

3rd Annual Report

**You Save,
We Secure Peaceful Retirement**



LIC Pension Fund Ltd.

Board of Directors



Shri T. S. Vijayan
Chairman



Shri A. K. Dasgupta
Director
(Upto 05.05.2010)



Shri Thomas Mathew T.
Director
(From 05.05.2010)



Shri Jagdish Capoor
Director



Shri M. N. Singh
Director



Smt. Bhavna G. Doshi
Director



Dr. H. Sadhak
Director



LIC Pension Fund Ltd.



LIC Pension Fund Ltd.



LIC Pension Fund Ltd.

Banker to the Company

HDFC Bank Ltd.

Statutory Auditors

M/s. Khandelwal Jain & Co.

Internal Auditors

M/s. Haribhakti & Co.,

Registered & Corporate Office

LIC Pension Fund Ltd.

“Yogakshema,” East Wing, 7th Floor

Jeevan Bima Marg,

Mumbai 400 021.

Tel. : 022-22888271 Fax : 022 22822289

E-mail : licpensionfund@licindia.com

Website : www.licpensionfund.in

Contents

	Page No.
Directors' Report	1
About LIC Pension Fund Limited	6
An overview of New Pension System and Market Potential	8
Fund Management Operations	10
Macro Economic Outlook	11
Auditor's Report	14
Balance Sheet	18
Profit and Loss Account, Schedules forming part of Balance Sheet	19



Third Annual Report 2009-10

DIRECTORS' REPORT

**To the Members of
LIC Pension Fund Ltd.,
Mumbai.**

Your Directors are pleased to present the Third Annual Report together with the audited accounts for the year ended 31st March, 2010.

Financial Results

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

(Amt. in Rupees)

Particulars	Year ended 31st March, 2010 (01.04.09 to 31.03.10)	Year ended 31st March 2009 (01.07.08 to 31.03.09)
1. Interest on fixed deposit	1,33,70,843	1,23,34,720
2. Management fees	33,780	1,93,040
Total (1 + 2)	1,34,04,623	1,25,27,760
3. Management expenses	1,24,61,501	79,86,440
4. Profit/(Loss) before Tax	9,43,122	45,41,320
5. Provision for Tax	2,97,526	14,82,607
6. Profit/(Loss) after tax	6,45,596	30,58,713
7. Net Fixed Assets	34,88,975	47,77,994
8. Cash and Bank balance	15,24,51,552	15,48,98,916
9. Net Current Assets	15,02,07,625	14,83,99,325
10. Amount due to sponsor (LIC of India)	1,24,95,294	1,58,46,227
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 proposed.

Review of performance

The total income during the current financial year (01.04.2009 to 31.03.2010) was Rs.1,34,04,623/- as against Rs.1,25,27,760/- in the previous financial year (01.07.2008 to 31.03.2009). There has been a profit of Rs.6,45,596/- in the current financial year (01.04.09 to 31.03.10) as against profit of Rs.30,58,713/- in the previous financial year (01.07.08 to 31.03.09). The Management fees on Assets under Management invested on behalf of NPS Trust was Rs.33,780/- in the current financial year (01.04.09 to 31.03.10) as compared to Rs.1,93,040/- in the last financial year (01.07.08 to 31.03.09).

Highlights of last Financial Year

LIC Pension Fund Ltd. was incorporated in 2007 but started managing investment of NPS funds from April 2008 and performed well during the last two 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%.

During the year 2008-09, LIC Pension Fund Ltd. received an amount of Rs.101.61 crores. As a result of increased allocation during the year 2009-10, LIC Pension Fund Ltd received an amount of Rs.538.07 crores for the Central Government funds. Out of the State Government funds allocated by NPS trust for the year 2009-10 w.e.f. 25th June, 2009, LIC Pension Fund Ltd. received an amount of Rs.48.83 crores.

From 1st April 2009, 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 Mutual Funds	Upto 5%
4	Equity and Equity related Mutual Funds	Upto 15%

Total fund received from NPS Trust, including State Government and Central Government, by the end of 31st March 2010 stood at Rs.688.51 crores for LIC Pension Fund Ltd.

In spite of small size of the fund, LIC Pension Fund Ltd. did well in terms of NAV.

NAV of Central Government Funds : As on 31-03-2010, NAV of LIC Pension Fund Ltd. under the Central Government Scheme was Rs.12.3524.

NAV of State Government Funds : As on 31-03-2010, NAV of LIC Pension Fund Ltd. under the State Government Scheme was Rs.10.6027.

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 Ltd., being small, we could register good performance due to our ability to forecast the market movements, size reallocation and futuristic strategy adopted by your company.

We expect that company's performance during 2009-10 will be favourably considered by NPS Trust and there will be increased allocation to LIC Pension Fund during 2010-11.

