

# 14th Annual Report

2020 - 2021



**YOU SAVE,  
WE SECURE  
PEACEFUL  
RETIREMENT**



LIC Pension Fund Ltd.

## BOARD OF DIRECTORS



**Shri M. R. Kumar**  
Chairman



**Shri S. Mohanty**  
Director  
(w.e.f. 08.02.2021)



**Shri T. C. Suseel Kumar**  
Director  
(upto 31.01.2021)



**Shri Jagdish Capoor**  
Director



**Shri M. N. Singh**  
Director



**Ms. Bhavna G. Doshi**  
Director



**Ms. Priti Panwar**  
Director

# **FOURTEENTH ANNUAL REPORT**

## **2020-21**



**LIC Pension Fund Ltd.**

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LIC Pension Fund Ltd.

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*Banker to the Company*

**HDFC BANK  
CORPORATION BANK**

*Statutory Auditors*

**M/S. BATHIYA & ASSOCIATES, LLP, CHARTERED ACCOUNTANTS**

*Internal Auditors*

**M/S. JCR & CO.**

*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](mailto:licpensionfund@licindia.com)

Website : [www.licpensionfund.in](http://www.licpensionfund.in)

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LIC Pension Fund Ltd.

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# **Fourteenth Annual Report 2020-21**

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## DIRECTORS' REPORT

To,  
**The Members,**  
**LIC Pension Fund Ltd.**

Your Directors have the pleasure in presenting their Fourteenth Report together with the audited Financial Statements for the year ended 31<sup>st</sup> March, 2021.

### Financial Results

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

(Amt. in ₹)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March	
		2021	2020
1.	Income from Operations	14,68,63,067	11,08,53,514
2.	Other Income	3,79,01,149	3,43,71,418
3.	<b>Total (1+2)</b>	<b>18,47,64,216</b>	<b>14,52,24,932</b>
4.	Management expenses	14,94,49,218	12,59,47,158
5.	Profit before Tax (3-4)	3,53,14,998	1,92,77,774
6.	Tax Expenses	1,02,68,050	49,86,161
7.	Profit after Tax(5-6)	2,50,46,948	1,42,91,613
8.	Paid up Capital	30,00,00,000	30,00,00,000
9.	Net Worth	40,63,37,492	38,12,90,544

### Note:

Amount due to Sponsor (LIC of India) as on 31.03.2021 is ₹ 13,45,83,762/- as against ₹ 12,25,50,598/- as on 31.03.2020, and this has been duly accounted for in the Management Expenses.

### Dividend

With a view to conserving the resources and ploughing back the same into the business 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 ₹ 18,47,64,216/- for the year under review as against ₹ 14,52,24,932/- for the previous year, an increase of more than 20%. Profit before tax and after tax stood at ₹ 3,53,14,998/- and ₹ 2,50,46,948/- respectively for year under report as against ₹ 1,92,77,774/- and ₹ 1,42,91,613/- respectively for the previous year.

The Net Worth of the Company as at the close of the financial year was ₹ 40,63,37,492/- as against ₹ 38,12,90,544/-. The variation in the net worth is ₹ 2,50,46,948/-

For the financial year 2020-21 Management fee was charged @ 0.0102% on funds managed for Government Sector including Atal Pension Yojna and excluding Corporate CG Scheme. Management Fees for Private Sector Scheme and Corporate CG Scheme @ is 0.01%

### Amounts Transferred to Reserves

The Company has transferred ₹ 2,50,46,948/- to Reserves.

**Financial Highlights**

In the Financial year 2020-21 LIC Pension Fund Limited has received an amount of ₹ 22,152.70 crore as fresh inflow in respect of the following schemes:

<b>Scheme</b>	<b>Amount in Crore</b>
Central Govt.	6,579.99
State Govt.	14,318.90
NPS Lite	21.45
Corporate CG Scheme	-899.63
E Tier- I	339.84
C Tier- I	191.32
G Tier –I	371.33
E Tier – II	20.15
C Tier –II	16.63
G Tier- II	54.91
Atal Pension Yojana (APY)	1,136.37
A Tier I	1.44
Tax Saver Scheme	0.21
<b>Total</b>	<b>22,152.91</b>

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

<b>Particulars</b>	<b>Amount in Crore</b>
31-Mar-19	92,719.22
31-Mar-20	121,027.67
31-Mar-21	163,389.50

The Company is managing the AUM of ₹163389.50 crore as at 31.03.2021 under the following NPS schemes:

<b>Scheme</b>	<b>Amount in Crore</b>
Central Govt.	56,922.18
State Govt.	94,067.92
NPS Lite	1,267.61
Corporate CG Scheme	1,926.18
E Tier- I	1,530.26
C Tier- I	832.11
G Tier- I	1,452.57
E Tier – II	59.03
C Tier- II	38.44
G Tier- II	114.54
Atal Pension Yojana (APY)	5,174.44
A Tier I	4.00
Tax Saver Scheme	0.00
<b>Total</b>	<b>1,63,389.50</b>

Investment Pattern of the Company for Schemes under Govt. Sector and Corporate CG/NPS Lite (based on the directives of PFRDA) for the financial year 2020-21 is detailed below:-

Sr. No.	Instruments	Prescribed limit
1	<b>Government Securities,</b> Govt. Securities (Central Govt.) & State Government	Upto 55%
2	<b>Corporate Bonds,</b> PSU Bonds, Private Corporate Debt, Fixed Deposit	Upto 45%
3	Money Market Instruments	Upto 5%
4	Equity	Upto 15%

**Asset Class E (Equity Market Instruments)** – The investment under Equity Asset Class can be made in the shares of bodies corporate listed on BSE or NSE which have (i) market capitalization of not less than of ₹ 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 Securities and State Development Loans.

