

9th Annual Report

2015-2016



LIC Pension Fund Ltd.

BOARD OF DIRECTORS



Shri S. K. Roy
Chairman



Shri V. K. Sharma
Director



Shri Jagdish Capoor
Director



Shri M. N. Singh
Director



Smt. Bhavna G. Doshi
Director



Shri. Som Deo Chaturvedi
Director



Shri S. Bandyopadhyay
MD & CEO

Ninth Annual Report 2015-16



LIC Pension Fund Ltd.



LIC Pension Fund Ltd.

Banker to the Company

HDFC BANK

CORPORATION BANK

Statutory Auditors

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

Internal Auditors

M/S. SARDA & PAREEK

Company Secretary

SHRI. AVINASH C. ABHYANKAR

Registered Office

LIC Pension Fund Limited

CIN - U66020MH2007PLC176066

“Yogakshema”, East Wing, Floor 7,

Jeevan Bima Marg,

Mumbai – 400 021.

Tel : 022-22882871, Fax : 022-22822289

E-mail : licpensionfund@licindia.com

Website : www.licpensionfund.in

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LIC Pension Fund Ltd.

Ninth Annual Report 2015-16

DIRECTORS' REPORT

To

The Members,

LIC Pension Fund Ltd.

Your Directors have pleasure in presenting the Ninth Report of your Company together with the audited Financial Statements for the year ended 31st March, 2016.

Financial Results

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

(Amt. in ₹)

Sr. No.	Particulars	Year ended 31 st March		Increase/ (Decrease)	%age increase/ decrease
		2016	2015		
1.	Income from Operations	3,01,34,876	2,09,27,950	92,06,926	43.99%
2.	Other Income	3,26,59,528	3,19,56,981	7,02,547	2.19%
3.	Total (1+2)	6,27,94,404	5,28,84,931	99,09,473	18.74%
4.	Management expenses	5,64,68,180	2,87,56,967	2,77,11,213	96.36%
5.	Profit/(Loss) before Tax (3-4)	63,26,224	2,41,27,964	(1,78,01,740)	-73.78%
6.	Tax Expenses	15,96,362	80,45,815	(64,49,453)	-80.16%
7.	Profit/(Loss) after Tax(5-6)	47,29,862	1,60,82,149	(1,13,52,287)	-70.59%
8.	Net Fixed Assets	16,29,083	15,40,678	88,405	5.74%
9.	Cash and Bank balance	20,72,72,319	2,38,63,771	18,34,08,548	768.56%
10.	Paid up Capital	30,00,00,000	30,00,00,000	0	0
11.	Net Worth	32,89,50,105	32,42,20,243	47,29,862	1.46%

Note:

Amount due to Sponsor(LIC of India) as on 31.03.2016 is ₹ 6,03,24,223/- as against ₹ 2,97,16,780/- as on 31.03.2015, and this has been duly accounted for in the Management Expenses.

Dividend

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

**State of Company's Affairs / Performance**

The Company earned a total income of ₹ 6,27,94,404/- for the year under review as against ₹ 5,28,84,931/- for previous year. Profit before tax and after tax stood at ₹ 63,26,224/- and ₹ 47,29,862 /- respectively for current year as against ₹ 2,41,27,964/- and ₹ 1,60,82,149/- respectively for the previous year.

The Net worth of the Company as at the close of the current financial year was ₹ 32,89,50,105/- as against ₹ 32,42,20,243/-. The variation in the net worth is ₹ 47,29,862/-

For the financial year 2015-16 Management fee was charged @ 0.0102% on funds managed for Government Sector excluding Corporate CG Scheme. Management Fees for Corporate CG Scheme and Private Sector Scheme is 0.01%.

Amounts Transferred to Reserves

The Company has transferred ₹ 47,29,862/- to Reserves.

Financial Highlights

In the Financial year 2015-16 LIC Pension Fund Limited has received approximately an amount of ₹ 9719.55 crore as fresh inflow in respect of the following schemes:

Scheme	Amt. in Crore
Central Govt.	2897.10
State Govt.	6160.36
NPS Lite	110.71
Corporate CG Scheme	235.98
E Tier- I	65.62
C Tier- I	39.23
G Tier –I	46.05
E Tier – II	0.76
C Tier –II	0.71
G Tier- II	0.93
Atal Pension Yojana (APY)	162.10
Total	9719.55

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

Particulars	Amt. in Crore
31-Mar-14	14,180.39
31-Mar-15	24,010.13
31-Mar-16	35,537.76

The Company is managing the AUM of Rs. 35,537.76 Crore as at 31.03.2016 under the following NPS schemes:

Scheme	Amt. in Crore
Central Govt.	14,721.97
State Govt.	19,119.86
NPS Lite	607.40
Corporate CG Scheme	671.32
E Tier- I	104.95
C Tier- I	71.42
G Tier- I	71.18
E Tier – II	0.90
C Tier- II	0.83
G Tier- II	1.06
Atal Pension Yojana (APY)	166.87
Total	35,537.76

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

Sr. No.	Instruments	Prescribed limit
1	Government Securities, Govt. Securities (Central Govt.) & State Government*	Upto 50%
2	Corporate Bonds, PSU Bonds, Private Corporate Debt, Fixed Deposit	Upto 45%
3	Money Market Instruments	Upto 5%
4	Equity	Upto 15%
5	Asset Backed, Trust Structured and Miscellaneous Investment	Upto 5%

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

Asset Class E (Equity Market Instruments)- LICPFL had chosen Nifty-50 Index for replicating the portfolio for the Financial Year 2015-16 as per the guidelines of PFRDA for Private Sector Schemes.

With effect from 10th Sept., 2015, the investment under Equity Asset Class can be made in the shares of body corporate listed on BSE or NSE which have (i) market capitalization of not less than of Rs. 5000 crore on the date of investments and (ii) Derivatives with the shares as underlying traded in either of the two stock exchanges. This is in line with the guidelines of PFRDA for Government Sector Schemes

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



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

NAV for Government Sector NPS: (in ₹)

Scheme	31.03.2016	31.03.2015
Central Government	21.1809	19.9845
State Government	18.9238	17.8583
NPS Lite Scheme -Govt. Pattern	17.3643	16.4254
Corporate CG	13.8870	13.1351
Atal Pension Yojana (APY) Scheme inception date 01.06.2015	10.7131	N.A.

NAV for Private Sector NPS: (in ₹)

Scheme	31.03.2016	31.03.2015
E Tier -I	13.2415	14.3782
C Tier –I	13.5637	12.3917
G Tier –I	13.5910	12.7618
E Tier – II	11.1234	11.9979
C Tier- II	12.6788	11.7110
G Tier- II	13.7035	12.8376

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

Fixed Deposits

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

Auditors

The Auditors of your Company are appointed by the Comptroller and Auditor General of India. M/s. P. C. Ghadiali & Co., Chartered Accountants, Mumbai, had been appointed as Statutory Auditors of the Company for the financial year 2015-16.

Auditors' Report

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

Audit Committee

The Audit Committee of the Company comprises of three Directors viz.:

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

Directors and key managerial personnel

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

Key Managerial Personnel

During the year, Shri. Rajeev Kapoor was appointed as Chief Financial Officer on 20th August, 2015. Shri. Rajeev Kapoor ceased to be Chief Financial Officer with effect from 16th May, 2016 pursuant his transfer from LIC Pension Fund Limited to LIC International Bahrain.

A Statement on declaration given by independent directors under Section 149(6) of the Act

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

Number of Board Meetings

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

Policy on director's appointment and remuneration and other details

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

Remuneration to Independent Directors:

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

Remuneration to Non Executive Promoter Directors

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

Remuneration to Executive Promoter Director:

Executive Promoter Director who is Managing Director & CEO would be paid remuneration as applicable to an Officer in the cadre of Executive Director of LIC of India. As and when there is any revision in the



pay scales of the Executive Promoter Director as per the charter decided by the LIC of India from time to time, then the same would be applicable to the Executive Promoter Director. Further, tenure and terms & conditions of appointment of Executive Promoter Director would be as decided by LIC of India from time to time.

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

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

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

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

Manner of Formal Evaluation of Board, Committees and Directors

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

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

(A) Conservation of Energy-

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

(B) Technology absorption

- (i) The efforts made towards technology absorption – **Not applicable**
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution - **Not applicable**
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - (a) The details of technology imported - **Not applicable**

- (b) The year of import - **Not applicable**
- (c) Whether the technology has been fully absorbed - **Not applicable**
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - **Not applicable**

and

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

(C) Foreign Exchange earnings and outgo

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

Regulatory Compliance

The Company has been following guidelines, directions and circulars issued by Ministry of Corporate Affairs, PFRDA/NPS TRUST and other appropriate authorities from time to time as applicable to the Company.