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 of the Company

As per article 87 of Articles of Association of your company, the following were the first directors of the company :-

Sri T.S. Vijayan	Chairman
Sri A.K. Dasgupta	Director
Sri Jagdish Capoor	Director
Sri Shailesh Haribhakti	Director
Sri M.N.Singh	Director
Dr. H. Sadhak	Director & CEO

In terms of Letter of Appointment issued by PFRDA to the sponsor (LIC of India) and in terms of provisions of article 88 of Articles of Association, at least 50% of the board of directors of your company was to be independent directors. As such Shri Shailesh Haribhakti, Shri Jagdish Capoor and Shri M.N. Singh were appointed as the independent directors who are not associates or not associated in any manner with LIC of India or any of its subsidiaries or NPS Trustees.

The Board was reconstituted at the first Annual General Meeting under Article 107 of the Company's Articles of Association appointing the aforesaid first directors of the Company.

During the year 2009-10, Mrs.Bhavna Doshi was appointed in place of Shri Shailesh Haribhakti who resigned on account of his various professional commitments and pre-occupation with various strategic issues, under section 262 of the Companies Act and then she was re-appointed along with Shri M.N. Singh, Independent Director who retired from office by rotation.

From 5th May 2010, Shri Thomas Mathew T., Managing Director, LIC of India has taken over the directorship of this company in place of Shri A.K. Dasgupta, Managing Director, LIC of India.

We would like to place on record the contributions made by Shri Shailesh Haribhakti and Shri A.K. Dasgupta who were associated with the Company since inception, in bringing the company to this stage.

Audit Committee

The audit committee of the company consists of three Directors namely

Shri Jagdish Capoor	Chairman
Shri A. K. Dasgupta (*)	Member
Shri Thomas Mathew T.(*)	Member
Shri M.N. Singh	Member

(*) During the financial year 2009-10, Shri A.K.Dasgupta was member of Audit Committee and from 31.05.2010, the Audit Committee has been reconstituted wherein Shri Thomas Mathew T. has been appointed as a member in place of Shri A. K. Dasgupta.



Auditors

M/s. Khandelwal Jain & Co., Chartered Accountants have been appointed in the last AGM as Auditors of the company for 2009-10. The same Auditor is sought to be re-appointed as Auditors for 2010-11 and have confirmed their eligibility and willingness to accept the offer, if appointed.

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 at its own corporate office by its own officials by creating a fire wall in operation between LIC Pension Fund Ltd. and its sponsor, 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 CEO leads the company's executive functions with HODs supervising the departments of Investment Management, Finance & Accounts, Technology Support, Compliance & Risk Management, Administration & Customer Relations.

Directors' Responsibility Statement

Your directors confirm:

1. that in the preparation of annual accounts as directed by PFRDA, applicable accounting standards laid down by ICAI had been followed along with proper explanation relating to material departures. PFRDA is still in the process of finalizing the accounting guidelines for the pension managers.
2. that they 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 or loss of the company for that period.
3. that they 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.
4. that they had prepared annual accounts 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, 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), New Pension System Trust, Central Record Keeping Agency, Trustee bank, Custodian, Statutory Auditors M/s. Khandelwal Jain & Co., Internal Auditors, M/s. Haribhakti & Co., Brokers, various Government agencies and other stakeholders. 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
of LIC Pension Fund Limited

Dr. H. Sadhak
Director

T.S. Vijayan
Chairman

Place: Mumbai
Dated: 28.06.2010



About LIC Pension Fund Limited.

LIC Pension Fund Ltd. has been sponsored by LIC of India as a Public Limited Company under Companies Act, 1956 and was incorporated by the Registrar of Companies, Maharashtra, Mumbai under part IX A of the Companies Act, 1956 (No. 1 of 1956) on 21.11.2007 with a paid up capital of Rs.10 crores. Further, the paid up capital of the company stands increased to Rs.15 crores and the Authorised Share Capital of the company is Rs.25 crores. **LIC Pension Fund Limited is the first Company incorporated in India to manage Pension Funds under the New Pension System (NPS).**

The company has been formed with specific purpose of managing Pension Funds of Central & State Govt. employees and other approved by PFRDA under New Pension System (NPS) regulated by Pension Fund Regulatory & Development Authority (PFRDA).

Fund Management Infrastructure: We have set up an IT infrastructure suitable for investment accounting and dealing Net Asset Value (NAV) of funds, calculated on a daily basis.

Investment Management Policy: Investment Management Policy aims at attaining strategic objective of a Pension Fund. As per Investment Management Agreement (IMA) signed between NPS Trust and LIC Pension Fund, the company has adopted Investment Management Policy and constituted an Investment Committee to implement Investment Management Policy. Board of the Company has approved Investment Management Policy in its Board Meeting on 12.06.08 and reviewed the same periodically.

Investment Management Committee: The Board of the Company has formed an Investment Management Committee as per the Investment Management Agreement consisting of Chief Executive Officer, Chief Investment Officer and two independent directors. Investment decisions are taken as per the Investment Policy getting real time information on equity and debt trade in the market and software packages maintaining database for listed companies and industrial and sectoral analysis.

Risk Management Policy: The Board of the Company approved Risk Management Policy and also reviewed the same at periodical intervals. Risk Management Committee submits reports to the Board.