**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 includes investment in Fixed deposits and credit rated debt securities. This also includes rated bonds/securities of Public Financial Institutions and Public sector companies, rated municipal bodies/infrastructure bonds.

**Asset class A (Alternate Investment Schemes)** – The Pension Fund Regulatory and Development Authority (PFRDA) has introduced the A Tier I with effect from October 10, 2016. This asset class permits Investment in SEBI Regulated 'Alternative Investment Funds' AIF (Category I and Category II only) as defined under the SEBI (Alternative Investment Fund) regulations 2012 as well as investment in units of Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (Inv ITs), and securitized papers.

**NAV for Government Sector NPS:**

(in ₹)

Scheme	31.03.2021 (in ₹)	31.03.2020 (in ₹)	Growth (%)
Central Government	33.9560	29.3820	15.57%
State Government	30.2459	26.2501	15.22%
NPS Lite Scheme -Govt. Pattern	28.2196	24.2637	16.30%
Corporate CG	22.3595	19.4193	15.14%
Atal Pension Yojana (APY) Scheme	17.3213	15.0667	14.96%

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

<b>Scheme</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>Growth</b>
	<b>(in ₹)</b>	<b>(in ₹)</b>	<b>(%)</b>
E Tier – I	24.0674	13.8050	74.34%
C Tier – I	21.1942	19.0823	11.07%
G Tier – I	22.7484	21.1813	7.40%
E Tier – II	20.1674	11.5025	75.33%
C Tier – II	20.1352	17.8035	13.10%
G Tier – II	23.0377	21.5789	6.76%
A Tier – I	13.9748	12.8312	8.91%
Tax Saver Scheme	10.2264	-	N.A.*

\*Scheme launched during financial Year 2020-2021

The performance of these 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 (CAG). Bathiya & Associates LLP, Chartered Accountants, Mumbai, were appointed as Statutory Auditors of the Company by the CAG for the financial year 2020-21.

**Auditors' Report**

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

**Audit Committee**

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

Shri Jagdish Capoor	Chairman
Shri T C Suseel Kumar*	Member
Shri M.N. Singh	Member
Shri. Siddhartha Mohanty#	Member

\*Resigned on 1<sup>st</sup> February, 2021

#Appointed w.e.f. February 8, 2021

**Directors**

Shri T C Suseelkumar resigned from the directorship of the Company with effect from 1<sup>st</sup> February, 2021. The Board has placed on record its appreciation for the valuable services rendered by Shri T C Suseelkumar during his tenure.

Shri. Siddhartha Mohanty was appointed as an Additional Director of the Company with effect from 8<sup>th</sup> February, 2021. He holds office up to the date of this AGM and is eligible for re-appointment as Director.

Smt. Priti Panwar retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

**Key Managerial Personnel**

During the year, Smt. A.N. Desai was re-appointed as Chief Financial Officer (CFO) for the period 10<sup>th</sup> August, 2020 to 31<sup>st</sup> March, 2021. Further, she resigned as CFO on 30<sup>th</sup> March, 2021.

The Nomination & Remuneration Committee in its meeting held on 23rd July, 2021 reviewed and approved the remuneration and other perquisites payable to Smt. Priti Panwar as Managing Director & CEO of the Company.

#### **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 declaration confirming their independence.

#### **Number of Board Meetings**

The Board of Directors held total 4 (four) meetings during the financial year, the dates of which were

22/05/2020	28/09/2020	21/12/2020	21/01/2021
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#### **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 will 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 Directors as per the charter decided by the LIC of India from time to time, then the same would be made applicable to the Executive Promoter Director. Further, tenure and terms & conditions of appointment of Executive Promoter Director will 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 from time to time.

Chief Financial Officer and all other employees, except Company Secretary, are on deputation from LIC of India and the amount of remuneration paid to them is as 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 Company may explore possibilities for utilizing alternate sources of energy.
- (iii) The capital investment on energy conservation equipment – **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 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
- Cyber Security Risk etc

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 Smt. Priti Panwar, Managing Director & CEO, the remuneration being paid to her was 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. The particulars stating nil transactions have been given in **Annexure 2**.

**Annual Return**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2020 is available on the website of the Company - [www.licpensionfund.in](http://www.licpensionfund.in).

**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 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.

#### **Prevention of Sexual Harassment at workplace**

The Company firmly believes in providing a safe and harassment free working environment for its employees. It has a zero-tolerance policy towards sexual harassment and has adopted Policy on Prevention of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was received.

