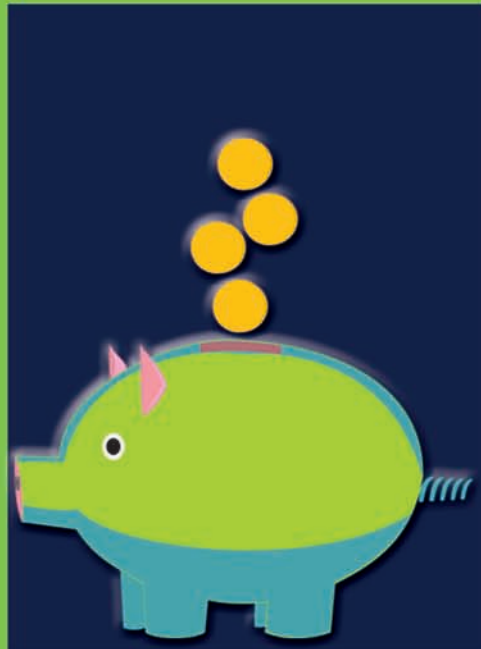


5th Annual Report

2011 - 2012



**You Save,
We Secure Peaceful Retirement**



LIC Pension Fund Ltd.

BOARD OF DIRECTORS



Shri D. K. Mehrotra
Chairman



Shri Thomas Mathew T.
Director



Shri Jagdish Capoor
Director



Shri M. N. Singh
Director



Smt. Bhavna G. Doshi
Director



Shri V. Manickam
MD & CEO (Up to 31-03-2012)



Shri S. Hariharan
MD & CEO (From 01-04-2012)

Fifth Annual Report 2011-12



LIC Pension Fund Ltd.



LIC Pension Fund Ltd.

Banker to the Company

HDFC Bank
Corporation Bank

Statutory Auditors

M/s. P. D. Dalal & Co.

Internal Auditors

M/s. Haribhakti & Co.

Company Secretary

Shri. Avinash C. Abhyankar

Registered & Corporate Office

LIC Pension Fund Ltd.
“Yogakshema”, East Wing, 7th Floor,
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.

Fifth Annual Report 2011-12

DIRECTORS' REPORT

To the Members,

Your Directors' are pleased to present the Fifth Annual Report together with the audited accounts for the year ended 31st March, 2012.

Financial Performance

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

(Amt. in ₹)

Sr. No.	Particulars	Year ended 31 st March	
		2012	2011
1.	Interest on fixed deposits	1,35,68,656	1,13,59,287
2.	Management fees	2,52,884	1,12,669
3.	Other Income	1,19,891	2,10,683
	Total (1+2+3)	1,39,41,431	1,16,82,639
4.	Management expenses	1,61,50,245	1,85,22,024
5.	Profit/(Loss) before Tax	(22,08,814)	(68,39,385)
6.	Provision for Tax	(6,73,622)	(21,15,449)
7.	Profit/(Loss) after tax	(15,32,931)	(43,62,382)
8.	Net Fixed Assets	11,42,381	14,87,382
9.	Cash and Bank balance	14,89,55,042	15,32,21,013
10.	Amount due to sponsor (LIC of India)	1,56,81,969	1,66,37,235
11.	Paid up Capital	15,00,00,000	15,00,00,000

Dividend

Presently, income from the Company's core business of fund management is very less, hence no dividend is recommended by your directors.

Review of performance

The total income during the current financial year was ₹ **1,39,41,431/** – as against ₹ **1,16,82,639/** – in the previous financial year. There has been loss of ₹ 22,08,814/ – in the current financial year as against loss of ₹ 68,39,385/ – in the previous financial year. The Management fees on Assets under Management invested on behalf of NPS Trust was ₹ 2,52,884/ – in the current financial year as compared to ₹ 1,12,669/ – in the last financial year.