Risk Management Committee: The Board of the Company has formed a Risk Management Committee as per the Risk Management Policy consisting of Chief Executive Officer, Chief Investment Officer, Risk Officer and an independent director.

The Risk Management Committee submits its report to the Board periodically.

Risk Officer: As required by IMA, the company has a Risk Officer, who periodically submits Risk Report to the Board.

Compliance Officer: As required by IMA, the company has a Compliance Officer. Board has also appointed Compliance Officer and alternate Compliance Officer for the purpose of registration of LIC Pension Fund Ltd. as Pension Fund Manager (PFM) in Central Record Keeping Agency (CRA) system.

Disaster Recovery & Contingency Plan: As a part of Risk Management process, back up files are kept with LIC HFL and are updated on fortnightly basis.

Insurance Cover against Risk: All hard wares for IT have been insured.

Board Meeting: Since incorporation on 21st November 2007, eleven Board Meeting have been held.

Audit Committee Meeting: During the financial year 2009-10, four meetings of Audit Committee have been held.

Internal Audit: Quarterly Internal Audit for all the quarters have been conducted by our Internal Auditor, M/s. Haribhakti & Co.

Finalisation of Accounts: The Final Accounts of the Company for the year 2009-10 have been duly audited by M/s. Khandelwal Jain & Co.

Internal Control, Audit and Systems:

The Company has effective and adequate internal control system that ensures reliable financial reporting, safeguarding of assets, proper risk management, adherence to management policies & promotion of ethical conduct. These systems are regularly reviewed, modified and improved to conform to changes in the business environment and processes. In addition, the company has constituted an Audit Committee with two independent directors, which regularly reviews the findings of external and internal auditors and the adequacy of internal control systems.

Human Resources & Industrial Relations:

The officials employed in the Company are well qualified in professional and managerial skills and having the requisite competence required for their tasks. The company's HR processes ensure the availability of a competent and motivated team of employees, who are encouraged to enrich and update their competency by attending regular training programmes both external and in-house. The industrial relations environment in the company continues to be cordial.

HRD & Training:

Managing pension fund needs a team of empowered employees oriented to realization of investor's confidence. The job being specialized, the execution capabilities of our officers are honed by providing a forum for conceptual learning and developing critical competencies. The year that went by has seen the company move many notches in putting in place the basics that automatically sets the company for continuing and augmenting superlative people oriented action in the years to come. The company seeks to upgrade skill levels across grades and functions through the external programmes. Our company officials have been deputed to attend specialized programmes intended to keep them updated on developments in the pension industry. The external programmes attended by LIC Pension Fund officials are "Asset & Liability Management Hands-on workshop", "Risk Management", "Practical Asset Liability management workshop", "National Convention of Company Secretaries", "Annual conference of Company Secretaries at Western Regional council", "Assessment under the Income Tax-Practical issue", "Accounting & Taxation aspects of Shares & Securities."

Corporate Governance:

Good Corporate Governance is an integral part of the philosophy of LIC Pension Fund Ltd. The driving force behind institutionalising the practice of good corporate governance are various proactive measures, initiatives and guidance by the Regulator, Board of Directors, Audit Committee, Risk Management Committee, Investment Management Committee and Purchases and Expenses Advisory Committee. LIC Pension Fund Ltd. is committed to achieve the highest standards of Corporate Governance and it aspires to benchmark itself with international best practices in this regard.



An overview of New Pension System and Market Potential

A. New Pension System (NPS):

Pension reform is a major initiative undertaken by the Government to provide income security after retirement. The NPS for Govt. employees has been operationalised in 2007- 2008 with the appointment of Pension Fund Manager (PFM), Central Recordkeeping Agency (CRA) and other entities. New Pension System is available to all citizens of India from 1st May, 2009. Tier-I of the NPS constituting the nonwithdrawable Pension account is operational from that date and Tier II (withdrawable account) of the NPS account is operational from 1st December 2009.

Basic features of NPS

Two Tier Systems: The NPS is a two tier Defined Contribution Pension System.

Tier – I:

a) Government Subscriber

Mandatory, non-withdrawable Pension Account mandatory for the Central Government employees (except the armed forces), who have joined services on or after 1st January 2004. The employees will contribute 10% of salary (Basic plus DA) and matching 10% will be contributed by the Government to Tier-I Pension account of the employee.

b) Other Subscribers (all citizens except those mandatorily covered by NPS)

- Minimum Four contributions in a year.
- Minimum contribution Rs 6,000/- p.a.
- Minimum contribution Rs. 500/- per contribution.

Tier – II:

Voluntary, withdrawable Savings Account.

No contribution will be made by the Government under the Tier-II account.