#### **Particulars of Employees**

The disclosure pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014 is not applicable as during the financial year none of the employees was in receipt of remuneration of more than ₹ 8.50 Lakh per month or ₹ 102 Lakh 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, NSDL e-Governance Infrastructure Limited and KFin Technologies Private Limited -Central Record Keeping Agencies, Axis Bank , Bank of India - Trustee bank, Stock Holding Corporation of India Limited -Custodian, M/s. Bathiya & Associates LLP, Chartered Accountants - Statutory Auditors of the Company Accounts, M/s. JCR and Co, Chartered Accountants- Internal Auditors, M/S Haribhakti and Co. LLP, Chartered Accountants, Statutory Auditors of the Scheme Accounts managed by the Company, Shri Prasanna Gupchup - Practicing Company Secretary, M/s Vyankatesh Joshi & 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

**Date:** 23<sup>rd</sup> July, 2021

**CHAIRMAN**

## ANNEXURE 1

## 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:

Sr. No.	Name of the related party and nature of relationship	Nature of contracts/ Agreements transactions	Duration of contracts/ Agreements transaction	Salient terms of the Contract or arrangement or transactions including the value	Date of Approval by Board	Amount paid as advance
1	LIC OF INDIA Holding Company	Reimbursement of Salaries, fixed assets and expenses and reimbursement towards fixed assets	On going	The operation expenses incurred by LIC of India on behalf of the Company are reimbursed by the Company from time to time. During 2020-21 such reimbursements amounted to ₹ 13,45,83,762/-	N.A.	NIL

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai

Date: 23<sup>rd</sup> July, 2021

CHAIRMAN



**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186  
OF THE COMPANIES ACT, 2013**

The particulars with respect to loans given and / or guarantees / security provided and / or investments made during the financial year 2020 - 21:

<b>Name of the Entity</b>	<b>Relation</b>	<b>Amount</b>	<b>Particulars of loans / guarantees given, security provided or investments made</b>	<b>Purpose for which the loans, guarantees given or investments are proposed to be utilized</b>
-	-	-	-	-

**FOR AND ON BEHALF OF THE BOARD**

**Place:** Mumbai

**Date:** 23<sup>rd</sup> July, 2021

**CHAIRMAN**

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# **Financial Statements for the year 2020-21**

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## **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 2021.**

The preparation of financial statements of LIC Pension Fund Limited for the year ended 31 March 2021 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 29 April 2021.

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

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of LIC Pension Fund Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act.

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

SD/-

**(P. V. Hari Krishna)**

*Principal Director of Audit (Shipping), Mumbai*

**Place:** Mumbai

**Date:** 30.07.2021

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
LIC Pension Fund Limited.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the standalone financial statements of LIC Pension Fund Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021,
- b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date;
- c) In the case of the Statement of Cash Flow, of the cash flows of the Company for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

#### Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises Director's report but does not include the financial statements and our auditor's report thereon.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance 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 standalone 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:



- a. We have sought and 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 relating to preparation of the financial statements have been kept by the Company so far as it appears from our examination of those books;
  - c. 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 maintained for the purpose of preparation of these financial statements;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
  - g. With respect to the other matters to be included in the Auditors’ 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. There were no pending litigations which would impact the financial position of the Company.
    - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There was no amount required to be transferred to Investor Education and Protection Fund by the Company in accordance to the provision of the Act, and rules made there under.
3. With respect to the matter to be included in the Auditors’ Report under section 197(16):

In our opinion and according to the information and explanations given to us, the Company has paid and/or provided remuneration to the Director during the year ended 31st March, 2021 in accordance with the provisions of Section 197 of the Act.

**As required by Section 143(5) of the Act and in pursuance of directions and sub-directions, issued by the office of the C &A.G. of India for the year ended March 31,2021, we report that:**

- 1) The Company has a system in place to examine and process all the accounting transactions through Tally Accounting Software. The company is not importing any data from any other software.

- 2) During the year, there is no restructuring of existing loan or cases of waiver/write off of debts/loans/ interests etc. due to Company's inability to repay loan or interest.
- 3) The Company has not received/receivable for any funds (grants /subsidy etc.) for any scheme of Central or State Government or its agencies. Hence, proper utilization of fund as per the scheme is not applicable to the Company.

**For Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063

**Vinod Shah**

Partner

Membership No.: 032348

**Place:** Mumbai

**Date:** 29/04/2021

**UDIN:** 21032348AAAAAV4101



## Annexure A to Independent Auditor's Report

**(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)**

- i. In respect of Fixed Assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. As per the information and explanation given to us, all the assets have been physically verified by the management at regular interval which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c. The Company does not hold any immovable property, hence the clause regarding title of immovable property is not applicable.
- ii. The Company is not a manufacturing or trading in any product hence it does not hold any physical inventories. Thus, provisions of clause 3(ii) of the Order are not applicable. Hence the requirements of physical verification and discrepancy for the same are not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. The Company has not given loans, made investments, given guarantees and provided securities covered by section 185 and 186 of the Act.
- v. During the year the Company has not accepted any deposits from the public under sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Therefore, the provisions of Clause (v) of the Order are not applicable to the Company. No order has been passed by Company Law board or National Company Law Tribunal or Reserve Bank of India or any other court or tribunal.
- vi. According to the information given to us, Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, Therefore, provisions of Clause 3(vi) of the Order are not applicable for the Company.
- vii. **In respect of statutory dues:**
  - a. As per information and explanations given to us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Profession Tax, Sales Tax, Goods and Services Tax, Service Tax, Value added tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities. Further, there are no undisputed amounts payable in respect of Income-Tax, Goods and Services Tax, Sales Tax, Value added tax, Service Tax, Customs Duty, Excise Duty and Cess which were in arrears, as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable.
  - b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, custom duty, excise duty and cess, value added tax which have not been deposited on account of any dispute.

- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowing from financial institution, bank, Government or debenture holders, hence provisions of clause 3(viii) of the Order are not applicable.
- ix. On the basis of the records of the Company examined by us, the Company has not raised money by way of Initial Public Offer or Further Public Offer (including debt instruments) and term loans, hence, details regarding utilization of fund, delays or default and subsequent rectification, are not applicable.
- x. 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 instances of fraud by the Company, or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor we have been informed of such case by the management.
- xi. Based upon the audit procedures performed and information and explanations given to us by the management, the Managerial Remuneration of Deputed staff has been reimbursed by the Company which has been paid or provided by the holding company.
- xii. In our opinion and according to the information and explanations given to us, the Company does not fall under the category of Nidhi Company, hence provisions of clause 3(xii) of the Order are not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statement as required by the applicable Accounting Standards.
- xiv. Based upon the audit procedures performed and information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence provisions of clause 3(xiv) of the Order are not applicable.
- xv. On the basis of examination of the records of the Company, according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him, under Section 192 of the Act. Hence, provisions of clause 3(xv) of the Order are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934.

**For Bathiya & Associates LLP**  
Chartered Accountants  
FRN: 101046W/W100063

**Vinod K. Shah**  
Partner  
Membership Number: 032348

**Place:** Mumbai

**Date:** 29/04/2021

**UDIN:** 21032348AAAAV4101



## **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended March 31, 2021)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of LIC Pension Fund Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For Bathiya & Associates LLP**  
Chartered Accountants  
Firm Registration No. 101046W / W100063

**Vinod Shah**  
Partner  
Membership No.: 032348

**Place:** Mumbai  
**Date:** 29/04/2021  
**UDIN:** 21032348AAAAAV4101



**LIC Pension Fund Limited**  
**CIN-U66020MH2007PLC176066**

**STATEMENT OF BALANCE SHEET AS AT 31ST MARCH**

		2021	2020
		Amount in ₹	Amount in ₹
<b>Equity and Liabilities</b>			
<b>Shareholders Funds</b>			
Share Capital	2	30,00,00,000	30,00,00,000
Reserves and Surplus	3	10,63,37,492	8,12,90,544
		40,63,37,492	38,12,90,544
<b>Non-current Liabilities</b>			
Deferred Tax Liabilities (net)	4	-	-
		-	-
<b>Current Liabilities</b>			
Other Current Liabilities	5	13,73,75,317	12,46,45,529
Provisions	6	2,81,62,263	1,17,67,150
		16,55,37,580	13,64,12,679
<b>Total</b>		<b>57,18,75,072</b>	<b>51,77,03,223</b>
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment			
Tangible Assets	7A	11,73,450	3,66,190
Intangible Assets	7B	-	1,16,782
		11,73,450	4,82,972
Long-term Loans and Advances	8	2,30,500	2,30,500
Other Non-current Assets	9	4,60,00,000	13,94,00,000
Deferred Tax Asset	10	4,83,761	18,81,266
		4,67,14,261	14,15,11,766
<b>Current Assets</b>			
Trade Receivables	11	4,40,18,590	3,28,54,926
Cash and Cash Equivalents	12	41,61,78,340	28,54,42,259
Other Current Assets	13	6,37,90,431	5,74,11,300
		52,39,87,361	37,57,08,485
<b>Total</b>		<b>57,18,75,072</b>	<b>51,77,03,223</b>
Summary of Significant Accounting Policies	1		

The accompanying notes form an integral part of the Financial Statements  
In terms of our report attached.

**Bathiya & Associates LLP**  
Chartered Accountants

**DIRECTOR**  
Shri. Jagdish Kapoor  
DIN:00002516

**MANAGING DIRECTOR & CEO**  
Ms. Priti Panwar  
DIN:08072073

**Shri Vinod Shah**  
Partner  
Membership No: 032348  
Firm Reg. No: 101046W / W100063

**COMPANY SECRETARY**  
Shri Avinash Abhyankar  
Membership No: A19923

**DGM Account**  
Shri Mahendrakumar Agrawal  
PAN : AAYPA2307C

**PLACE:** Mumbai

**DATE:** April 29, 2021

**LIC Pension Fund Limited**  
**CIN-U66020MH2007PLC176066**

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH**

		2021	2020
		Amount in ₹	Amount in ₹
Revenue from Operations	14	14,68,63,067	11,08,53,514
Other Income	15	3,79,01,149	3,43,71,418
<b>Total</b>		<b>18,47,64,216</b>	<b>14,52,24,932</b>
<b>Expenses</b>			
Employee benefit expense	16	5,23,40,011	4,65,16,314
Depreciation and amortization expense	7	3,90,021	9,36,215
Annual Fees to PFRDA	17	6,05,13,837	4,63,59,610
Other expenses	18	3,62,05,349	3,21,35,019
<b>Total</b>		<b>14,94,49,218</b>	<b>12,59,47,158</b>
Profit before prior period and extraordinary items and tax		3,53,14,998	1,92,77,774
Prior Period adjustments		-	-
Profit before extraordinary items and tax		3,53,14,998	1,92,77,774
Extraordinary Items		-	-
Profit before tax		3,53,14,998	1,92,77,774
Tax expense:			
Current tax		90,00,000	65,00,000
Deferred tax		13,97,505	(16,04,857)
Excess /Short Provision for taxation/ others		(1,29,455)	91,018
<b>Total</b>		<b>1,02,68,050</b>	<b>49,86,161</b>
Profit/(Loss) After Tax		2,50,46,948	1,42,91,613
Earning per equity share:			
Basic & Diluted		0.83	0.48
Face Value per Ordinary Shares (Amount in Rs.)		10	10
Summary of Significant Accounting Policies	<b>1</b>		
The accompanying notes form an integral part of the Financial Statements In terms of our report attached.			

