appointed as Chief Financial Officer on 8th August, 2014.

Mrs. Anjali Desai ceased to be the Chief Financial Officer with effect from 30th May, 2015 pursuant to her transfer to LIC of India.

Declaration by independent directors

Pursuant to the provisions of Section 149(6) of the Companies Act, 2013, all the Independent Directors have given the required disclosures/ declaration confirming their independence.

Number of Board Meetings

The Board of Directors held 4 (Four) Board meetings during the financial year.

Policy on director's appointment and remuneration

Pursuant to Section 178(3) of the Companies Act, 2013 the Nomination and Remuneration Committee has laid down the following policy relating to the remuneration of directors, key managerial personnel and other employees:

Remuneration to Non Executive Independent Directors:

The Non Executive Independent Directors will receive remuneration by way of sitting fees for attending the meetings of the Board and/ or Committees thereof. The amount of sitting fees to be paid to such Directors shall be decided by the Board from time to time subject to the limits specified under the Companies Act, 2013. Apart from sitting fees no other remuneration / commission is paid to them.

Remuneration to Non Executive Promoter Directors

LIC of India, promoter of the Company shall appoint the Non Executive Promoter Directors. Such Promoter Directors shall not be entitled to any sitting fees.

Remuneration to Executive Promoter Director:

Executive Promoter Director who is Managing Director & CEO would be paid remuneration as applicable to an Officer in the cadre of Executive Director of LIC of India. As and when there is any revision in the pay scales of the Executive Director as per the charter decided by the LIC of India from time to time, then the same would be applicable to the Executive Promoter Director. Further, tenure and terms & conditions of appointment of Executive Promoter Director would be as decided by Nomination and Remuneration Committee in consultation with LIC of India from time to time.



Remuneration to Key Managerial Personnel (other than MD&CEO) and other employees:

Presently, apart from Managing Director & CEO, Company Secretary and Chief Financial Officer constitute the Key Managerial Personnel.

Remuneration payable to Company Secretary would be as decided by the Board of the Company from time to time.

Chief Financial Officer and all other employees are on deputation from LIC of India and the amount of remuneration paid to them is applicable to their respective cadre.

Manner of Formal Evaluation of Board, Committees and Directors

Pursuant to the provisions of the Companies Act, 2013, the annual performance of the Board, its Committees and Directors including Independent Directors was evaluated. Annual Performance Evaluation of the Board and its Committees was carried through group discussions and by seeking inputs from the Directors with regard to composition and structure of the Board/ Committees, functioning of the Board/ Committees, Board/ Committee processes, access to timely, accurate and relevant information, etc. The Directors were individually evaluated by the Board based on parameters such as engagement, functional knowledge, analysis, decision making, communication, etc.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo:

(A) Conservation of Energy-

- (i) The steps taken or impact on conservation of energy- As the Company is engaged in business of investment management of Pension Assets, scope to conserve energy is limited. However, efforts are made to conserve energy wherever possible.
- (ii) The steps taken by the Company for utilizing alternate sources of energy – The Directors are considering various possibilities for utilizing alternate sources of energy.
- (iii) The capital investment on energy conservation equipments – **Nil**.

(B) Technology absorption

- (i) The efforts made towards technology absorption – **Not applicable**
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution - **Not applicable**
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- **Not applicable**
 - (a) The details of technology imported - **Not applicable**
 - (b) The year of import - **Not applicable**
 - (c) Whether the technology has been fully absorbed - **Not applicable**
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - **Not applicable**

and

(iv) The expenditure incurred on Research and Development - **Not applicable**

(C) Foreign Exchange earnings and outgo

The foreign exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows :- **There were no Foreign Exchange earnings and outgo during the year.**

Regulatory Compliance

The Company has been following guidelines, directions and circulars issued by Pension Fund Regulatory and Development Authority / National Pension System Trust, Ministry of Corporate Affairs, SEBI and other appropriate authorities from time to time as applicable to the Company.

Risk Management Policy

The Company has a structured risk management policy. The risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The Company has identified the following risks for the Company;

- Critical knowledge loss
- Skills shortage
- Non-compliance
- Regulatory Risks
- Potential business loss risk
- Competition risk
- Asset Liability mismatch risk
- Third party risks

In the opinion of the Board there are no risks that may threaten the existence of the Company.

Change in the nature of Business, if any;

During the year under review, there was no change in the nature of business of the Company.

Orders By Regulators, Courts or Tribunals

No orders were passed by any Regulator or Court or tribunal impacting the going concern status and the Company's operations in future.

Internal Financial Controls

The Internal Controls of the Company are adequate and commensurate with the size and scale of the operations. These controls operate through well documented standard operating procedures, policies and



process guidelines that are designed to provide reasonable assurance to management of the reliability of financial information compliance to operating and adherence to Statutory / Regulatory requirements. The Internal Controls are routinely tested and certified by the Internal as well as the Statutory Auditors. Significant audit observations and the management actions thereon are reported to the Audit Committee on a quarterly basis. The Audit committee reviews the observations and assesses the adequacy of the actions proposed as well as monitors their implementation.