Tier II would enable the existing Permanent Retirement Account (PRA) holders to build savings through investments over and above those in the Tier I pension account. **An active Tier I account will be a pre-requisite for opening of a Tier II account.**

Minimum Contribution requirements:

- | | |
|---|------------|
| 1. Minimum contribution at the time of account opening | Rs.1000/- |
| 2. Minimum amount per contribution | Rs.250/- |
| 3. Minimum Account Balance at the end of Financial Year | Rs. 2000/- |
| 4. Minimum number of contributions in a year | 4 |

Schemes under operation for Govt. employees: Though NPS envisages multiple investment schemes, presently there are two schemes i.e. Central Government Scheme and State Government Scheme with investment being broadly in Debt and Equity as under:

Asset class	Exposure allowed
A) Govt. securities (Central & State)	Up to 55%
B) Corporate Bonds	Up to 40%
C) Equity &/ Equity related Mutual Funds	Up to 15%
D) Money Market instruments	Up to 5%

Schemes under operation for all citizens: Investors under all citizens scheme can opt for Active Choice or Auto Choice.

Active Choice: Pension Fund Managers will manage 3 separate schemes, each investing in a different asset class. These assets classes are (i) Equity, (ii) Government securities and (iii) Credit risk bearing fixed income instruments. Investment in equity would be subject to a cap of 50 per cent. The fund managers will invest only in index funds that replicate either BSE sensitive index or NSE Nifty 50 index.

Auto Choice: In case the subscriber is unable/unwilling to exercise any choice as regards asset allocation, his/her contribution will be invested in accordance with the 'Auto choice' option. In this option the investment will be determined by a predefined portfolio.

Asset class E- Investments in predominantly equity market instruments.

Asset class C- Investments in fixed income instruments other than Government securities.

Asset class G- Investments in Government securities.

At the lowest age of entry (18 years), the auto choice will entail investment of 50% of pension wealth in "E" class, 30% in "C" class and 20% in "G" class. These ratios of investment will remain fixed for all contributions until the participant reaches the age of 36. From age 36 onwards, the weight in "E" & "C" Class will decrease annually and the weight in "G" class will increase annually till it reaches 10% in "E", 10% in "C" and 80% in "G" class at age 55.

B. New Pension System Potential :

With increasing longevity and changes in the social structure self-financing of old age income has become necessary. Pension reform is very much on the agenda of policy makers in India and it is very timely, though the age quake has not assumed the massive proportions that it has in the more developed countries. Worldwide, the percentage of over 60s is expected to rise from 9% to 16% in the next 30 years while in India the number is expected to double between 1991 and 2016. The number of people above 60 in 2001 is estimated at 71 million or about 7% of the total population. By 2016, this number is expected to rise to 113 million or nearly 9% of the population.

The potential market for pension in India is enormous. Some 284 million working age people in India lack formal pension. Pensions are limited to government workers and, to a lesser extent, companies that employ more than 20 people. However, nearly 90 per cent of India's working population is in the "unorganised sector" without the regular salary and benefits of formal social security.

Increased longevity, absence of other formal social security particularly for the unorganized sector employees, increased awareness for the necessity of savings for the old age income etc. will increase the flow of funds to NPS. Pension industry in course of time will play a very significant role in savings growth, financial deepening, financial inclusion and overall economic growth of the country.



C. Fund Management Operations :

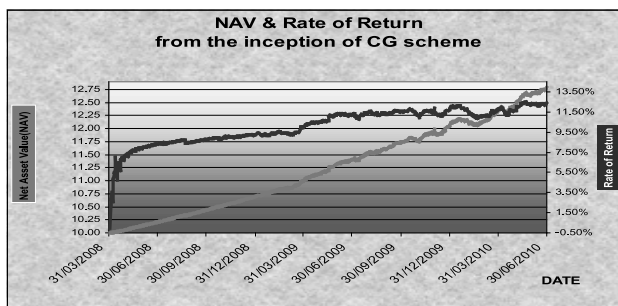
LIC Pension Fund Ltd started investment of funds received from NPS trust for Central Government Scheme from 2nd April 2008. During 2009-10, LIC Pension Fund started getting funds under State Government Scheme with effect from 25th June 2009.

Allocation of Funds to LICPFL :

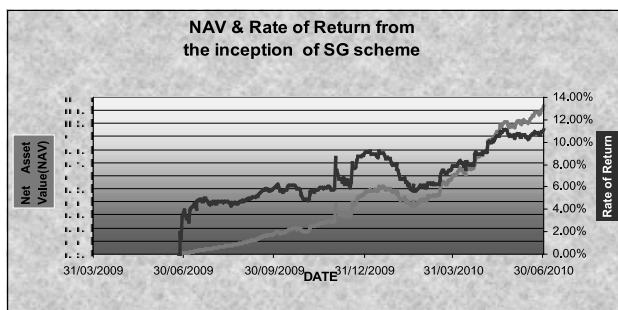
Fund allocation amongst the fund managers was initially based on fee quoted by them. Subsequent fund allocation was done based on the overall performance of fund managers. We received fund as per the details given below :

Year	Percentage of fund
2008-09	5%
2009-10	29%

Returns on the basis of NAV Central Government Scheme



State Government Scheme



D. Macro Economic Outlook:

Gross Domestic Product (GDP): The overall growth of GDP at factor cost at constant prices in 2009-10, as per the estimates released by the Central Statistical Organisation (CSO) was 7.2 % as against overall GDP growth rate of 6.7 % in 2008-2009. The growth in agriculture and allied activities decelerated from 1.6 % in 2008-09 to -0.2 % in 2009-10, and in manufacturing, growth rate increased from 3.2% in 2008-09 to 8.9% in 2009-10. However there has been a decline in growth in Community, social and personal services from 13.9% in 2008-09 to 8.2% in 2009-10.