**Bathiya & Associates LLP**  
Chartered Accountants

**DIRECTOR**  
**Shri. Jagdish Capoor**  
DIN:00002516

**MANAGING DIRECTOR & CEO**  
**Ms. Priti Panwar**  
DIN:08072073

**Shri Vinod Shah**  
*Partner*  
Membership No: 032348  
Firm Reg. No: 101046W / W100063

**COMPANY SECRETARY**  
**Shri Avinash Abhyankar**  
Membership No: A19923

**DGM Account**  
**Shri Mahendrakumar Agrawal**  
PAN : AAYPA2307C

**PLACE:** Mumbai

**DATE:** April 29, 2021



**LIC Pension Fund Limited**  
**CIN-U66020MH2007PLC176066**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH**

S.N.	PARTICULARS	2021	2020
		Amount in ₹	Amount in ₹
<b>A</b>	<b>Cash Flow from Operating activities</b>		
	Profit/(Loss) before extraordinary items and tax	3,53,14,998	1,94,48,366
	Adjustments:		
	Depreciation and amortization	3,90,021	9,36,215
	Interest on Fixed Deposit	(3,74,11,898)	(3,38,54,872)
	Interest on IT Refund	(4,14,133)	(4,35,590)
	Interest on Savings a/c	(75,118)	(76,956)
		<b>(21,96,130)</b>	<b>(1,39,82,837)</b>
	<b>Working capital changes:</b>		
	(Increase) /Decrease in long-term loans and advances	-	6,000
	(Increase) /Decrease in other non-current assets including Fixed deposits with Banks	9,34,00,000	12,09,00,000
	(Increase) /Decrease in other bank balance	(8,07,00,000)	(14,00,00,000)
	(Increase) /Decrease in other current assets	(63,79,131)	(84,00,087)
	(Increase) /Decrease in Trade receivables	(1,11,63,664)	(87,39,088)
	Increase/(Decrease) in other current liabilities	1,27,29,788	2,51,74,358
	Increase/(Decrease) in provisions	1,63,95,113	85,40,112
		<b>2,42,82,106</b>	<b>(25,18,705)</b>
	Direct Tax Paid	88,70,545	91,05,668
	<b>Net Cash from Operating Activities: Total of (A)</b>	<b>1,32,15,431</b>	<b>(2,56,07,210)</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Capital expenditure on fixed assets	(10,80,499)	(82,009)
	Interest Received on Fixed Deposits	3,74,11,898	3,38,54,872
	Interest on Savings a/c	75,118	76,956
	Interest on IT Refund	4,14,133	4,35,590
	<b>Net cash from Investing Activities: Total of (B)</b>	<b>3,68,20,650</b>	<b>3,42,85,409</b>
<b>C</b>	<b>Cash Flow from Financing activities</b>		
	Issue of Fresh Equity Shares	0	0
	<b>Net cash from Financing Activities: Total of (C)</b>	<b>0</b>	<b>0</b>
	<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>5,00,36,081</b>	<b>86,78,199</b>
	<b>Add: Cash and cash equivalents as at 01.04.2020</b>	<b>88,41,133</b>	<b>1,62,934</b>
	<b>Cash and cash equivalents as at 31.03.2021</b>	<b>5,88,77,214</b>	<b>88,41,133</b>
	<b>Reconciliation of cash flow</b>		
	<b>Cash and cash equivalents as per cash flow statement</b>	<b>5,88,77,214</b>	<b>88,41,133</b>
	<b>Add: Other Bank Balance</b>	<b>35,73,01,126</b>	<b>27,66,01,126</b>
	<b>Cash and cash equivalents as per Note 12</b>	<b>41,61,78,340</b>	<b>28,54,42,259</b>

Notes are integral part of Financial Statements

Cashflow is prepared under indirect method as specified under AS-3 Statements of Cash Flow

**Bathiya & Associates LLP**  
Chartered Accountants

**DIRECTOR**  
Shri. Jagdish Capoor  
DIN:00002516

**MANAGING DIRECTOR & CEO**  
Ms. Priti Panwar  
DIN:08072073

**Shri Vinod Shah**  
Partner  
Membership No: 032348  
Firm Reg. No: 101046W / W100063

**COMPANY SECRETARY**  
Shri Avinash Abhyankar  
Membership No: A19923

**DGM Account**  
Shri Mahendrakumar Agrawal  
PAN : AAYPA2307C

**PLACE:** Mumbai  
**DATE:** April 29, 2021

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

LIC Pension Fund Limited (CIN U66020MH2007PLC176066) is the first Pension Fund Company under NPS which was incorporated on 21.11.2007. The Main object of the Company is to carry on the business of Pension Fund management for pension fund schemes as regulated by the Pension Fund Regulatory and Development Authority (PFRDA).

**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 realization.
- Income on investments is accounted for on accrual basis.
- Interest income is recognized 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 (SLM) as per specified useful life 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.