Extract of Annual Return

In accordance with the provisions under Section 134(3)(a) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 has been annexed to this Report in prescribed Form MGT – 9 as Annexure 1.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

During the year, the Company has not granted any loans or provided guarantees or made any investments under Section 186 of the Companies Act, 2013.

Particulars of Contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013

All contracts/ arrangements/ transactions entered by the Company during the financial year with the related parties were in ordinary course of business and on arm's length basis. Particulars of transactions with related parties referred to in Section 188(1) of the Companies Act, 2013 have been given in Annexure 2.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013 the Directors state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Material changes and commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements of the Company relate and the date of this report.

Particulars of Employees

The disclosure as required under Section 197(12) of the Companies Act, 2013 read with the relevant rules is not applicable to the Company. During the financial year none of the employees were in receipt of remuneration of ₹ 5 lacs per month or ₹ 60 lacs per annum.

Acknowledgments

Your directors would like to place on record their appreciation of the support extended by Life Insurance Corporation of India, the Sponsor of LIC Pension Fund Ltd., Pension Fund Regulatory and Development Authority (PFRDA), National Pension System Trust (NPS Trust), Ministry of Corporate Affairs, Registrar of Companies, Mumbai, National Securities Depository Limited (NSDL) - Central Record Keeping Agency, Axis Bank & Bank of India Trustee bank, Stock Holding Corporation of India Limited -Custodian, M/s. P. C. Ghadiali & Co., Chartered Accountants - Statutory Auditors of the Company Accounts, M/s. Kailash Chand Jain & Co. Chartered Accountants- Internal Auditors, M/s. M P Chitale & Co, Chartered Accountants, Statutory Auditors of the Scheme Accounts managed by the Company, Shri Prasanna Gupchup - Practicing Company Secretary, K C Jain Kala & Company - Tax Consultant, Brokers and other Government agencies. Your Directors would also like to place on record the contribution made by the officials at all levels for the success of your Company during the year.

For and on behalf of the Board

Place: Mumbai.

Date : 20.08.2015

MANAGING DIRECTOR & C.E.O

CHAIRMAN



Financial Statements for the year 2014-15

INDEPENDENT AUDITORS' REPORT

To

The Members of

LIC PENSION FUND LIMITED

Report on the Financial Statements

We have audited the attached financial statements of **LIC Pension Fund Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on the date annexed thereto, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on



whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

Opinion

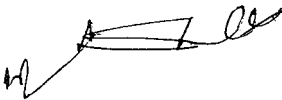
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

- (a) We attach an annexure giving report under Companies (Auditor's Report) Order 2015
- (b) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (c) 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.
- (d) 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.
- (e) In our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms Section 164 (2) of the Act.
- (g) 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) The 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;

- (h) In compliance with section 143 (5) of the Act, we further report as under:-
- (i) The Company has not made any disinvestment, not done any valuation/revaluation of Assets and Liabilities (including Committed & General Reserves) & no disinvestment is present in process.
 - ii) There were no cases of waiver/ write off of debts/loans/interest etc.
 - iii) No records are required to be maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities as no such cases exist.
 - iv) Since there are no pending legal/ arbitration cases, the requirements are not applicable.



R. T. Doshi

Senior Partner

Membership Number: 013458

For and on behalf of

P C Ghadiali and Co LLP

Chartered Accountants

Firm No. 103132W

Place: Mumbai

Date: April 24, 2015

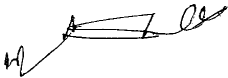


ANNEXURE TO AUDITORS' REPORT

Referred to in the Auditors' Report of even date to the members of LIC PENSION FUND LIMITED on the financial statements for the year ended March 31, 2015 – in terms of Companies (Auditor's Report) Order 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management (Sponsor: LIC) during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of physical verification is reasonable.
- ii. According to information and explanation given to us, the Company does not have any physical stock of inventory.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under Section 189 of the Companies Act.
- iv. In our opinion and according to the information and explanations given to us, we are of opinion that there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed asset. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is (generally) regular in depositing the undisputed statutory dues and any other statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, income tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (c) No amount is required to be transferred to investor education and protection fund.
- viii. The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

- ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- ix. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- x. In our opinion, and according to the information and explanations given to us, the Company has not raised any term loans during the year.
- xi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.



R. T. Doshi

Senior Partner

Membership Number: 013458

For and on behalf of

P C Ghadiali and Co

Chartered Accountants

Firm No. 103132W

Place: Mumbai

Dated: April 24, 2015



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF LIC PENSION FUND LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of LIC Pension Fund Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 141 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 April 2015.

The assets under management through various schemes managed by LIC Pension Fund Limited are not reflected in its Balance Sheet, since these assets do not form part of the LIC Pension Fund Limited. Therefore, I have not looked into operation of these schemes including decision making regarding acquisition, management and disposal of the assets managed by LIC Pension Fund Limited and express no opinion on the soundness of the investments.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of LIC Pension fund Limited for the year ended 31 March 2015 and as such have no comments to make under section 143(6)(b) of the Act.