Savings and Investment: Gross domestic savings as a percentage of GDP at current market prices stood at 32.5% in 2008-09 as compared to 36.4% in 2007-08 Private sector savings dominated the total savings in 2008-09 and were at 31.1% of GDP. Of this, the household sector savings was 22.6 % of GDP while the private corporate sector accounted for 8.4 % Savings by the public sector was 1.4 % of GDP. The fall in the rate of Gross Domestic Savings is mainly due to the fall in the rates of savings of the public sector (from 5% in 2007-08 to 1.4% in 2008-09).

Financial Markets: The Indian equity markets, which had declined sharply during 2008, reflecting the volatility in international financial markets and foreign institutional investment outflows, began the year 2009 on a subdued note. The market exhibited signs of recovery from April 2009. With the revival of foreign institutional investors' (FIIs) interest in emerging market economies including India, the equity markets gained strength during May-July 2009. There was a fresh spell of bullish sentiment in September 2009, with the Bombay Stock Exchange (BSE) Sensex recording a high of 17,126.84 during the month. The Indian equity markets closed lower at 15,896.28 in end-October 2009, before showing an improvement during November-December 2009. The movement in equity indices in the Indian capital market was in line with trends in major international equity markets, a sign of increasing integration. Against the backdrop of these trends in Indian equity markets, the regulatory measures initiated during the year were clearly in the direction of introducing greater transparency, protecting investors' interests and improving efficiency in the working of Indian equity markets, while also ensuring the soundness.

Future Outlook: India's rebound from the global crisis is set to accelerate in 2010, with estimated growth of 8.2%, although rising price pressures present a challenge to policy makers as they steer the economy's recovery, the Asian Development Bank (ADB) says in a new major report. According to Asian Development Outlook 2010 prompt fiscal and monetary stimulus measures, and improving global environment, a return of investor risk appetite, and large capital inflows would produce very positive impact on economic growth and financial market movement. While higher GDP growth is expected in 2010-11, stability in financial market would encourage flow of domestic and foreign funds, which all provide a boost to the Stock market. Improved growth momentum in economy would increase further employment in the Government and unorganized sector, which will ultimately expand the scope of Pension Market. It is expected that flow of funds to NPS would increase substantially during 2010-11.

A new initiative **"Swavalamban"** (announced in Union Budget 2010-11) will be available for persons who join New Pension Scheme (NPS), with a minimum contribution of Rs.1000/- and a maximum contribution of Rs.12000/- per annum during the financial year 2010-11, wherein Government will contribute Rs.1000/- per year to each NPS account opened in the year 2010-11(The scheme will be available for the next 3 years i.e. 2011-12, 2012-13 & 2013-14), which will further boost up flow of funds to NPS.



Tax proposal: The proposed direct tax code has further been relaxed for NPS (New Pension Scheme) administered by Pension Fund Regulatory and Development Authority (PFRDA) giving EEE (exempt-exempt-exempt) status. The EEE status is a positive development for the NPS and will result into inflow of substantial amounts under the NPS for fund management. As per the revised direct tax code proposal NPS will not be taxed during contribution, accretion, and withdrawal.

Financial Statements for the year 2009-2010



AUDITOR'S 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, 2010, 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
- ii) in the case of the Profit and Loss account, of the profit for the year ended on 31st March, 2010; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on 31st March, 2010.

For **KHANDELWAL JAIN & CO.**
Chartered Accountants,
Firm Registration No: 105049W

(PANKAJ JAIN)
PARTNER

Membership No.048850

Place : Mumbai

Dated : June 28, 2010.



ANNEXURE TO THE AUDITOR'S 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, 2010)

- 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. As the Company is registered for a period less than five years, clause (x) of the Order is not applicable to the Company for the current 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 **KHANDELWAL JAIN & CO.**
Chartered Accountants,
Firm Registration No: 105049W

(PANKAJ JAIN)
PARTNER

Membership No.048850

Place : Mumbai

Dated : June 28, 2010

**BALANCE SHEET AS AT 31ST MARCH 2010**

	Schedules	Rs.	As at 31.3.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS				
Shareholders Funds				
Share Capital	1		150,000,000	150,000,000
Reserves and Surplus	2		3,228,520	2,582,924
Deffered Tax Liability (Refer note no. 8 of schedule 12)			468,080	594,395
TOTAL			153,696,600	153,177,319
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	3	7,606,199		6,882,020
Less: Accumulated Depreciation		4,117,224		2,104,026
Net Block			3,488,975	4,777,994
Current Assets, Loans and Advances				
Sundry Debtors	4	15,300		68,628
Cash and Bank Balances	5	152,451,552		154,898,916
Other Current Assets	6	6,701,773		8,629,295
Loans & Advances	7	4,079,705		2,370,257
		163,248,330		165,967,096
Less: Current Liabilities and Provisions				
Current Liabilities	8	13,040,705		17,508,771
Provisions	9	-		59,000
		13,040,705		17,567,771
Net Current Assets			150,207,625	148,399,325
TOTAL			153,696,600	153,177,319
Significant Accounting Policies and Notes To Accounts				
	12			