**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.

**F) Employee Benefits**

The employees benefits expected to be paid in exchange for the services rendered by employees is recognized in the period in which the employee rendered the service. This benefit includes salary, perquisites etc.

Provident Fund and allied terminal benefits are charged to the Statement of Profit and Loss.



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

## NOTE 2: SHARE CAPITAL AS AT MARCH 31

	2021		2020	
	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
<b>Total</b>		30,00,00,000		30,00,00,000

## (i) Rights of Equity Shareholders

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## (ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period.

	Opening Balance	Fresh issue	Bonus/ Buy Back	Closing Balance
<b>Equity Shares with Voting Rights:</b>				
For the year ended March 31,2021				
Number of shares	3,00,00,000	-	-	3,00,00,000
Amount (in Rupees)	30,00,00,000	-	-	30,00,00,000
For the year ended March 31,2020				
Number of shares	3,00,00,000	-	-	3,00,00,000
Amount (in Rupees)	30,00,00,000	-	-	30,00,00,000

- (iii) Disclosure for the aggregate number allotted as fully paid up without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Equity Shares:	2020	2019	2018	2017	2016
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

- (iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As At March 31,2021		As At March 31,2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity Shares with Voting Rights:</b>				
Life Insurance Corporation of India	3,00,00,000	100	3,00,00,000	100

- (v) The Company is 100% subsidiary company of Life Insurance Corporation of India

- (vi) Details of shares held by the Holding Company

Particulars	As at March 31, 2021 Number of shares held	As at March 31, 2020 Number of shares held
<b>Equity Shares with Voting Rights:</b>		
Life Insurance Corporation of India	3,00,00,000	3,00,00,000

### NOTE 3 : RESERVE & SURPLUS AS AT MARCH 31

Particulars	2021 Amount in ₹	2020 Amount in ₹
Opening Balance	8,12,90,544	6,69,98,931
(+) Additions: Profit for the year	2,50,46,948	1,42,91,613
	<b>10,63,37,492</b>	<b>8,12,90,544</b>

**NOTE 4 : DEFERRED TAX LIABILITIES (NET) AS AT MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
Opening Balance	-	-
(+) Additions (due to the difference in depreciation as per Companies Act and as per Income Tax Act)	-	-
(-) Deductions:(due to the difference in depreciation as per Companies Act and as per Income Tax Act)	-	-
	-	-

**NOTE 5 : OTHER CURRENT LIABILITIES AS AT MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
Other payables		
TDS payable	2,38,203	2,13,832
GST payable	25,17,419	18,81,099
Professional Tax Payable	200	-
Creditors for Expenses	35,733	-
LIC of India (Reimbursement of Expenses)	13,45,83,762	12,25,50,598
	<b>13,73,75,317</b>	<b>12,46,45,529</b>

**NOTE 6 : PROVISIONS AS AT MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
<b>Provision for employee benefits</b>		
Provision for gratuity	7,48,720	6,18,536
	7,48,720	6,18,536
<b>Provision - Others:</b>		
Outstanding Expenses	2,74,13,543	1,11,48,614
	2,74,13,543	1,11,48,614
	<b>2,81,62,263</b>	<b>1,17,67,150</b>

**Note 7 : PROPERTY, PLANT & EQUIPMENT****A. Tangible Assets**

Sr. No	Particulars	Life in years	Gross Block				Accumulated Depreciation				Net Block	
			Balance as at 1st April, 2020	Addition during the year	Deduction during the year	Balance as at 31st March, 2021	Balance as at 1st April, 2020	Addition during the year	Deduction during the year	Balance as at 31st March, 2021	WDV as on 31.03.2021	WDV as on 31.03.2020
1	Furnitures & Fixtures	10	5,98,453	-	-	5,98,453	5,42,140	9,634	-	5,51,774	46,679	56,313
2	Office Equipment	5	6,46,626	4,03,962	-	10,50,588	4,25,930	1,13,588	-	5,39,518	5,11,070	2,20,696
3	Computer											
	a. Servers	6	5,52,794	91,568	-	6,44,362	5,05,024	31,627	-	5,36,651	1,07,711	47,770
	b. End Users	3	12,02,381	5,84,969	-	17,87,350	11,60,969	1,18,390	-	12,79,359	5,07,991	41,412
	<b>Total</b>		<b>30,00,254</b>	<b>10,80,499</b>	<b>-</b>	<b>40,80,753</b>	<b>26,34,064</b>	<b>2,73,239</b>	<b>-</b>	<b>29,07,303</b>	<b>11,73,450</b>	<b>3,66,190</b>
	Previous Year		29,18,245	82,009	-	30,00,254	23,85,109	2,48,955	-	26,34,064	3,66,190	

**B. Intangible Assets**

Sr. No	Particulars	Life in years	Gross Block				Accumulated Amortisation				Net Block	
			Balance as at 1st April, 2020	Addition during the year	Deduction during the year	Balance as at 31st March, 2021	Balance as at 1st April, 2020	Addition during the year	Deduction during the year	Balance as at 31st March, 2021	WDV as on 31.03.2021	WDV as on 31.03.2020
1	Computer Software	3	21,57,913	-	-	21,57,913	20,41,131	1,16,782	-	21,57,913	-	1,16,782
	<b>Total</b>		<b>21,57,913</b>	<b>-</b>	<b>-</b>	<b>21,57,913</b>	<b>20,41,131</b>	<b>1,16,782</b>	<b>-</b>	<b>21,57,913</b>	<b>-</b>	<b>1,16,782</b>
	Previous Year		21,57,913	-	-	21,57,913	13,53,871	6,87,260	-	20,41,131	1,16,782	