Risk Management Policy

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

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

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

Change in the nature of Business, if any;

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

Orders By Regulators, Courts or Tribunals

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



Internal Financial Controls

The Internal Controls of the Company are adequate and commensurate with the size and scale of the operations. These controls operate through well documented standard operating procedures, policies and process guidelines that are designed to provide reasonable assurance to management of the reliability of financial information compliance to operating and adherence to Statutory / regulatory requirements. The Internal Controls are routinely tested and certified by the Internal as well as the Statutory Auditors. Significant audit observations and the management actions thereon are reported to the Audit Committee on a quarterly basis. The Audit committee reviews the observations and assesses the adequacy of the actions proposed as well as monitors their implementation.

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

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

Considering the contributions and efforts made by Shri S. Bandyopadhyay, Managing Director, the remuneration being paid to him is justified.

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

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

Extract of Annual Return

In accordance with the provisions under Section 134(3)(a) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 has been annexed to this Report in prescribed Form MGT – 9 as **Annexure 2**.

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Material changes and commitments

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

Particulars of Employees

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

Acknowledgments

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

For and on behalf of the Board

Place: Mumbai.

Chairman

Date: 19th August, 2016



Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not on an arm's length basis: **NIL**
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts / arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) Date(s) of approval by the Board
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188.
2. Details of material contracts or arrangement or transactions on an arm's length basis
 - (a) Name(s) of the related party and nature of relationship : LIC OF INDIA, Holding Company.
 - (b) Nature of contracts/arrangements/transactions: Reimbursement of Salaries and expenses and sale/ transfer of fixed asset.
 - (c) Duration of the contracts / arrangements/transactions : On going
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: The operation expenses incurred by LIC of India on behalf of the Company are reimbursement by the Company from time to time. For 2015-16 such reimbursements amounted to Rs.2,78,78,248/-
 - (e) Date(s) of approval by the Board, if any: **N.A.**
 - (f) Amount paid as advances, if any: **NIL**

For and on behalf of the Board

Chairman

Place: Mumbai.

Date: 19th August, 2016

ANNEXURE 2**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2016**

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U66020MH2007PLC176066
2.	Registration Date	21 st November, 2007
3.	Name of the Company	LIC Pension Fund Limited
4.	Category/Sub-category of the Company	Unlisted Public Company
5.	Address of the Registered office & contact details	Yogakshema, Floor 7, East Wing, Jeevan Bima Marg, MUMBAI- 400 021. Phone: 022- 2288 2871, Fax: 022- 2282 2289 Web: licpensionfund.in, Email:licpensionfund@licindia.com
6.	Whether listed company Yes / No	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Investment management of Pension Assets	67200	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Life Insurance Corporation of India. Yogakshema", 7 th Floor, East Wing, Jeevan Bima Marg, Mumbai 400 021	U66020MH2007PLC176066	Holding Company	100%	2(46)



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

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1)Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	-	3,00,00,000	3,00,00,000	100	-	3,00,00,000	3,00,00,000	100	NIL
e) Banks / FI									
f) Any other...									
Sub-total (A) (1):-									
(2)Foreign									
a) NRIs-Individuals									
b) Other - Individuals									
c) Bodies Corporate									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	3,00,00,000	3,00,00,000	100	-	3,00,00,000	3,00,00,000	100	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B) = (B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	3,00,00,000	3,00,00,000	100	-	3,00,00,000	3,00,00,000	100	NIL



B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Life Insurance Corporation of India	2,99,99,994	100	NIL	2,99,99,994	100	NIL	NIL
2	*Mr. Nilesh Sathe (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	0	Negligible	NIL	100%
3	*Mr. Vipin Anand (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	1	Negligible	NIL	NIL
4	*Mr. Surya Roy (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	1	Negligible	NIL	NIL
5	*Mr. Suryakant Mainak (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	1	Negligible	NIL	NIL
6	*Mr. Venugopal Bhaskaran (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	1	Negligible	NIL	NIL
7	*Mrs. Sarojini Dikhale (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	1	Negligible	NIL	NIL
8	*Mr. S. Bandyopadhyay (Nominee of Life Insurance Corporation of India)	0	NIL	NIL	1	Negligible	NIL	100%

*Beneficial Interest held by Life Insurance Corporation of India

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

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

There has been no change in Promoters' Shareholding between 1-4-2015 and 31-3-2016. However, during the year, shares held by Shri. Nilesh Sathe, nominee of LIC of India, was transferred to Shri. S. Bandyopadhyay respectively, other nominee of LIC of India.