The Schedules referred to above form an integral part of this Balance Sheet

As per our Report of even date

For **KHANDELWAL JAIN & CO.**

Chartered Accountants

For and on behalf of the Board of Directors

of LIC Pension Fund Limited

(PANKAJ JAIN)
PARTNER
Membership No.048850

CHAIRMAN

DIRECTOR

DIRECTOR

DIRECTOR & CEO

JT. GENERAL MANAGER

COMPANY SECRETARY

Place : Mumbai.

Dated : June 28, 2010

PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2010

		Year ended 31.3.2010 Rs.	Period ended 31.03.2009 Rs.
Schedules			
INCOME			
Management Fees		33,780	193,040
Interest on Fixed Deposits		13,370,843	12,334,720
(Tax Deducted at Source Rs.19,63,822/-)			
Previous period Rs.25,40,952/-)			
		13,404,623	12,527,760
EXPENDITURE			
Operating, Administrative and Other Expenses	10	3,782,406	2,238,593
Employee Costs	11	6,663,207	4,066,778
Depreciation		2,015,888	1,681,069
		12,461,501	7,986,440
Profit/(Loss) before Tax		943,122	4,541,320
Less : Provision for Tax			
- Current tax		420,000	1,057,000
- Deferred tax		(126,315)	366,607
- Fringe benefit tax		-	42,000
- Fringe benefit tax relating to earlier period		3,841	17,000
Profit/(Loss) after Tax		645,596	3,058,713
Add: Balance Brought forward from previous period		2,582,924	(475,789)
Appropriations		-	-
Balance Carried forward to Balance Sheet		3,228,520	2,582,924
EARNINGS PER SHARE (EPS)			
BASIC/DILUTED EARNINGS PER SHARE (Rs.)		0.04	0.20
(Refer Note No.6 of Schedule 12)			
Significant Accounting Policies and Notes To Accounts	12		

The Schedules referred to above form an integral part of this Profit & Loss Account
As per our Report of even date

For **KHANDELWAL JAIN & CO.**
Chartered Accountants

For and on behalf of the Board of Directors
of LIC Pension Fund Limited

(PANKAJ JAIN)
PARTNER
Membership No.048850

CHAIRMAN

DIRECTOR

DIRECTOR

DIRECTOR & CEO

JT. GENERAL MANAGER

COMPANY SECRETARY

Place : Mumbai.
Dated : June 28, 2010

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET**

	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
25000000 Equity Shares of Rs. 10 each	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Paid up Capital		
15000000 Equity Shares of Rs. 10 each fully paid up	<u>150,000,000</u>	<u>150,000,000</u>
TOTAL	<u>150,000,000</u>	<u>150,000,000</u>
Note:		
All the above shares are held by Life Insurance Corporation of India, and its nominees.		
SCHEDULE 2		
Reserves & Surplus		
Balance in Profit and Loss Account	<u>3,228,520</u>	<u>2,582,924</u>
TOTAL	<u>3,228,520</u>	<u>2,582,924</u>
SCHEDULE 4		
SUNDRY DEBTORS		
(Unsecured and Considered good)		
Debts outstanding for more than six months	-	-
Other Debts	<u>15,300</u>	<u>68,628</u>
TOTAL	<u>15,300</u>	<u>68,628</u>
SCHEDULE 5		
CASH & BANK BALANCE		
Balance with Scheduled Banks		
In Current Accounts	<u>51,552</u>	<u>679,250</u>
In Fixed Deposits	<u>152,400,000</u>	<u>154,219,666</u>
TOTAL	<u>152,451,552</u>	<u>154,898,916</u>
SCHEDULE 6		
OTHER CURRENT ASSETS		
Interest accrued on Fixed Deposits	<u>6,701,773</u>	<u>8,629,295</u>
TOTAL	<u>6,701,773</u>	<u>8,629,295</u>
SCHEDULE 7		
LOANS & ADVANCES		
T.D.S. (Net of Provision)	<u>3,929,614</u>	<u>2,351,311</u>
Prepaid Expenses	<u>150,091</u>	<u>18,946</u>
TOTAL	<u>4,079,705</u>	<u>2,370,257</u>

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
SCHEDULE 8		
CURRENT LIABILITIES		
Sundry Creditors		
Due to Micro, Small and Medium Enterprises	-	-
Due to Life Insurance Corporation of India (LIC)	12,495,294	15,846,227
Others	300,333	1,662,544
Brokerage payable to NPS trust	224,124	-
TDS Payable	20,954	-
TOTAL	<u>13,040,705</u>	<u>17,508,771</u>
SCHEDULE 9		
PROVISIONS		
Provision for fringe benefit tax (net of advance tax)	-	59,000
TOTAL	<u>-</u>	<u>59,000</u>



SCHDEDUILE 3

FIXED ASSETS

(Amt. in Rs.)