For and on the behalf of the
Comptroller and Auditor General of India

(Roop Rashi)

Principal Director of Commercial Audit and
ex-officio Member, Audit Board-I Mumbai

Place : Mumbai

Date : 06 July 2015

ANNEXURE 2

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not on an arm's length basis: NIL
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts / arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) Date(s) of approval by the Board
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188.

2. Details of material contracts or arrangement or transactions on an arm's length basis
 - (a) Name(s) of the related party and nature of relationship :- LIC OF INDIA, Holding Company/ Corporation
 - (b) Nature of contracts/arrangements/transactions:- Reimbursement of Salaries and expenses and sale/ transfer of fixed asset.
 - (c) Duration of the contracts / arrangements/transactions :- **On going basis**
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - (e) Date(s) of approval by the Board, if any:- **NA**
 - (f) Amount paid as advances, if any:- **NIL**

For and on behalf of the Board

MD & Chief Executive Officer

Chairman

Place: Mumbai.

Date : 20.08.2015



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U66020MH2007PLC176066
2.	Registration Date	21 st November, 2007
3.	Name of the Company	LIC Pension Fund Limited
4.	Category/Sub-category of the Company	Unlisted Public Company
5.	Address of the Registered office & contact details	Yogakshema, East Wing, 7th floor, Jeevan Bima Marg, Mumbai- 400021.
6.	Whether listed Company Yes / No	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

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	% to total turnover of the Company
1	Investment management of Pension Assets	67200	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. N.	Name and Address of the Company	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Life Insurance Corporation of India. Yogakshema", 7 th Floor, East Wing, Jeevan Bima Marg, Mumbai 400 021		Holding Company	100%	2(46)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	-	3,00,00,000	3,00,00,000	100	-	3,00,00,000	3,00,00,000	100	NIL
e) Banks / FI									
f) Any other...									
Sub-total (A) (1):-									
(2) Foreign									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corporate									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2):-									
Total shareholding of Promoter (A)= (A) (1)+(A)(2)	-	3,00,00,000	3,00,00,000	100	-	3,00,00,000	3,00,00,000	100	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									



Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	3,00,00,000	3,00,00,000	100	-	3,00,00,000	3,00,00,000	100	NIL

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Life Insurance Corporation of India	2,99,99,994	100	NIL	2,99,99,994	100	NIL	NIL
2	*Shri. Nilesh Sathe (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	1	Negligible	NIL	NIL
3	*Shri. Vipin Anand (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	1	Negligible	NIL	NIL
4	*Shri. S. K. Roy (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	1	Negligible	NIL	NIL
5	*Shri. Suryakant Mainak (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	1	Negligible	NIL	NIL
6	*Shri. Venugopal Bhaskaran (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	1	Negligible	NIL	NIL



SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
7	*Ms. Sarojini Dikhale (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	1	Negligible	NIL	NIL

*Beneficial Interest held by Life Insurance Corporation of India

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	3,00,00,000	100		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	#		#	
	At the end of the year	3,00,00,000	100		

There has been no change in Promoters' Shareholding between 1-4-2014 and 31-3-2015. However, during the year, shares held by Shri S Hariharan and Shri Sushoban Sarker, nominees of LIC of India Ltd., were transferred to Ms Sarojini Dikhale and Shri B.Venugopal, respectively, other nominees of LIC of India.

D) Shareholding Pattern of top ten Shareholders:**(Other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	*Mr. Surya Kumar Roy				
	At the beginning of the year	1	negligible	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL		
	At the end of the year	1	negligible		

*Beneficial Interest held by Life Insurance Corporation of India

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. –
Not Applicable

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				



	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
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. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Shri S Bandyopadhyay Managing Director and CEO	Total Amount
1	Gross salary	₹ 12,05,084/-	₹ 12,05,084/-
	(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	₹ 3,97,027/-	₹ 3,97,027/-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission <ul style="list-style-type: none"> – as % of profit – others, specify... 		

SN.	Particulars of Remuneration	Shri S Bandyopadhyay Managing Director and CEO	Total Amount
5	Others, please specify		
	Total (A)	₹ 16,02,111/-	₹ 16,02,111/-
	Ceiling as per the Act		

B. Remuneration to other directors:

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	NA				NA
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors		-----	-----	-----	
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 9,49,143/-	₹ 11,24,389/-	₹ 20,73,532/-



SN	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 35,897/-		₹ 35,897/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	– as % of profit			
	– others, specify...			
5	Others, please specify			
	Total	9,85,040/-	11,24,389/-	21,09,429/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

LIC Pension Fund Limited

“Yogakshema”, East Wing, Floor 7, Jeevan Bima Marg, Mumbai – 400 021.