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE

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



E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	*Shri Surya Kumar Roy				
	At the beginning of the year	1	negligible	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL		
	At the end of the year	1	negligible		
2.	*Shri S. Bandyopadhyay				
	At the beginning of the year	NIL	NIL	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	1 share was Transferred on 20/08/2015			
	At the end of the year	1	negligible		

* Beneficial Interest held by LIC of India

V) INDEBTEDNESS

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

– Not Applicable

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	Shri S Bandyopadhyay Managing Director and CEO	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 25,52,230.90	₹ 25,52,230.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 5,90,426.00	₹ 5,90,426.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	Total (A)	₹ 31,42,656.90	₹ 31,42,656.90
	Ceiling as per the Act	₹ 42,00,000.00	₹ 42,00,000.00



B. Remuneration to other directors:

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

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
		Shri Avinash C. Abhyankar	Shri Rajeev Kapoor	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 16,58,872.00	₹ 14,95,756.74	₹ 31,54,628.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 38,345.00	₹ 3,22,894.00	₹ 3,61,239.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-

SN	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
		Shri Avinash C. Abhyankar	Shri Rajeev Kapoor	
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	₹ 16,97,217.00	₹ 18,18,650.74	₹ 35,15,867.74

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Chairman

Place: Mumbai.

Date: 19th August, 2016



Financial Statements for the year 2015-16

INDEPENDENT AUDITORS' REPORT

To The Members of

LIC PENSION FUND LIMITED

Report on the Financial Statements

We have audited the attached financial statements of **LIC Pension Fund Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on the date annexed thereto, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or



error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- (a) We attach an annexure giving report under Companies (Auditor's Report) Order 2015
- (b) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (c) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position;

- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
- (h) In compliance with section 143 (3) and 143(5) of the Act, we further report that based on information prevailing and future development in business and management scenario, inherent limitation therein and subject to risk arising there from and our assessment of Internal Financial Control Report (IFCR) as furnished to us, we report that internal financial controls are generally in place and are effective.

R. T. Doshi

Partner

Membership Number: 013458

For and on behalf of

P C Ghadiali and Co LLP

Chartered Accountants

Firm No. 103132W

Place: Mumbai

Date: April 28, 2016



ANNEXURE TO AUDITORS' REPORT

Referred to in the Auditors' Report of even date to the members of LIC PENSION FUND LIMITED on the financial statements for the year ended March 31, 2016 – in terms of Companies (Auditor's Report) Order 2016

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

- (viii) The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- (x) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion, and according to the information and explanations given to us, the Company has not raised any term loans during the year.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (xiii) The provisions of Sec. 185 and 186 have been complied with in respect of loans, investments, guarantees and securities.
- (xiv) There is no reportable Managerial Remuneration paid and hence, the question of approval doesn't arise.
- (xv) The transactions with related parties under section 188 have been disclosed suitably.
- (xvi) The company has not raised any term loans during the year.

R. T. Doshi

Partner

Membership Number: 013458

For and on behalf of

P C Ghadiali and Co LLP

Chartered Accountants

Firm No. 103132W

Place: Mumbai

Dated: April 28, 2016



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF LIC PENSION FUND LIMITED FOR THE YEAR ENDED 31 MARCH 2016.

The preparation of financial statements of LIC Pension Fund Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 April 2016.

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

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6)(a) of the Act of the financial statements of LIC Pension Fund Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Audit Report.

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

SD/-

(Roop Rashi)

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

Place: Mumbai

Date: 2.8.2016

LIC Pension Fund Limited

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

STATEMENT OF BALANCE SHEET AS AT MARCH 31ST

	Note No.	2016	2015
		Amount (In ₹)	Amount (In ₹)
Equity and Liabilities			
Shareholders Funds			
Share Capital	2	30,00,00,000	30,00,00,000
Reserves and Surplus	3	2,89,50,105	2,42,20,243
		32,89,50,105	32,42,20,243
Non-current Liabilities			
Deferred Tax Liabilities (net)	4	45,395	26,296
		45,395	26,296
Current Liabilities			
Other Current Liabilities	5	6,04,76,644	2,99,33,748
Short-term Provisions	6	54,59,957	1,00,55,703
		6,59,36,601	3,99,89,451
Total		39,49,32,101	36,42,35,990
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	7	16,29,083	15,40,678
Intangible Assets	7	5,83,941	9,17,883
		22,13,024	24,58,561
Long-term Loans and Advances	8	21,500	-
Other Non-current Assets	9	11,65,01,126	29,73,07,000
		11,65,22,626	29,73,07,000
Current Assets			
Trade Receivables	10	88,54,176	63,29,271
Cash and Cash Equivalents	11	20,72,72,319	2,38,63,771
Other Current Assets	12	6,00,69,957	3,42,77,387
		27,61,96,452	6,44,70,429
Total		39,49,32,101	36,42,35,990

Summary of Significant Accounting Policies 1

The accompanying notes form an integral part of the Financial Statements

In terms of our report attached.