**NOTE 8 : LONG TERM / SHORT TERM LOANS AND ADVANCES AS AT MARCH 31**

	Long Term		Short Term	
	2021	2020	2021	2020
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Security Deposits</b>				
SECURITY DEPOSIT FOR PREMISES	18,000	18,000	-	-
SECURITY DEPOSIT FOR ELECTRICITY	62,500	62,500	-	-
SECURITY DEPOSIT FOR DEMAT OF SHARES	1,50,000	1,50,000		
	<b>2,30,500</b>	<b>2,30,500</b>	-	-

**NOTE 9: OTHER NON CURRENT ASSETS AS AT MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
Fixed Deposit with NBFC	4,60,00,000	13,94,00,000
	<b>4,60,00,000</b>	<b>13,94,00,000</b>

**NOTE 10: DEFERRED TAX ASSET AS AT MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
Deferred Tax Asset	4,83,761	18,81,266
due to difference between		
(i) depreciation as per Companies Act and depreciation as per	18,81,266	3,71,066
Income Tax Act		
(ii) Provision for expenses	- 13,97,505	15,10,200
	<b>4,83,761</b>	<b>18,81,266</b>

**NOTE 11 : TRADE RECEIVABLES AS AT MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
Less than six months		
Unsecured, considered good		
NPS Trustees A/c	4,40,18,590	3,28,54,926
	<b>4,40,18,590</b>	<b>3,28,54,926</b>

**NOTE 12: CASH AND CASH EQUIVALENTS AS AT MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
<b>Balance with banks</b>	9,77,214	8,41,133
Fixed Deposits with Scheduled banks with maturity less than 3 months	5,79,00,000	80,00,000
	5,88,77,214	88,41,133
<b>Other Bank balances</b>		
Fixed Deposits with Scheduled banks with Maturity more than 12months	12,44,01,126	26,12,01,126
(Note: FD of ₹ 30 lakh held as a continuing security against the Performance Bank Guarantee of ₹ 30 lakh issued by Development Credit Bank Ltd. on behalf of LIC Pension Fund Ltd. in favour of PFRDA)		
(Note: FD of ₹ 50 lacs held as a continuing security against the Performance Bank Guarantee of ₹ 50 lakh issued by Indus Ind Bank Ltd. on behalf of LIC Pension Fund Ltd. in favour of PFRDA)		
Fixed Deposits with Scheduled banks with Maturity more than 3 months and less than 12 months	23,29,00,000	1,54,00,000
	35,73,01,126	27,66,01,126
	<b>41,61,78,340</b>	<b>28,54,42,259</b>

**NOTE 13: OTHER CURRENT ASSETS AS AT MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
<b>Accruals</b>		
Interest accrued on deposits	4,78,46,057	3,85,39,771
<b>Others</b>		
Advance tax / TDS (Net of Provision for Tax)	1,40,02,473	1,37,93,798
CGST Receivable	0	15,92,602
Cenvat Credit	4,38,127	2,98,776
Fees Receivable from NPS Trust	3,98,929	20,71,500
Prepaid Expenditure	11,04,845	11,14,853
	<b>6,37,90,431</b>	<b>5,74,11,300</b>

**NOTE 14 : REVENUE FROM OPERATIONS AS ON MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
Management Fees	14,68,63,067	11,08,53,514

**NOTE 15 : OTHER INCOME AS ON MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
<b>Interest</b>		
on Fixed deposits	3,74,11,898	3,38,54,872
on SB a/c	75,118	76,956
Interest on Income tax refund	4,14,133	4,35,590
	3,79,01,149	3,43,67,418
Miscellaneous income	-	4,000
	<b>3,79,01,149</b>	<b>3,43,71,418</b>

**NOTE 16 : EMPLOYEE BENEFIT EXPENSE AS ON MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
Salaries and Wages	4,66,12,174	4,09,05,827
Contribution to Provident Fund and Other Funds	28,87,795	26,38,101
Staff Welfare Expense	28,40,042	29,72,386
	<b>5,23,40,011</b>	<b>4,65,16,314</b>

**NOTE 17 : ANNUAL FEES TO PFRDA AS ON MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
Annual Fees to PFRDA	6,05,13,837	4,63,59,610
	<b>6,05,13,837</b>	<b>4,63,59,610</b>