BALANCE SHEET AS AT 31st MARCH

Particulars	Note No.	2015	2014
		₹	₹
I] EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	300,000,000	300,000,000
(b) Reserves and Surplus	2	24,220,242	8,500,248
(2) Non-Current Liabilities			
(a) Deferred tax Liability/(Assets) (net)	6	26,296	(219,519)
(3) Current Liabilities			
(a) Short-Term Borrowings		—	—
(b) Trade Payables		—	—
(c) Other Current Liabilities	3	29,956,450	26,729,689
(d) Short-Term Provisions	4	2,255,703	1,593,032
TOTAL		356,458,691	336,603,450
II] ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Fixed Assets	5.A	1,540,678	799,799
(ii) Intangible Fixed Assets	5.B	917,883	—
(b) Non-Current Investments		—	—
(c) Other Non-Current Assets	7	323,475,816	30,610,063
(2) Current Assets			
(a) Current Investments		—	—
(b) Inventories		—	—
(c) Trade Receivables	8	6,329,271	4,895,338
(d) Cash and Bank Balance	9	23,863,771	300,215,430
(e) Short-Term Loans and Advances	10	27,234	77,234
(f) Other Current Assets		304,038	5,586
TOTAL		356,458,691	336,603,450

Significant Accounting Policies

17

Notes are integral part of Financial Statements

As per our Report of even date.

P C Ghadiali and Co

Chartered Accountant

Chairman

Director

Managing Director
& CEO

CFO

Company
Secretary

R T Doshi

Partner

Membership No. : 013458

Firm Reg. No.: 103132W

Place : Mumbai

Date : April 24, 2015



LIC Pension Fund Limited

“Yogakshema”, East Wing, Floor 7, Jeevan Bima Marg, Mumbai – 400 021.

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31st MARCH

Sr. No	Particulars	Note No.	2015	2014
			₹	₹
1	Revenue from operations	11	20,927,950	13,372,934
2	Other Income	12	31,956,981	32,099,490
3	Total Revenue (1+2)		52,884,931	45,472,424
4	Expenses:			
	Cost of materials consumed		—	—
	Purchase of Stock-in-Trade		—	—
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		—	—
	Employee Benefit Expense	13	15,613,932	14,075,477
	Financial Costs		—	—
	Depreciation and Amortization Expense	14	371,721	222,731
	Fees Paid to PFRDA	15	2,187,500	5,500,000
	Other Administrative Expenses	16	10,583,814	8,401,430
	Total Expenses		28,756,967	28,199,638
5	Profit/(loss) before exceptional and extraordinary items and tax (3-4)		24,127,964	17,272,787
6	Exceptional Items		—	—
7	Profit/ (Loss) before extraordinary items and tax (5 - 6)		24,127,964	17,272,787
8	Extraordinary Items		—	—
9	Profit/(Loss) before tax (7 - 8)		24,127,964	17,272,787
10	Tax expense:			
	(1) Current tax Expenses		7,800,000	5,604,278
	(2) Deferred tax		245,815	116
11	Profit/(Loss) from continuing operations (9 - 10)		16,082,149	11,668,393
12	Earning per equity share:			
	(1) Basic		0.54	0.39
	(2) Diluted		0.54	0.39
	Significant Accounting Policies	17		

Notes are integral part of Financial Statements

As per our Report of even date.

P C Ghadiali and Co

Chartered Accountant

Chairman

Director

Managing Director
& CEO

CFO

Company
Secretary

R T Doshi

Partner

Membership No. : 013458

Firm Reg. No.: 103132W

Place : Mumbai

Date : April 24, 2015

LIC Pension Fund Limited

“Yogakshema”, East Wing, Floor 7, Jeevan Bima Marg, Mumbai – 400 021.

CASH FLOW STATEMENT AS ON 31st MARCH

S.N.	PARTICULARS	2015	2014
		₹	₹
A	Cash Flow from Operating activities		
	Profit/(Loss) before extraordinary items and tax Adjustments:	24,127,964	17,272,787
	Depreciation and amortization	371,721	222,731
	Provision no longer required - written back	–	(83,112)
	Interest on Fixed Deposit	(31,853,140)	(31,956,499)
	Interest on IT Refund	(55,834)	(52,558)
	Interest on Savings a/c	(44,003)	(5,621)
	Provision for Income of Tax	(7,800,000)	(5,604,278)
	(Loss) before working capital changes	(15,253,292)	(20,206,550)
	Working capital changes:		
	(Increase)/Decrease in short-term loans and advances	50,000	(904,368)
	(Increase) /Decrease in other long-term loans and advances	–	–
	(Increase) /Decrease in other non-current assets	(292,865,753)	(17,923,413)
	(Increase) /Decrease in Trade receivables	(1,433,933)	(2,446,040)
	Increase/(Decrease) in other current liabilities	3,226,760	855,438
	Increase/(Decrease) in other current assets	(298,452)	(5,586)
	Increase/(Decrease) in short-term provisions	662,671	5,101,359
	Excess Provision Written Off	–	83,112
		(290,658,707)	(15,239,498)
	Cash generated from operations Total of (A)	(305,912,000)	(35,446,048)
B	Cash Flow from Investing Activities		
	Capital expenditure on fixed assets	(2,392,637)	(26,243)
	Interest Received on Fixed Deposits	31,853,140	31,956,499
	Interest on Savings a/c	44,003	5,621
	Interest on IT Refund	55,834	52,558
	Net cash from Investing Activities: Total of (B)	29,560,340	31,988,435
C	Cash Flow from Financing activities		
	Issue of Fresh Equity Shares	–	–
	Net cash from Financing Activities: Total of (C)	–	–
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(276,351,660)	(3,457,613)
	Add: Cash and cash equivalents as at 01.04.2014	300,215,431	303,673,044
	Cash and cash equivalents as at 31.03.2015	23,863,771	300,215,431