Financial Highlights

LIC Pension Fund Ltd. was incorporated in 2007 but started managing investment of NPS funds from April 2008 and performed well during the last four years. For the year 2008-09, NPS Trust allocated only 5% of NPS assets to LIC Pension Fund Ltd. as against 40% to UTI Retirement Solutions Ltd. and 55% to SBI Pension Fund Ltd. This allocation was further increased in favour of LIC Pension Fund Ltd. in 2009-10 to 29% as against decline of UTI Retirement Solutions Ltd. to 31% and SBI Pension Fund Ltd. to 40%. The allocation for the year 2010-11, LIC Pension Fund Limited got 35% whereas SBI Pension Fund Limited got 33% and UTI Retirement Solutions Limited got 32%.

For the year 2011-12, the allocations have seen yet another change and LIC Pension Fund Limited got **33.5%** whereas SBI Pension Fund Limited got 32.5% and UTI Retirement Solutions Limited got 34.0%.

In the previous year 2010-11, LIC Pension Fund Limited has received an amount of ₹ **1044.60** crore. Out of ₹ 1044.60 crore, an amount of ₹ 773.39 crore was received for Central Government funds and ₹ 270.14 crore for State Government Funds, ₹ 1.07 crore for NPS Life Scheme.

Accordingly during the year 2011-12 LIC Pension Fund Limited has received an amount of ₹ 1905.91 crore. Out of ₹ 1905.91 crore, an amount of ₹ 1166.95 crore was received for Central Government funds and ₹ 695.79 crore for State Government Funds and ₹ 43.17 crore for NPS Lite Scheme which was initiated by the Central Government during the year 2010-11.

From 18th April 2012, the revised guidelines on Investment Pattern as intimated by NPS Trust have come into effect as 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 including Units of money market MFs	Upto 5%
4	Equity and Equity Mutual Funds	Upto 15%

NAV of Central Government scheme: As on 31-03-2012, it was ₹ 14.1604 (as against ₹ 13.3781 as on 31.03.2011)

NAV of State Government scheme: As on 31-03-2012, it was ₹ 12.5339. (as against ₹ 11.7445 as on 31.03.2011)

NAV of NPS Lite Scheme – Govt. Pattern: As on 31-03-2012, it was ₹ 11.4876. (as against ₹ 10.4317 as on 31.03.2011)

The performance of investments function of debt oriented funds depends on size of the fund, investment

strategy, ability to forecast market movements, etc. In spite of funds size of LIC Pension Fund Limited., being small, we could register good performance due to our ability to forecast the market movements, size reallocation and futuristic strategy adopted by us.

Fixed Deposit

Your Company has not accepted any fixed deposit, and as such, no amount of principal or interest was outstanding as on the balance sheet date.

Directors

Shri S. Hariharan was appointed as Managing Director with effect from April 1, 2012 in place of Shri V. Manickam the – then Managing Director who retired on superannuation.

We would like to place on record the contributions made by Shri V. Manickam the – then Managing Director of the Company.

Further pursuant to Section 255 and 256 of the Companies Act 1956 and Article 104 of the Articles of Association of the Company, Mrs. Bhavna Doshi will retire by rotation at the Annual General Meeting and being eligible offer herself for re-appointment.

Audit Committee

The Audit Committee of the Company consists of three Directors namely

Shri Jagdish Capoor	Chairman
Shri Thomas Mathew T.	Member
Shri M.N. Singh	Member

Auditors

The statutory Auditors of your Company are appointed by the Comptroller and Auditor General of India. M/s. P. D. Dalal & Co. Chartered Accountants, Mumbai, had been appointed as Statutory Auditors of the Company for the financial year 2011-12.

Organizational Structure of LIC Pension Fund Ltd

Following PFRDA guidelines, LIC Pension Fund Ltd was set up as an independent company by LIC of India. The operation of LIC Pension fund is carried out by the officials provided by the Sponsor i.e. LIC of India. The organizational structure of the Company has been designed keeping in view the requirement of a fund management company and the various guidelines of PFRDA and Investment Management Agreement signed with the NPS Trust.

The organization is steered by a Board of Directors. The Managing Director who is designated as Chief Executive Officer leads the Company's executive functions with HODs supervising the departments of



Investment Management, Finance & Accounts, Compliance & Secretarial, Risk Management, Technology Support and Administration & Customer Relations.