P C Ghadiali & Co. LLP

DIRECTOR

MANAGING DIRECTOR & CEO

Chartered Accountants

R T Doshi

COMPANY SECRETARY

CFO

Partner

Membership No. : 013458

Firm Reg. No.: 103132W

PLACE: Mumbai

DATE: April 28, 2016

**LIC Pension Fund Limited**

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31

Particulars	Note No.	Amount (In ₹)	Amount (In ₹)
		2016	2015
Revenue from Operations	13	3,01,34,876	2,09,27,950
Other Income	14	3,26,59,528	3,19,56,981
Total		6,27,94,404	5,28,84,931
Expenses			
Employee benefit expense	15	2,88,02,046	1,56,13,932
Financial costs			
Depreciation and amortization expense	7	8,38,706	3,71,721
Annual Fees to PFRDA	16	1,25,23,222	21,87,500
Other expenses	17	1,43,04,206	1,05,83,814
Total		5,64,68,180	2,87,56,967
Profit before exceptional and extraordinary items and tax		63,26,224	2,41,27,964
Exceptional Items			
Profit before extraordinary items and tax		63,26,224	2,41,27,964
Extraordinary Items			
Profit before tax		63,26,224	2,41,27,964
Tax expense:			
Current tax		22,00,000	78,00,000
Deferred tax		19,099	2,45,815
Excess /Short Provision for taxation		(6,22,737)	-
Total		15,96,362	80,45,815
Profit/(Loss) After Tax		47,29,862	1,60,82,149
Earning per equity share:			
Basic & Diluted		0.16	0.54
Face Value per Ordinary Shares - Rupees		10	10
Summary of Significant Accounting Policies	1		
The accompanying notes form an integral part of the Financial Statements In terms of our report attached.			

P C Ghadiali & Co. LLP
Chartered Accountants

DIRECTOR

MANAGING DIRECTOR & CEO

R T Doshi
Partner

COMPANY SECRETARY

CFO

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

PLACE: Mumbai

DATE: April 28, 2016

LIC Pension Fund Limited

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

CASH FLOW STATEMENT AS ON MARCH 31ST

S.N.	PARTICULARS	2016	2015
		Amount (In ₹)	Amount (In ₹)
A	Cash Flow from Operating activities		
	Profit/(Loss) before extraordinary items and tax Adjustments:	63,26,224	2,41,27,964
	Depreciation and amortization	8,38,706	3,71,721
	Interest on Fixed Deposit	(3,24,14,317)	(3,18,53,140)
	Interest on IT Refund	(1,91,667)	(55,834)
	Interest on Savings a/c	(51,534)	(44,003)
	Income Tax Provisions	(15,77,263)	
	Rounding off Difference	(2,70,69,850)	(74,53,292)
	Working capital changes:		
	(Increase)/Decrease in short-term loans and advances		50,000
	(Increase) /Decrease in long-term loans and advances	(21,500)	-
	(Increase) /Decrease in other non-current assets	18,08,05,874	(29,28,65,753)
	(Increase) /Decrease in other current assets	(2,57,92,570)	(2,98,452)
	(Increase) /Decrease in Trade receivables	(25,24,904)	(14,33,933)
	Increase/(Decrease) in other current liabilities	3,05,42,896	32,26,760
	Increase/(Decrease) in short-term provisions	(45,95,746)	6,62,671
	Excess Provision Written Off	-	-
	(Increase)/ Decrease in Fixed Deposit		
		17,84,14,049	(29,06,58,707)
	Cash generated from operations Total of (A)	15,13,44,199	(30,59,12,000)
B	Cash Flow from Investing Activities		
	Capital expenditure on fixed assets	(5,93,169)	(23,92,637)
	Interest Received on Fixed Deposits	3,24,14,317	3,18,53,140
	Interest on Savings a/c	51,534	44,003
	Interest on IT Refund	1,91,667	55,834
	Net cash from Investing Activities: Total of (B)	3,20,64,349	2,95,60,340
C	Cash Flow from Financing activities		
	Issue of Fresh Equity Shares	-	-
	Net cash from Financing Activities: Total of (C)	-	-
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	18,34,08,548	(27,63,51,660)
	Add: Cash and cash equivalents as at 01.04.2015	2,38,63,771	30,02,15,431
	Cash and cash equivalents as at 31.03.2016	20,72,72,319	2,38,63,771