Notes are integral part of Financial Statements

As per our Report of even date.

P C Ghadiali and Co

Chartered Accountant

Chairman

Director

Managing Director
& CEO

CFO

Company
Secretary

R T Doshi

Partner

Membership No. : 013458

Firm Reg. No.: 103132W

Place : Mumbai

Date : April 24, 2015

**LIC Pension Fund Limited**

“Yogakshema”, East Wing, Floor 7, Jeevan Bima Marg, Mumbai – 400 021.

Notes forming part of the financial statements as at 31st March**Note 1 : Share capital**

Particulars	2015		2014	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	40,000,000	400,000,000	40,000,000	400,000,000
Total	40,000,000	400,000,000	40,000,000	400,000,000
(b) Issued				
Equity shares of ₹ 10 each with voting rights	30,000,000	300,000,000	30,000,000	300,000,000
Total	30,000,000	300,000,000	30,000,000	300,000,000
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	30,000,000	300,000,000	30,000,000	300,000,000
Total	30,000,000	300,000,000	30,000,000	300,000,000

Details of shares held by the holding Company:

Particulars	2015	2014
	Number of shares	
Equity shares with voting rights		
Life Insurance Corporation of India	30,000,000	30,000,000

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	2015		2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Life Insurance Corporation of India	30,000,000	100	30,000,000	100

Notes forming part of the financial statements as at 31st March

Note 2 : Reserves and Surplus

Particulars	2015	2014
	₹	₹
<u>Profit/(Loss) Account</u>		
Opening balance	8,500,248	(3,168,145)
Add: Transferred from Surplus in Statement of Profit/(Loss)	16,082,149	11,668,393
Less: Retained Earnings	(362,154)	
Closing balance	24,220,242	8,500,248
Total	24,220,242	8,500,248

Note 3 : Other Current Liabilities

Particulars	2015	2014
	₹	₹
Amt payable to Life Insurance Corporation	29,716,780	26,704,729
Amount payable to NPS Trust	—	—
TDS payable	216,968	24,960
Service Tax Payable	22,702	—
Total	29,956,450	26,729,689

Note 4 : Short Term Provisions

Particulars	2015	2014
	₹	₹
Other outstanding expenses	2,255,703	1,593,032
Total	2,255,703	1,593,032



Note 5 : Fixed Assets

A. Tangible Assets

Amount in ₹

Sr. No	Particulars	Life in years	Gross Block			Accumulated Depreciation			Net Block	
			Balance as at 1st April, 2014	Addition during the year	Deduction during the year	Balance as at 31st March, 2015	Balance as at 1st April, 2014	Addition during the year	Deduction during the year	Balance as at 31st March, 2015
1	Furnitures & Fixtures	10	540,961	—	—	540,961	152,070	77,610	—	229,680
2	Office Equipment	5	411,968	60,500	411,968	60,500	89,030	9,178	89,030	9,178
3	Computer									
a.	Servers	6	49,796	409,867	—	459,663	9,067	57,728	—	66,795
b.	End Users	3	994,676	922,270	994,676	922,270	955,460	137,063	955,460	137,063
4	Library Books	5	9,490	—	—	9,490	1,465	8,025	—	9,490
	Total		2,006,891	1,392,637	1,406,644	1,992,884	1,207,092	289,604	1,044,490	452,206
	Previous Year		1,980,648	26,243	—	2,006,891	984,361	222,731	—	1,207,092
										799,799
										799,799

Amount in ₹

B. Intangible Assets

Sr. No	Particulars	Life in years	Gross Block			Accumulated Amortisation			Net Block	
			Balance as at 1st April, 2014	Addition during the year	Deduction during the year	Balance as at 31st March, 2015	Balance as at 1st April, 2014	Addition during the year	Deduction during the year	Balance as at 31st March, 2015
1	Computer Software		5,437,102	—	—	5,437,102	5,437,102	—	—	5,437,102
2	Licence Disaster Recovery Management	3	—	1,000,000	—	1,000,000	—	82,117	—	82,117
	Total		5,437,102	1,000,000	—	6,437,102	5,437,102	82,117	—	5,519,219
	Previous Year		5,437,102	—	—	5,437,102	5,437,102	—	—	5,437,102
										917,883
										917,883