Directors' Responsibility Statement

Your directors confirm:

1. that in the preparation of annual accounts for the financial year ended 31.03.2012, applicable Accounting Standards have been followed along with proper explanation relating to material departures.
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or (loss) of the Company for that period.
3. that the Directors have 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.
4. that the Directors have prepared annual accounts for the financial year ended 31.03.2012 on a 'going concern' basis.

Employees' Particulars

There is no employee in LIC Pension Fund Ltd , who is receiving remuneration exceeding the amount prescribed under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Conservation of Energy, Technology absorption and Foreign Exchange Earnings and outgo

The Company is engaged in business of investment management of Pension Assets and not carrying on any manufacturing activities. Further, the Company has not earned any foreign currency nor incurred any expenditure in foreign currency during the financial year. Hence, the particulars as prescribed under section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are not applicable.

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, National Securities Depository Limited (NSDL) – Central Record Keeping Agency, Bank of India – Trustee bank, Stock Holding Corporation of India Limited – Custodian, M/s. P.D. Dalal & Co., Chartered Accountants – Statutory

Auditors , M/s. Haribhakti & Co. Chartered Accountants – Internal Auditors, 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 of Directors
LIC Pension Fund Limited

Shri S. Hariharan
Managing Director & CEO

Shri D. K. Mehrotra
Chairman

Place: Mumbai

Dated: 18.06.2012



Financial Statements for the year 2011-12



AUDITORS' REPORT

**TO
THE MEMBERS' OF
LIC PENSION FUND LIMITED**

- 1) We have audited the attached Balance Sheet of **LIC Pension Fund Limited** as at 31st March, 2012, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003, and read with the amendments made by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent they are applicable to the Company.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - a) We have 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 appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) in the case of the Profit and Loss account, of the loss for the year ended on 31st March, 2012; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on 31st March, 2012.

**For P. D. DALAL & CO.
CHARTERED ACCOUNTANTS**

**(P. D. DALAL)
PARTNER**
Membership No. – 02058
FRN: 102047W

Place : Mumbai
Date : 18.06.2012



ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF LIC PENSION FUND LIMITED FOR THE YEAR ENDED MARCH 31, 2012)

- i.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b) The Company has physically verified the fixed assets in accordance with a programme of verification which in our opinion provides for physical verification of all fixed assets at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.
 - c) No substantial part of fixed assets of the Company has been disposed off during the period.
- ii.
 - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- iii. In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for purchase of fixed assets and for rendering of services. During the course of our audit, we have not observed any major weakness in the internal control systems.
- iv. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the Company has not entered into any contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits attracting provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 or any other relevant provisions of the Act.
- vi. In our opinion, the Company has an internal audit system which is commensurate with the size of the Company and the nature of its business.
- vii. We are informed that no cost records are required to be maintained by the Company under Section 209(1)(d) of the Companies Act, 1956.
- viii.
 - 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 undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales-tax, income-tax, wealth tax, service tax, excise duty, customs duty, cess and other material 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, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- ix. The Company has accumulated losses at the end of the Financial Year and has incurred cash losses during the current financial year but not in the immediate preceding financial year.
- x. The Company has not taken any loan from banks or financial institutions and the Company has not issued any debentures.
- xi. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xiii. The Company has not taken any term loans during the period.
- xiv. According to the information and explanations given to us and on examination of the Balance Sheet of the Company, we report that, on an overall basis, funds raised on short term basis have prima facie, not been used during the period for long term investment.
- xv. The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xvi. The company has not issued any debentures during the period and there were no debentures outstanding at the period end.
- xvii. The Company has not raised any money by public issue during the period.
- xviii. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on the company or by the company has been noticed or reported during the course of our audit.
- xix. The other clauses 4(ii), 4(xiii), 4(xiv), of Para 4 of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 are not applicable to the company.

**For P. D. DALAL & CO.
CHARTERED ACCOUNTANTS**

**(P. D. DALAL)
PARTNER**
Membership No. – 02058
FRN: 102047W

Place : Mumbai
Date : 18.06.2012



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF LIC PENSION FUND LIMITED FOR THE YEAR ENDED 31 MARCH 2012

The preparation of financial statements of LIC Pension Fund Limited for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 18 June 2012.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of LIC Pension Fund Limited for the year ended 31 March 2012 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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

A handwritten signature in black ink, appearing to read 'Dhiren Mathur', is written over a white background.