Notes are integral part of Financial Statements

P C Ghadiali & Co. LLP
Chartered Accountants

DIRECTOR**MANAGING DIRECTOR & CEO****R T Doshi****COMPANY SECRETARY****CFO**

Partner

Membership No. : 013458

Firm Reg. No.: 103132W

PLACE: Mumbai

DATE: April 28, 2016



LIC Pension Fund Limited

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

NOTES TO THE FINANCIAL STATEMENT MARCH 31, 2016

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Accounting

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

B) Revenue Recognition

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

C) Fixed Assets & Depreciation

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

D) Investments

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

E) Income Tax

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

Notes forming part of the Balance Sheet as at 31st March

NOTE 2 : SHARE CAPITAL

	2016		2015	
	Number of shares	Amount (In ₹)	Number of shares	Amount (In ₹)
Authorised Share Capital				
Equity shares of ₹ 10 each with voting rights	4,00,00,000	40,00,00,000	4,00,00,000	40,00,00,000
Issued Share Capital				
Equity shares of ₹ 10 each with voting rights	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
		30,00,00,000		30,00,00,000
Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
Total		30,00,00,000		30,00,00,000

Details of Shares held by the holding Company

Particulars	2016	2015
	Number of shares held	
Equity Shares with Voting Rights:		
Life Insurance Corporation of India	3,00,00,000	3,00,00,000

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

Class of shares / Name of shareholder	2016		2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares with Voting Rights:				
Life Insurance Corporation of India	3,00,00,000	100	3,00,00,000	100

**NOTE 3 : RESERVE & SURPLUS**

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Opening Balance	2,42,20,243	85,00,248
(+) Additions: Profit for the year	47,29,862	1,60,82,149
(-) Deductions: Depreciation of earlier Years		(3,62,154)
Total	2,89,50,105	2,42,20,243

NOTE 4 : DEFERRED TAX LIABILITIES (NET)

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Opening Balance	26,296	(2,19,519)
(+) Additions:	19,099	
(-) Deductions:		2,45,815
Total	45,395	26,296

NOTE 5 : OTHER CURRENT LIABILITIES

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Other payables		
TDS PAYABLE	1,52,421	2,16,968
LIC OF INDIA	6,03,24,223	2,97,16,780
Total	6,04,76,644	2,99,33,748

NOTE 6 : SHORT-TERM PROVISIONS

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Provision for employee benefits		
Provision for gratuity (net)	2,44,287	-
	2,44,287	-
Provision - Others:		
Provision for tax	22,00,000	78,00,000
Outstanding Expenses	30,15,670	22,55,703
	52,15,670	1,00,55,703
Total	54,59,957	1,00,55,703

NOTE 7 : FIXED ASSETS**A. Tangible Assets**

Sr. No	Particulars	Life in years	Gross Block			Accumulated Depreciation				Net Block	
			Balance as at 1st April, 2015	Addition during the year	Deduction during the year	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Addition during the year	Deduction during the year	WDV as on 31.03.2016	WDV as on 31.03.2015
1	Furnitures & Fixtures	10	5,40,961	-	-	5,40,961	2,29,680	54,214		2,57,067	3,11,281
2	Office Equipment	5	60,500	3,12,821	-	3,73,321	9,178	36,743		3,27,400	51,322
3	Computer										
a.	Servers	6	4,59,663	-	-	4,59,663	66,795	85,112		3,07,756	3,92,868
b.	End Users	3	9,22,270	2,80,348	-	12,02,618	1,37,063	3,28,695		7,36,860	7,85,207
4	Library Books	5	9,490	-	-	9,490	9,490			-	-
	Total		19,92,884	5,93,169	-	25,86,053	4,52,206	5,04,764	-	16,29,083	15,40,678
	Previous Year		20,06,891	13,92,637	14,06,644	19,92,884	12,07,092	2,89,604	10,44,490	15,40,678	7,99,799

B. Intangible Assets

Sr. No	Particulars	Life in years	Gross Block			Accumulated Amortisation				Net Block	
			Balance as at 1st April, 2015	Addition during the year	Deduction during the year	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Addition during the year	Deduction during the year	WDV as on 31.03.2016	WDV as on 31.03.2015
1	Computer Software		54,37,102	-	-	54,37,102	54,37,102	-		-	-
2	Licence Disaster Recovery Management	3	10,00,000	-	-	10,00,000	82,117	3,33,942		5,83,941	9,17,883
	Total		64,37,102	-	-	64,37,102	55,19,219	3,33,942	-	5,83,941	9,17,883
	Previous Year		54,37,102	10,00,000	-	64,37,102	54,37,102	82,117	-	9,17,883	-