Note 6 : Deferred tax Liability/(Assets) (net)

Particulars	2015	2014
	₹	₹
Opening Deferred tax (liability) / asset	219,519	219,635
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	(245,815)	116
	(245,815)	116
<u>Tax effect of items constituting deferred tax assets</u>		
On difference between book balance and tax balance of fixed assets	—	—
Brought Forward Business Loss	—	—
		—
Closing deferred tax (liability) / asset (Net)	(26,296)	219,519

Note 7 : Other Non Current Assets

Particulars	2015	2014
	₹	₹
Interest Accrued on Fixed Deposits	22,650,361	28,095,357
<u>Bank Balances</u>		
Fixed Deposit with Banks	297,307,000	—
(Having Maturity more than 12 months)		
Income Tax Receivable (Net of Provision)	3,518,455	2,514,706
Total	323,475,816	30,610,063

Note 8 : Trade Receivables

Particulars	2015	2014
	₹	₹
Management fees due from NPS Trust	6,171,758	4,895,338
Short receipt from CUB Bank	157,513	-
Total	6,329,271	4,895,338

**Note 9: Cash & Bank Balance**

Particulars	2015	2014
	₹	₹
Cash-in-hand	—	—
Bank Balances		
With HDFC Current A/c No. 47831	7,423	6,136
With Corporation Bank Saving Bank Account no. 38163	6,348	7,294
Fixed Deposit with Banks (City Union Bank, Karur Vyasa Bank and Tamilnad Mercantile Bank)	23,850,000	300,202,000
Total	23,863,771	300,215,430

Note 10 : Short Terms Loans and Advances

Particulars	2015	2014
	₹	₹
Advance Against Registration Charges	—	—
Application Charges to PFRDA	—	—
Prepaid Expenses	27,234	77,234
Total	27,234	77,234

Note 11 : Revenue from Operations

Particulars	2015	2014
	₹	₹
Management Fees	20,927,950	13,372,934
Total	20,927,950	13,372,934

Note 12 : Other Income

Particulars	2015	2014
	₹	₹
Interest on Fixed Deposits	31,853,140	31,956,499
Interest on Savings A/c	44,003	5,621
Other Receipts	4,004	1,700
Provision written back	—	83,112
Interest on IT Refund	55,834	52,558
Total	31,956,981	32,099,490

Note 13 : Employment Benefit Expenses

Particulars	2015	2014
	₹	₹
Salaries, Bonus, PF	14,408,848	12,410,233
Directors Remuneration	1,205,084	1,665,244
Total	15,613,932	14,075,477

Note 14 : Depreciation & Amortised Expenses

Particulars	2015	2014
	₹	₹
Depreciation	289,604	222,731
Amortisation	82,117	—
Total	371,721	222,731

Note 15 : Fees Paid to PFRDA

Particulars	2015	2014
	₹	₹
Annual Fees to PFRDA	2,187,500	2,000,000
Application Charges to PFRDA	—	1,000,000
Registration Charges	—	2,500,000
Total	2,187,500	5,500,000

**Note 16 : Other Administrative Expenses**

Particulars	2015	2014
	₹	₹
Car Expenses	330,181	533,826
Recruitment/Supply Agency Service	83,599	–
Computer Maintenance & Software	2,207,181	1,590,878
Interest paid on Service Tax	–	144
Internet & Website Expenses	50,000	51,701
Office Up-Keep	90,520	85,730
Payment to Auditors (Refer to Note below)	1,408,170	1,415,170
Printing & Stationery Expenses	209,681	138,529
Professional Charges	366,696	50,819
Rent, Rates & Taxes	66,924	42,939
ROC Fees	21,213	10,604
Sitting Fees	485,000	135,000
Board Meeting Expenditure	164,461	38,807
Telephone Expenses	98,473	127,677
Advertisement Exp.	–	78,497
Brokerage Charges	2,387,147	2,813,428
Travelling Expenses	470,250	420,103
Valuation Services	309,204	180,801
Miscellaneous Expenses	115,742	144,825
Digital Signature Exp.	34,100	13,447
Entertainment Exp.	264,117	95,014
LTC Charges	–	431,690
Conference Exp	6,411	1,800
Disaster Recovery Management Exp	945,674	–
Secretarial Consultancy Fees	122,500	–
Reimbursement To Schemes	346,570	–
Total	10,583,814	8,401,430

Note:

Particulars	2015	2014
	₹	₹
Payments to the auditors comprises :		
Internal Audit Fees Company	150,000	168,540
Statutory Audit Fees	49,078	62,922
Statutory Audit Scheme	1,171,564	1,150,000
Tax Consultancy Charges	18,764	11,236
Tax Audit Fees	18,764	22,472
Total	1,408,170	1,415,170

Note 17: SIGNIFICANT ACCOUNTING POLICIES**A) Basis of Accounting**

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, Accounting Standards notified under Section 2(2) of the Companies Act, 2013, and the relevant provisions of the Companies Act 2013.