(Dhiren Mathur)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai

Date : 9 August 2012

BALANCE SHEET AS AT 31ST MARCH

Particulars	Note	2012	2011
		₹	₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	150,000,000	150,000,000
(b) Reserves and Surplus	2	(2,666,793)	(1,133,862)
(2) Share Application money pending allotment		–	–
(3) Non-Current Liabilities			
(a) Long-Term Borrowings		–	–
(b) Other Long Term Liabilities		–	–
(c) Long Term Provisions		–	–
(4) Current Liabilities			
(a) Short-Term Borrowings		–	–
(b) Trade Payables		–	–
(c) Other Current Liabilities	3	15,739,545	16,689,525
(d) Short-Term Provisions	4	401,799	732,572
Total Equity & Liabilities		163,474,551	166,288,235
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	5		
(i) Gross Block		7,590,830	7,627,730
(ii) Depreciation		6,448,449	6,140,348
(iii) Net Block		1,142,381	1,487,382
(b) Non-current investments		–	–
(c) Deferred tax assets (net)		2,320,991	1,647,369
(d) Long term loans and advances	6	2,099,133	3,336,690
(e) Other non-current assets	7	8,783,936	6,438,711
(2) Current Assets			
(a) Current investments		–	–
(b) Inventories		–	–
(c) Trade receivables		–	–
(d) Cash and cash equivalents	8	148,955,042	153,221,013
(e) Short-term loans and advances	9	173,068	157,070
(f) Other current assets		–	–
Total Assets		163,474,551	166,288,235

Significant Accounting Policies

15

Notes are integral part of Financial Statements

As per our report of even date

For P D Dalal & Co.
Chartered Accountants

CHAIRMAN

DIRECTOR

DIRECTOR

MANAGING DIRECTOR & CEO

COMPANY SECRETARY

P D Dalal
Partner

Membership No. : 02058
Firm Reg. No.:102047W

PLACE: Mumbai
DATED: 18.06.2012

**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH**

Sr. No	Particulars	Note	2012	2011
			₹	₹
I	Revenue from operations	10	252,884	112,669
II	Other Income	11	13,688,547	11,569,970
III	III. Total Revenue (I + II)		13,941,431	11,682,639
IV	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	12	11,799,369	13,005,121
	Financial Costs		–	–
	Depreciation and Amortization Expense	13	336,909	2,016,390
	Other Administrative Expenses	14	4,013,966	3,500,513
	Total Expenses (IV)		16,150,244	18,522,024
V	Profit before exceptional and extraordinary items and tax	(III – IV)	(2,208,813)	(6,839,385)
VI	Exceptional Items		–	–
VII	Profit before extraordinary items and tax (V – VI)		(2,208,813)	(6,839,385)
VIII	Extraordinary Items(excess provision for earlier period)		(2,260)	(361,554)
IX	Profit before tax (VII – VIII)		(2,206,553)	(6,477,831)
X	Tax expense:			
	(1) Current tax		–	–
	(2) Deferred tax assets		(673,622)	(2,115,449)
XI	Profit(Loss) from the period from continuing operations	(IX-X)	(1,532,931)	(4,362,382)
XII	Profit/(Loss) from discontinuing operations		–	–
XIII	Tax expense of discounting operations		–	–
XIV	Profit/(Loss) from Discontinuing operations (XII – XIII)		–	–
XV	Profit/(Loss) for the period (XI + XIV)		(1,532,931)	(4,362,382)
XVI	Earning per equity share:			
	(1) Basic		(0.10)	(0.29)
	(2) Diluted		(0.10)	(0.29)
	Significant Accounting Policies	15		