**NOTE 8 : LONG TERM / SHORT TERM LOANS AND ADVANCES**

	Long Term		Short Term	
	2016	2015	2016	2015
	Amount (In ₹)	Amount (In ₹).	Amount (In ₹)	Amount (In ₹).
Security Deposits				
SECURITY DEPOSIT FOR PREMISES	12,000			
SECURITY DEPOSIT FOR ELECTRICITY	9,500			
	21,500	-		-
Total	21,500	-		-

NOTE 9 : OTHER NON-CURRENT ASSETS

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Bank Balances		
Fixed Deposit with Banks (Having Maturity more than 12 months)	11,65,01,126	29,73,07,000
Total	11,65,01,126	29,73,07,000

NOTE 10 : TRADE RECEIVABLES

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Less than six months		
Unsecured, considered good NPS Trustees A/c	88,54,176	63,29,271
Total	88,54,176	63,29,271

NOTE 11 : CASH AND CASH EQUIVALENTS

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Balance with banks	1,23,82,319	13,771
Cash in hand	-	-
Fixed Deposits	19,48,90,000	2,38,50,000
Total	20,72,72,319	2,38,63,771

NOTE 12 : OTHER CURRENT ASSETS

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Accruals		
Interest accrued on deposits	5,01,72,573	2,26,50,361
Others		
Advance tax	92,16,899	1,13,18,455
Service TAX	3,78,403	2,81,337
Prepaid Expenditure	3,02,082	27,234
Total	6,00,69,957	3,42,77,387

Notes forming part of the Profit and Loss Account for the yearended 31st March**NOTE 13 : REVENUE FROM OPERATIONS**

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Sale of services		
Management Fees - Scheme E- Tier - II	347	504
Management Fees -SG	1,59,03,979	94,90,697
Management Fees NPS Lite	5,50,407	3,68,754
Management Fees- Atal Pension Yojna	51,731	-
Management Fees- Corpo CG	5,46,937	13,42,812
Management Fees- Scheme E-Tier I	74,210	2,28,022
Management Fees- Scheme G- Tier I	41,405	96,806
Management Fees- Scheme G- Tier- II	350	322
Management Fees-CG	1,29,14,418	92,68,991
Management Fees-Scheme C- Tier I	50,778	1,30,689
Management Scheme- Scheme C- Tier - II	315	353
Total	3,01,34,876	2,09,27,950

NOTE 14 : OTHER INCOME

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Interest income		
Interest from banks		
deposits	3,24,14,317	3,18,53,140
other balances	51,534	44,003
Interest on income tax refund	1,91,667	55,834
	3,26,57,518	3,19,52,977
Miscellaneous income	2,010	4,004
Total	3,26,59,528	3,19,56,981

**NOTE 15 : EMPLOYEE BENEFIT EXPENSE**

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Salaries and Wages	2,46,54,301	1,32,31,573
Contribution to Provident Fund and Other Funds	28,44,297	13,59,556
Staff Welfare Expense	13,03,448	10,22,803
Total	2,88,02,046	1,56,13,932

NOTE 16 : ANNUAL FEES TO PFRDA

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Annual Fees to PFRDA	1,25,23,222	21,87,500
Total	1,25,23,222	21,87,500

NOTE 17: OTHER ADMINISTRATIVE EXPENSES

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Electricity Expenses	88,526	-
Rent including lease rentals	85,008	66,924
Payment to Auditors (Refer to note below)	7,35,764	12,39,406
Professional Services	4,78,104	5,16,696
Board Meeting & Other Committee Exp.	1,45,160	1,41,060
Brokerage Charges -Pvt Sector	4,16,975	1,53,980
Brokerage Charges-Govt Sector	58,28,839	22,33,167
DIRECTORS TRAVELLING EXPENSES	1,43,253	23,401
DISASTER RECOVERY MGM EXP	11,78,412	9,45,674
Gifts & Momentos	3,26,114	-
M Fund AMC	5,77,651	5,77,650