HEAD OF ACCOUNT	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	Opening balance as on 1.4.2009	Additions during the year	Deletions during the year	Total as on 31.03.10	Opening Balance 1.4.2009	For the year ended 31.3.2010	On Assets Sold/Adj.	Upto 31.03.10	As on 31.03.09
Furniture & Fixtures	195,008	490,893		685,901	185,613	9,982		195,595	9,395
Computers/ Microprocessors/ Printers	1,101,823	-	30,595	1,071,228	221,213	164,452	2,690	382,975	880,610
Software	5,357,971	79,131	-	5,437,102	1,689,216	1,826,285	-	3,515,501	3,668,755
Office Equipments	227,218	184,750	-	411,968	7,984	15,169		23,153	219,234
Total	6,882,020	754,774	30,595	7,606,199	2,104,026	2,015,888	2,690	4,117,224	4,777,994
Previous period	6,213,417	668,603	-	6,882,020	422,957	1,681,069	-	2,104,026	-

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT

	For the Year ended 31.3.2010 Rs.	For the Period ended 31.3.2009 Rs.
SCHEDULE 10		
OPERATING ADMINISTRATIVE AND OTHER EXPENSES		
Reuters Charges	1,127,317	1,057,785
Travelling Expenses	160,261	185,424
Telephone Charges	207,856	127,743
Motor Car expenses	39,344	74,606
Rent for Company car	452,242	254,381
Subscription Fees NSE STP	2,182	101
Directors Sitting Fees	105,000	45,000
Consultancy Charges	19,855	16,440
Repairs & Maintenance charges software/computers	588,878	52,342
Printing and Stationery	175,692	113,474
Internal Audit Fees	82,724	96,422
Auditors Remuneration (Refer Note 7 of Schedule 12)	55,150	82,725
Entertainment Expenses	80,186	27,465
Processing Fees	-	50,000
Transaction cost (Refer note 10 of Schedule 12)	224,124	4,968
Miscellaneous Expenses	188,172	49,717
Conference Exp	91,887	-
Website Development Exp	128,507	-
Training Expenses	53,029	-
TOTAL	3,782,406	2,238,593

SCHEDULE 11**EMPLOYEE COST**

(Refer Note 3 of Schedule 12)

Salary & Allowances	5,989,027	3,667,300
Co's Contribution to PF/Pension	357,785	259,478
Co's Contribution to Gratuity	249,111	140,000
Leave Travel Concession	67,284	-
TOTAL	6,663,207	4,066,778



SCHEDULE: 12

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 ACCOUNTS

- 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 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.
- 5 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	Promotor / Sponsor of the entity
2	Dr. H. Sadhak	Key Management Personnel

- b) Details of Transactions with related parties

(Amt. in Rs.)

Name of Related Party	Nature of Transaction	Current Year	Previous Period
Life Insurance Corporation of India	Opening Balance(Sundry Creditors)	1,58,46,227/-	75,76,545/-
	Reimbursement to be made for expenses on staff posted to the company	66,81,792/-	40,66,778/-
	Reimbursement to be made for other expenses incurred	34,73,318/-	21,24,046/-
	Reimbursement to be made for purchase of fixed assets	22,95,374/-	20,78,858/-
	Reimbursement to be made for taxes paid	72,715/-	-
	Sale/Transfer of Fixed assets	(27,905)	-
	Payment made towards reimbursement of expenses	1,58,46,227/-	-
	Closing Balance(Sundry Creditors)	1,24,95,294/-	1,58,46,227/-
Dr. H. Sadhak	Remuneration	6,88,913/-	4,72,647/-

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.

6. 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 31.03.2010	Period ended 31.03.2009
Net profit attributable to shareholder (Rs.)	6,45,596	30,58,713
Weighted average number of equity shares (No.)	1,50,00,000	1,50,00,000
Basic and Diluted earnings per share (in Rs.)	0.04	0.20
Face Value	10	10

7. Auditors Remuneration

Particulars	Current Year (Rs.)	Previous Period (Rs.)
Statutory Audit Fees	55,150	55,150
Other matters	-	27,575
Total	55,150	82,725

8. 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 31.03.2009	During the Year	Deferred Tax as on 31.03.2010
Depreciation	(5,94,395)	1,26,315	(4,60,080)
Total	(5,94,395)	1,26,315	(4,60,080)

9. 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.
10. 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.
11. Figures of the previous period have been re-grouped, re-arranged wherever necessary, the current year consist of 12 months & previous period figures consist of 9 months. Hence, current year figures are not comparable with those of previous period.
12. 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 **KHANDELWAL JAIN & CO.**
Chartered Accountants

For and on behalf of the Board of Directors
of LIC Pension Fund Ltd.

(PANKAJ JAIN)
PARTNER
Membership No.048850

CHAIRMAN

DIRECTOR

DIRECTOR

DIRECTOR & CEO

Place : Mumbai
Dated : June 28, 2010.