Notes are integral part of Financial Statements

As per our report of even date

For P D Dalal & Co.
Chartered Accountants

CHAIRMAN

DIRECTOR

DIRECTOR

MANAGING DIRECTOR & CEO

COMPANY SECRETARY

P D Dalal

Partner

Membership No. : 02058

Firm Reg. No.:102047W

PLACE: Mumbai

DATED: 18.06.2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

S.N.	PARTICULARS	₹	₹
		2012	2011
A	Cash Flow from Operating activities		
	(a) Profit/(loss) from operating activities	(2,208,813)	(6,839,385)
	Adjustments:		
	Depreciation and amortization	345,001	2,001,592
	Provision/ (Reversal) for doubtful debts, advances	2,260	361,554
	(b) Working capital changes:		
	– Increase/(Decrease) in short-term loans and advances	(15,998)	81,036
	– Increase/(Decrease) in other current liabilities	(949,980)	3,949,153
	– Increase/(Decrease) in provisions	(330,773)	(1,159,601)
	Net cash from Operating Activities: Total of (A)	(3,158,303)	(1,605,651)
B	Cash Flow from Investing Activities		
	(a) Increase/ Decrease in other long-term loans and advances	1,237,557	2,112,050
	(b) Increase/Decrease in other non-current assets	–	263,062
	(c) Increase/Decrease in non Current Investments	(2,345,225)	–
	Net cash from Investing Activities: Total of (B)	(1,107,668)	2,375,112
C	Cash Flow from Financing activities		
	Net cash from Financing Activities: Total of (C)	–	–
D	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(4,265,971)	769,461
	Add: Cash and cash equivalents as at 01.04.2011	153,221,013	152,451,552
	Cash and cash equivalents as at 31.03.2012	148,955,042	153,221,013

As per our report of even date

For P D Dalal & Co.
Chartered Accountants

CHAIRMAN

DIRECTOR

DIRECTOR

MANAGING DIRECTOR & CEO

COMPANY SECRETARY

P D Dalal

Partner

Membership No. : 02058

Firm Reg. No.:102047W

PLACE: Mumbai

DATED: 18.06.2012

**Notes Forming Integral Part of the Balance Sheet as at 31st March****Note : 1 Share Capital**

Particulars	₹	₹
	2012	2011
<u>AUTHORIZED CAPITAL</u>		
25,00,000 Equity Shares of Rs. 10/- each.	250,000,000	250,000,000
	250,000,000	250,000,000
<u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u>		
<i>1,50,00,000 Equity shares of Rs.10 each fully paid up</i>	150,000,000	150,000,000
Note: All the above shares are held by Life Insurance Corporation of India		
Total in ₹	150,000,000	150,000,000

Note : 2 Reserve & Surplus

Particulars	₹	₹
	2012	2011
Surplus (Profit & Loss Account)	(1,532,931)	(4,362,382)
Balance brought forward from previous year	(1,133,862)	3,228,520
Total in ₹	(2,666,793)	(1,133,862)

Note: 3 Other Current Liabilities

Particulars	₹	₹
	2012	2011
Amount payable to NPS Trust	32,786	31,837
TDS payable	24,790	20,453
Amount payable to LIC	15,681,969	16,637,235
Total in ₹	15,739,545	16,689,525

Note : 4 Short Term Provisions

Particulars	₹	₹
	2012	2011
Provision for Tax	—	420,000
Other outstanding exp.	401,799	312,572
Total in ₹	401,799	732,572

Note : 5 Fixed Asset

₹

Sr. No	Particulars	Gross Block			Depreciation			Net Block		
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Depreciation at the beginning	Addition during the year	Deduction during the year	WDV as on 31.03.2012	WDV as on 31.03.2011
I	Tangible Assets									
1	Furnitures & Fixtures	699,972	-	-	699,972	227,376	32,582	-	440,014	472,596
2	Office Equipment	411,968	-	-	411,968	42,721	19,568	-	349,679	369,247
3	Computer	1,069,198	-	36,900	1,032,298	553,644	163,699	28,807	343,762	515,554
4	Library Books	9,490	-	-	9,490	114	450	-	8,926	9,376
	TOTAL	2,190,628	-	36,900	2,153,728	823,855	216,299	28,807	1,142,381	1,366,773
II	Intangible Assets									
1	Computer Software	5,437,102	-	-	5,437,102	5,316,493	120,609	-	-	120,609
	Total	5,437,102	-	-	5,437,102	5,316,493	120,609	-	-	120,609
	TOTAL I +II (Current Year)	7,627,730	-	36,900	7,590,830	6,140,348	336,909	28,807	1,142,381	1,487,382
	(Previous Year)	7,606,199	60,461	38,930	7,627,730	4,117,224	2,016,390	(6734)	6,140,348	1,487,382