B) Revenue Recognition

- Revenue is recognized as and when there is reasonable certainty of ultimate realization.
- Income on investments is accounted for on accrual basis.

C) Fixed Assets & Depreciation

- Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is provided on the straight line method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013.
- Intangible assets are amortised over a period of three years, on the SLM basis.
- Additions to fixed assets whose value per item is less than ₹5,000/- is fully depreciated in the year of addition.

D) Investments

- Long Term investments are considered as held till maturity and are valued at cost. Provision is made for diminution in the value of investments, if any, other than temporary in nature.
- Short Term investments are valued at cost or fair value whichever is lower.
- The cost of investments includes acquisition charges such as brokerage, etc. Front-end discount / incentive earned in respect of direct subscription are adjusted towards the cost of investments.

E) Income Tax

- Income Tax expense for the period, comprising of current tax and deferred tax is included in determining the net profit for the period.
- A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable incomes and accounting incomes at tax rates enacted / substantively enacted by the Balance Sheet date.
- Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**NOTES TO FINANCIAL STATEMENTS**

- 1) In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- 2) Sundry Creditors include overdue amount of ₹ NIL (including interest of ₹ NIL) payable to Micro, Small and Medium enterprises.
- 3) Employee Cost represents the amount to be reimbursed by the Company to Life Insurance Corporation of India (LIC) in respect of employees posted to the Company.
- 4) Arrears of Salary, LTC etc. in respect of the employees of LIC posted to the Company is provided in the books of the Company in accordance of the working and advice provided by LIC in this respect.
- 5) The segment reporting disclosure as required by Accounting Standard-17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable, since the Company has a single reportable business segment of providing asset management services as per the Pension Fund Regulatory and Development Authority Regulations.

6) Related Party Disclosure

Related Party disclosures as required by AS – 18 "Related Party Disclosures" are given below:

- (a) Name of Related Parties and Nature of Relationship where control exist:

Sr. No.	Related Party	Nature of Relationship
1.	Life Insurance Corporation of India	Promoter / Sponsor of the entity
2.	Shri S. Bandyopadhyay	Key Management Personnel

- (b) Details of Transactions with related parties (P.Y. figures are shown in bracket)

(Amt in ₹)

Nature of Transaction	Life Insurance Corporation of India	Shri S. Bandyopadhyay
Reimbursement to be made towards expenses on staff posted to the Company	1,56,13,932	
	(1,24,10,233)	
Reimbursement to be made for purchase of fixed Assets	23,92,637	
	(26,243)	
Sale/Transfer of Fixed assets	14,06,644	

Nature of Transaction	Life Insurance Corporation of India	Shri S. Bandyopadhyay
	NIL	
Payment made towards reimbursement of expenses	88,71,044	
	(1,26,03,009)	
Remuneration	–	12,05,084
	–	(NIL)
Amount Payable – Other current liabilities	2,97,16,780	NIL
	(2,57,24,366)	

Above mentioned related parties are identified by the management as per Accounting Standard (AS – 18) “Related Party Disclosures” issued by the Institute of Chartered Accountants of India and relied upon by the auditors.

- 7) In accordance with Accounting Standard 20 “Earnings per Share” issued by the Institute of Chartered Accountants of India, the required disclosure is given below.

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Net profit attributable to shareholder (₹)	1,60,82,149	1,16,68,394
Number of equity shares	3,00,00,000	3,00,00,000
Basic and Diluted earnings per share (in ₹)	0.54	0.39
Face Value	10	10

- 8) Auditors’ Remuneration

Particulars	Year ended 31.03.2015 (₹)*	Year ended 31.03.2014 (₹)*
Statutory Audit Fees	56,000	56,000
Other matters	–	–
Total	56,000	56,000

*Exclusive of Service Tax

- 9) For the financial year 2014-15 Management fee was charged @ 0.0102% on funds managed for Government Sector excluding Corporate CG Scheme. Management Fees for Corporate CG Scheme and Private Sector Scheme is given below:



- a. Corporate CG Scheme - 0.01% (upto 31.07.2014, earlier it was 0.20%).
 - b. Private Sector Schemes (Scheme E, C and G [Tier I and II]) - 0.01% (upto 31.07.2014, earlier it was 0.25%)
- 10) Figures of the previous period have been re-grouped, re-arranged wherever necessary.
- 11) Contingent Liability of ₹ 10 lakh in respect of Performance Bank Guarantee given by Tamilnad Mercantile Bank Limited on behalf of LIC Pension Fund Limited to Pension Fund Regulatory Development Authority (PFRDA) for managing private sector pension funds.
- 12) Contingent Liability towards guarantee provided by the Sponsor on behalf of the Company - ₹ 10 lakh.
- 13) The entire amount of WDV of ₹ 3,22,938/- as on 31.03.2014 in office equipment has been transferred to Retain Earnings has expired as there was short deduction of depreciation by ₹ 12,373/-