Particulars	2016	2015
	Amount (In ₹)	Amount (In ₹)
Printing & Stationary	2,57,856	2,09,681
Reimbursement To Schemes	-	3,46,570
Rent for Company Car	-	3,27,594
Reuters Charges	15,20,016	12,73,086
Recruitment/Supply Agency Service	3,63,889	83,599
ROC Fees	-	21,213
Sitting Fees	4,25,000	4,85,000
SECT CONSULTANCY& SEC EXPND	1,00,270	1,22,500
Subscription to Newspapers & Journals	20,721	-
Tax Consultancy Fees	15,000	18,764
Travelling Expenses	2,41,836	4,49,450
Valuation Services	2,85,321	3,09,204
Entertainment Expenses	1,87,937	2,64,117
Hardware & Softwre Exp.	2,19,344	2,59,099
Mobile Phone Charges	1,33,380	86,179
Office-Up Keep	97,636	90,520
Repairs and Maintenance	98,392	-
STP Charges for Equity Dealing	94,441	46,640
Swatch Bharat Cess Paid	11,603	-
Telephone Charges	49,760	12,294
Miscellaneous expenses	1,77,998	2,80,346
Total	1,43,04,206	1,05,83,814
Note:		
Payments to auditors comprises of:		
NPS AUDIT SCHEME FEES	6,66,000	11,71,564
Statutory Audit Fees	56,000	49,078
Tax Audit Fees	13,764	18,764
Total	7,35,764	12,39,406

**NOTES TO FINANCIAL STATEMENTS**

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

6) Related Party Disclosure

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

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

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

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

(Amt in ₹)

Nature of Transaction	Life Insurance Corporation of India	Shri S. Bandyopadhyay
Reimbursement to be made towards expenses on staff posted to the Company	2,88,02,046	
	(1,56,13,932)	
Reimbursement to be made for purchase of fixed Assets	5,93,169	
	(23,92,637)	
Sale/Transfer of Fixed assets	NIL	

Nature of Transaction	Life Insurance Corporation of India	Shri S. Bandyopadhyay
	(14,06,644)	
Payment made towards reimbursement of expenses	2,78,78,248	
	(88,71,044)	
Remuneration*	-	30,50,761
	-	(12,05,084)
Amount Payable – Other current liabilities	6,03,24,223	NIL
	(2,97,16,780)	

(* including Arrear of Salary from Aug'2012)

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

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

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Net profit attributable to shareholder (₹)	47,29,862	1,60,82,149
Number of equity shares	3,00,00,000	3,00,00,000
Basic and Diluted earnings per share (in ₹)	0.16	0.54
Face Value	10	10

- 8) Auditors’ Remuneration

Particulars	Year ended 31.03.2016 (₹)*	Year ended 31.03.2015 (₹)*
Statutory Audit Fees	56,000	56,000
Other matters	-	-
Total	56,000	56,000

* Exclusive of Service Tax



- 9) For the financial year 2015-16 Management fee was charged @ 0.0102% on funds managed for Government Sector (including Atal Pension Yojna which started during the current financial year i.e. 01.06.2015) excluding Corporate CG Scheme. Management Fees for Private Sector Scheme and Corporate CG Scheme is 0.01%.
- 10) Figures of the previous period have been re-grouped, re-arranged wherever necessary.
- 11) Contingent Liability of ₹ 10 lakh in respect of Performance Bank Guarantee given by Tamilnad Mercantile Bank Limited on behalf of LIC Pension Fund Limited to Pension Fund Regulatory Development Authority (PFRDA) for managing private sector pension funds.
- 12) Contingent Liability towards guarantee provided by the Sponsor on behalf of the Company - ₹ 10 lakh.
- 13) Since almost all employees of Company are on deputation from LIC and LIC is separately giving compliance on AS-15 in its balance sheet, no separate disclosure is given in LIC Pension Fund Ltd accounts.

As per our report of even date attached

P C Ghadiali & Co. LLP

Chartered Accountants

DIRECTOR

MANAGING DIRECTOR & CEO

R T Doshi

Partner

Membership No. : 013458

Firm Reg. No.: 103132W

COMPANY SECRETARY

CFO

PLACE: Mumbai

DATE: April 28, 2016

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Benefits of NPS

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- Allow switching from one option to another, once in a year
- Individual whether salaried or not can claim Income Tax benefit as per the provisions of Income Tax Act 1961
- Tax benefit to Employees and Employers
- Regulated by PFRDA, an autonomous body set up by the Government of India.
- Very economical, due to Low cost structure of the scheme.
- All India portability of the scheme (NPS allows an employee to carry his accumulated corpus to his new employer, if the new employer has subscribed to the NPS Corporate.)



LICPFL, a 100% owned company by Life Insurance Corporation of India has been granted registration certificate by PFRDA for managing private sector funds (including Corporates) under National Pension System.



LIC Pension Fund Ltd.

For more information log on to our website www.licpensionfund.in, or Tel.: 022-6141 4521, 2285 5974.
E-mail: licpension.mktg@licindia.com



LIC Pension Fund Ltd.

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