**Note : 6 Long Term Loans and Advances**

Particulars	₹	₹
	2012	2011
Other Loans & Advances(TDS)	2,099,133	3,336,690
Total in ₹	2,099,133	3,336,690

Note : 7 Other Non Current Assets

Particulars	₹	₹
	2012	2011
Others (interest accrued on Fixed deposits)	8,783,936	6,438,711
Total in ₹	8,783,936	6,438,711

Note : 8 Cash & Cash Equivalent

Particulars	₹	₹
	2012	2011
<u>Cash Balance</u>	—	—
<u>Bank Balance</u>		
With HDFC current A/c No. 47831	6,136	6,136
With Corporation Bank Saving Bank Account no. 38163	2,146	118,877
Fixed Deposit with Banks (Corporation Bank and Tamilnad Mercantile Bank)	148,946,760	153,096,000
Total in ₹	148,955,042	153,221,013

Note :9 Short Terms Loans and Advances

Particulars	₹	₹
	2012	2011
Management fees due from NPS Trust	78,558	35,898
Advance Income Tax/Refund Due	9,874	9,874
Prepaid Expenses	84,636	111,298
Total in ₹	173,068	157,070

Notes Forming Part of the Profit & Loss Accounts as at 31st March

Note: 10 Revenue from Operations

	₹	₹
Particulars	2012	2011
Management Fees	252,884	112,669
Total in ₹	252,884	112,669

Note : 11 Other Income

	₹	₹
Particulars	2012	2011
Interest on investments	13,568,656	11,359,287
Other Receipts	119,891	210,683
Total in ₹	13,688,547	11,569,970

Note: 12 Employment Benefit Expenses

	₹	₹
Particulars	2012	2011
Salaries, Bonus, PF & ESIC	10,684,852	11,950,468
Directors Remuneration	1,114,517	1,054,653
Total in ₹	11,799,369	13,005,121

Note : 13 Depreciation & Amortised Cost

	₹	₹
Particulars	2012	2011
Depreciation	336,909	2,016,390
Total in ₹	336,909	2,016,390

Note : 14 Other Administrative Expenses

	₹	₹
Particulars	2012	2011
Telephone Expenses	113,543	140,693
Car Expenses	548,863	563,771
Travelling Expenses	162,673	159,048
Repair & Maintenance Building	84,000	14,000
Computer Maintenance	1,661,232	1,275,162
General Expenses	893,547	824,629
Internal Audit Fee	82,727	82,727
Internet & Website Expenses	73,698	137,951
Professional Charges	32,523	57,631
Stationery Expenses	158,574	186,442
Auditors Remuneration	55,150	55,150
Rent, Rates & Taxes	47,436	3,309
Tender Fee	100,000	
Total in ₹	4,013,966	3,500,513



Note: 15 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 211(3C) of the Companies Act, 1956, and the relevant provisions of the Companies Act 1956.

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 XIV of the Companies Act, 1956.
- Intangible assets are amortised over a period of three years, on the Straight Line Method.
- Additions to fixed assets whose value per item is less than Rs.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 income and accounting income 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 Rs. NIL (including interest of Rs.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
	Life Insurance Corporation of India	Promoter / Sponsor of the entity
	Shri V. Manickam	Key Management Personnel

- b) Details of Transactions with related parties

(Amt. in Rs.)

Name of Related Party	Nature of Transaction	Current Year	Previous Year
Life Insurance Corporation of India	Opening Balance	1,66,37,235	1,24,95,294
	Reimbursement to be made for expenses on staff posted to the company	1,17,99,369	1,29,78,536
	Reimbursement to be made for other expenses incurred	38,90,692	36,59,943
	Reimbursement to be made for purchase of fixed assets	NIL	23,561
	Sale/Transfer of Fixed assets	(8,092)	(24,805)
	Payment made towards reimbursement of expenses		1,24,95,294
	Closing Balance	1,56,81,969	1,66,37,235
Shri V. Manickam	Remuneration	11,14,517	5,01,983

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 "Earning per Share" issued by the Institute of Chartered Accountants of India, the required disclosure is given below.