JT. GENERAL MANAGER

COMPANY SECRETARY

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, 2010
2	Capital raised during the Year :	(Rs. in thousand)
	Public issue	-
	Right issue	-
	Bonus issue	-
	Private placement	-
3	Position of mobilisation and deployment of funds :	(Rs. in thousand)
	Total Liabilities	153,697
	Total Assets	153,697
	Source of funds :	
	Paid-up Capital	150,000
	Reserves & Surplus	3,229
	Deferred Tax Liability	468
	Secured Loans	-
	Unsecured loans	-
	Application of Funds :	
	Net Fixed Assets	3,489
	Investments	-
	Net Current Assets	150,208
	Misc.Expenditure	-
	Accumulated Losses	-
4	Performance of Company :	(Rs. in thousand)
	Turnover / Income	13,405
	Total Expenditure	12,462
	Profit / (Loss) before tax	943
	Profit / (Loss) after tax	646
	Earning per share	0.04
	Dividend rate %	-
5	Generic Names of Principal Products/services of the Company :	
	Item Code No.	N.A.
	Product Description	N.A.

For and on behalf of the Board of Directors
of LIC Pension Fund Limited

CHAIRMAN

DIRECTOR

DIRECTOR

DIRECTOR & CEO

Place : Mumbai

Dated : June 28, 2010.

JT. GENERAL MANAGER

COMPANY SECRETARY

**Cash Flow Statement for the Year ended 31.03.2010**

	Year ended 31st March 2010 (Rs.)	Period ended 31st March 2009 (Rs.)
A) Cash Flow From Operating Activities		
Net Profit (Loss) Before Tax	943,122	4,541,320
Add: Adjustment for :		
Depreciation	2,015,888	1,681,069
Less: Adjustment for:		
Interest Received	13,370,843	12,334,720
Operating Profit Before Working Capital Changes	(10,411,833)	(6,112,331)
Adjustment for:		
Sundry Debtors	53,328	(22,759)
Loans & Advances	(131,145)	42,163
Current Liabilities	(4,468,066)	6,799,259
Cash generated from operations	(14,957,715)	706,332
Direct Taxes Paid	(2,061,145)	(2,976,211)
NET CASH FROM OPERATING ACTIVITIES : TOTAL (A)	(17,018,860)	(2,269,879)
B) Cash Flow from investing Activities		
Purchase of Fixed Asset	(754,774)	(538,458)
Sale/transfer of Fixed Asset	27,905	-
Interest Received	15,298,365	7,707,253
NET CASH FROM / (USED IN) INVESTING ACTIVITIES : TOTAL (B)	14,571,496	7,168,795
C) Cash Flow From Financing Activities		
Net Cash from Financing Activities : TOTAL (C)	-	-
Net Increase/Decrease in Cash TOTAL (A + B + C)	(2,447,364)	4,898,916
Cash and Cash Equivalent: Opening Balance	154,898,916	150,000,000
Closing Cash and Cash Equivalents: Closing Balance	152,451,552	154,898,916
Net Increase/(Decrease) in Cash and Cash Equivalent	2,447,364	(4,898,916)

NOTES

- 1 Above statements have been prepared in indirect method.
- 2 Cash and Cash equivalent includes Fixed Deposit with Banks .
- 3 The current year consist of 12 months & previous period consist of 9 months.
Hence, current year figures are not comparable with those of previous period.

As per our Report of even date attached.

FOR KHANDELWAL JAIN & CO.
Chartered Accountants

For and on behalf of the Board of Directors
of LIC Pension Fund Limited

(PANKAJ JAIN)
Partner
Membership No. 048850

CHAIRMAN DIRECTOR DIRECTOR DIRECTOR & CEO

Place : Mumbai
Date : June 28, 2010

JT. GENERAL MANAGER

COMPANY SECRETARY



Visit of Holland Financial Centre Team to LIC Pension Fund

(From Left to Right) Sjoerd Van Keulen, Chairman, Holland Financial Centre, Elbert Waller, Vice President, Netherland India Chamber of Commerce and Trade, Reema Mistry, Commercial Assistant, Netherlands Consulate, Ryan Tiwari, MD, Capital Investors International, H. Sadhak, CEO, LIC Pension Fund and Gopal Ramanathan, Chairman, Holland Financial Centre India, (Working Group)



Visit of NPS Trust Team to LIC Pension Fund

Seen in the photograph Shri Yogendra Narain, Chairman, NPS Trust, Shri N.R. Rayalu, CEO, NPS Trust, Shri S. Sharma, GM, PFRDA along with team of LIC Pension Fund



Inauguration of website of LIC Pension Fund

Shri T.S. Vijayan, Chairman launches, the official website of LIC Pension Fund during the 2nd Annual General Meeting of the company on 29.07.2009. Also seen Shri D.K.Mehrotra, MD, Dr. H.Sadhak, CEO, Shri N.N.Mohanraj, ED (Investment), Smt. Bhavna Doshi, Director and others.



LIC Pension Fund Ltd.