As per our report of even date attached

P C Ghadiali and Co
Chartered Accountant

Chairman

Director

*Managing Director
& CEO*

CFO

*Company
Secretary*

R T Doshi
Partner

Membership No. : 013458
Firm Reg. No.: 103132W

Place : Mumbai
Date : April 24, 2015



ATAL PENSION YOJANA

JAN DHAN TO JAN SURAKHSHA

*A Guaranteed Pension
Scheme by
Govt. of India*

(A landmark move by Govt towards pensioned society from pension less society)



BRIEF OF ATAL PENSION YOJANA

- The Government of India is concerned about the old age income security of the working poor and is focused on encouraging and enabling them to save for their retirement. To address the longevity risks among the workers in unorganized sector and to encourage the workers in unorganized sector to voluntarily save for their retirement
- The GoI has therefore announced a new scheme called Atal Pension Yojana (APY) in 2015-16 budget.
- The scheme is administered by the Pension Fund Regulatory and Development Authority (PFRDA) through NPS architecture.

HIGHLIGHTS OF ATAL PENSION YOJANA

- Under the APY, there is minimum guaranteed monthly pension for the subscribers ranging from ₹ 1000, ₹ 2000, ₹ 3000, ₹ 4000 and ₹ 5000 per month.
- The benefit of minimum monthly pension would be guaranteed by the GoI.
- GoI will also co-contribute 50% of the subscriber's contribution or ₹ 1000 per annum, whichever is lower. Government co-contribution is available for those who are not covered under any Statutory Social Security Schemes and for not income tax payers. Government contribution will be credited through in subscriber's Savings Bank account on yearly basis.
- GoI will co-contribute to each eligible subscriber, for a period of 5 years who joins the scheme between **1st June, 2015 to 31st December, 2015**.
- The benefit of five years of government Co-contribution under APY would not exceed 5 years for all subscribers including migrated Swavalamban beneficiaries.
- All bank account holders may join APY.

Eligibility

- APY is applicable to all citizen of India aged between 18-40 years.
- Aadhar and mobile number are recommended to be obtained subscriber for ease of operation of the scheme. If the same is not available at the time of registration, it may also be submitted at later stage.

Overdue Interest/Charges

Banks are required to collect additional amount for delayed payments, such amount will vary from minimum ₹ 1 per month to ₹ 10/- per month as shown below:

- ₹ 1 per month for contribution upto ₹ 100 per month.
- ₹ 2 per month for contribution upto ₹ 101 to 500/-per month.
- ₹ 5 per month for contribution between ₹ 501/- to 1000/- per month.
- ₹ 10 per month for contribution beyond ₹ 1001/- per month.

The overdue interest will remain as part of the pension corpus of the subscriber.

Default in Contribution:

Discontinuation of payments of contribution amount shall lead to following:

- After 6 months account will be frozen.
- After 12 months account will be closed

Subscriber should ensure that the Bank account is sufficiently funded to facilitate auto debit of contribution amount.

Exit:

Sixty years and Above	Less than 60 years
<ul style="list-style-type: none"> • The subscribers will submit the request to the associated bank for drawing the guaranteed monthly pension. • Pension amount opted is payable to Spouse upon death of Subscriber. • Nominee eligible for return of pension wealth upon death of Spouse. 	<ul style="list-style-type: none"> • Exit is permitted only in exceptional circumstances, i.e., in the event of the death/terminal disease. • The amount of pension wealth in the APY account will be paid to spouse who is the default nominee or the nominee prescribed by the subscriber. • No pension is available before 60 years of age.



Monthly Contribution Chart

Age of Entry	Monthly pension of ₹ 1000 and return of corpus to nominee.	Monthly pension of ₹ 2000 and return of corpus to nominee.	Monthly pension of ₹ 3000 and return of corpus to nominee.	Monthly pension of ₹ 4000 and return of corpus to nominee.	Monthly pension of ₹ 5000 and return of corpus to nominee.
18	42	84	126	168	210
20	50	100	150	198	248
25	76	151	226	301	376
30	116	231	347	462	577
35	181	362	543	722	902
39	21	264	528	792	1,054

Administered by:

Pension Fund Regulatory and Development Authority

1st Floor, ICADR Building, Plot No. 6, Vasant Kunj Institutional Area, Phase-II, New Delhi-110070



Shri S. Bandyopadhyay MD & CEO being felicitated by the Chairman Shri S K Roy on the occasion of LIC Pension Fund Limited surpassing the AUM of ₹ 25,000 Crore on 22.04.2015 in the presence of (From R to L Shri V K Sharma Director, Shri M N Singh Director, Shri Som Deo Chaturvedi Director, Shri Jagdish Capoor Director, Shri S K Roy Chairman, Shri S Bandyopadhyay MD & CEO, Smt Bhavna Doshi Director, Shri Kewal Chander CIO, Shri A C Abhyankar Company Secretary and Smt A N Desai CFO)



LIC Pension Fund Ltd.

"Yogakshema", East Wing, 7th Floor, Jeevan Bima Marg, Mumbai - 400 021