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Net profit attributable to shareholder (Rs.)	(15,32,931)	(43,62,382)
Weighted average number of equity shares (Nos.)	1,50,00,000	1,50,00,000
Basic and Diluted earnings per share (in Rs.)	(0.10)	(0.29)
Face Value	10	10

8. Auditors' Remuneration

Particulars	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
Statutory Audit Fees	55,150	55,150
Other matters	–	–
Total	55,150	55,150

9. In accordance with the provisions of Accounting Standard-22 relating to "Accounting for Taxes on Income", the break up of deferred tax assets/ (liabilities) is shown below.

(Amt. in Rs.)

Particulars	Deferred Tax as on 31.03.2011	During the Year	Deferred Tax as on 31.03.2012
Depreciation	16,47,369	6,73,622	23,20,991
Total	16,47,369	6,73,622	23,20,991

10. Management Fees (fees for Investment & Advisory services) is recognized at a specific rate of 0.0009% per annum of the monthly average assets under management as per the agreement entered into by the company with New Pension System Trust.
11. All transaction related charges such as brokerage transaction cost etc. but exclusive of all applicable taxes relating to assets under management of New Pension System Trust are borne by the Company.
12. Figures of the previous period have been re-grouped, re-arranged wherever necessary.
13. Information with regard to other matters specified in Clauses 3, 4C & 4D of Part II to Schedule VI of the Companies Act, 1956 are either nil or not applicable to the company.

As per our Report of even date attached

For and on behalf of the Board of Directors
LIC PENSION FUND LIMITED

For **P D Dalal & Co.**
Chartered Accountants

CHAIRMAN DIRECTOR DIRECTOR

MANAGING DIRECTOR & CEO COMPANY SECRETARY

P D Dalal
Partner

Membership No. : 02058
Firm Reg. No.:102047W

PLACE: Mumbai
DATED: 18.06.2012

Additional information as required under Part-IV of Schedule-VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile

1	Registration Details :	
	Registration No.	U66020MH2007PLC176066
	State Code	11
	Balance Sheet Date	March 31, 2012
2	Capital raised during the Year :	<u>(Rs. in thousand)</u>
	Public issue	-
	Right issue	-
	Bonus issue	-
	Private placement	-
3	Position of mobilisation and deployment of funds :	<u>(Rs. in thousand)</u>
	Total Liabilities	163,474
	Total Assets	163,474
	Source of funds :	
	Paid-up Capital	150,000
	Reserves & Surplus	(2,667)
	Non-Current Liabilities	-
	Current Liabilities	16,141
	Application of Funds :	
	Net Fixed Assets	1,142
	Other Non-Current Assets	13,203
	Current Assets	149,129
4	Performance of Company :	<u>(Rs. in thousand)</u>
	Turnover / Income	13,941
	Total Expenditure	16,150
	Profit / (Loss) before tax	(2,209)
	Profit / (Loss) after tax	(1,532)
	Earning per share	(0.10)
	Dividend rate %	-
5	Generic Names of Principal Products/services of the Company :	
	Item Code No.	N.A.
	Product Description	N.A.

As per our Report of even date attached

For and on behalf of the Board of Directors
LIC PENSION FUND LIMITED

For P D Dalal & Co.
Chartered Accountants

CHAIRMAN DIRECTOR DIRECTOR

MANAGING DIRECTOR & CEO COMPANY SECRETARY

P D Dalal
Partner
Membership No. : 02058
Firm Reg. No.:102047W

PLACE: Mumbai
DATED: 18.06.2012



Mr. N. Bhatnagar - CEO, Mr. N.R.Rayalu, Ex-CEO, Mr. K Chaudhry, CGM at a meet along with CEOs of all the Pension Fund Managers, organized by NPS Trust on 3rd April 2012 at the Conference Hall of LIC PFL.



A view of the participants at the meet



LIC Pension Fund Ltd.

LIC Pension Fund Limited

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