**NOTE 18: OTHER EXPENSES AS ON MARCH 31**

Particulars	2021	2020
	Amount in ₹	Amount in ₹
Electricity expenses	3,55,867	4,43,710
Office Rent	7,40,796	7,40,796
Payment to Auditors (Refer to note below)	12,66,000	11,96,000
Professional Services	4,25,000	4,70,000
Board Meeting & Other Committee Exp	-	2,10,871
Brokerage charges- Pvt Sector	18,21,181	18,18,109
Brokerage charges- Govt Sector	1,30,24,851	1,49,08,762
Directors Travelling expenses	-	33,782
Disaster Recovery Management expenses	18,18,084	12,85,959
Digital Signature expenses	3,000	-
Gifts and momemtos	8,61,000	5,35,000
Mfund AMC	9,90,704	8,92,099
Printing & Stationary	2,12,297	3,74,121
Rent for Company car	18,48,182	6,21,780
Market Analysis Software	71,62,125	57,18,065
Recruitment /Supply Agency Servcie	6,29,919	7,87,778
Sitting fees	3,95,000	3,45,000
Sect. Consultancy & Sect. expenses	2,00,428	2,45,648
Subscription to Newspaper & journals	11,141	51,691
Travelling expenses	29,058	2,83,806
Valuation Services	4,39,921	3,12,482
Entertainment expenses	42,337	1,43,532
Office Up keep	1,55,455	1,13,949
Repairs and Maintenance	76,843	37,963
STP charges for Equity dealing	49,101	71,500
Telephone , Mobile and Internet charges	1,96,056	2,24,418
Registration Charges - PFRDA	25,00,000	-
Sanitization Expenses	1,67,000	-
Tally ERP Expenses	24,300	-
Reimbursment of IT Audit	1,38,060	-
Website Development	50000	-
Repairs of Furniture	5403	-
custody fee	75000	-
Legal & Prof. charges	37000	-
Repairs to Others	20684	-
Miscellaneous expenses	4,33,556	2,68,198
	<b>3,62,05,349</b>	<b>3,21,35,019</b>
<b>Note:</b>		
Payment to auditor comprises of:		
NPS Audit Scheme Fees	10,20,000	10,20,000
Tax Audit Fees	1,20,000	1,20,000
GST Auditor Fee	65,000	-
	12,05,000	11,40,000
<b>Note:</b>		
Paid to statutory Auditor		
Statutory Audit Fees	56,000	56,000
Certificate Fee	5,000	-
	61,000	56,000



## NOTES TO FINANCIAL STATEMENTS

- 1) Contingent Liability of ₹ 30 lakh in respect of Performance Bank Guarantee issued by Development Credit Bank Limited on behalf of LIC Pension Fund Limited to Pension Fund Regulatory Development Authority (PFRDA) for managing private sector pension funds.
- 2) Additional Contingent Liability of ₹ 50 lakh in respect of Performance Bank Guarantee issued by Indusind Bank on behalf of LIC Pension Fund Limited to Pension Fund Regulatory Development Authority (PFRDA) for increase in AUM of private sector fund.
- 3) Employee cost represents the amount to be reimbursed by the Company to Life Insurance Corporation of India in respect of employees posted to the Company.
- 4) Interest accrued on cumulative Fixed Deposit with Bank is disclosed under the head Other Current Assets.
- 5) The Company is following Accounting Standard – 3 for Cash & Cash Equivalent and reporting is made as required by Accounting Standard – 3 as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013.
- 6) The company is reimbursing the retirement benefit to L.I.C. as per calculation provided by LIC no report under AS 15 is obtained hence no disclosure as required under AS 15 is made.
- 7) 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.
- 8) The segment reporting disclosure as required by Accounting Standard-17 on “Segment Reporting” as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013 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.

### 9) 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.	Ms. Priti Panwar	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	Smt. Priti Panwar
Reimbursement towards expenses on staff posted to the Company	5,23,40,011 (4,65,16,314)	
Reimbursement towards fixed Assets	10,71,377 (82,009)	
Sale/Transfer of Fixed assets	NIL NIL	
Payment made towards reimbursement of expenses	8,11,72,374 (7,59,52,275)	
Remuneration	-	34,21,002 (37,04,399)
Amount Payable – Other current liabilities	13,45,83,762 (12,25,50,598)	

Above mentioned related parties are identified by the management as per Accounting Standard (AS – 18) “Related Party Disclosures” as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013 and relied upon by the auditors.

- 10) In accordance with Accounting Standard 20 “Earnings per Share” as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013, the required disclosure is given below.

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Net profit attributable to shareholder (₹)	2,50,46,948	1,42,91,613
Number of equity shares	3,00,00,000	3,00,00,000
Basic and Diluted earnings per share (in ₹)	0.83	0.48
Face Value (in ₹)	10	10

## 11) Auditors’ Remuneration

Particulars	Year ended 31.03.2021 (₹)*	Year ended 31.03.2020 (₹)*
Statutory Audit Fees	56,000	56,000
Other matters	5,000	-
Total	61,000	56,000

\*Exclusive of GST



- 12) For the financial year 2020-21 Management fee was charged @ 0.0102% on funds managed for Government Sector including Atal Pension Yojna and excluding Corporate CG Scheme. Management Fees for Private Sector Scheme and Corporate CG Scheme is 0.01%.
- 13) The Projector purchased by the Company in August 2014 is grouped under Computers in Fixed Asset Schedule where the useful life is 6 years. Though the useful life of Projecting Equipment is 13 years as a matter of prudence the same is grouped under the head Computers.
- 14) In the opinion of the management, there will be no effect of COVID -19 on the operations of the Company.
- 15) Figures of the previous period have been re-grouped, re-arranged wherever necessary.
- 16) Expenses incurred in Foreign Currency on account of Travelling: **NIL**
- 17) Earning in foreign Currency: **NIL**
- 18) Value of Imports of CIF Basis : **NIL**

**As per our report of even date attached**

**Bathiya & Associates LLP**  
Chartered Accountants

**DIRECTOR**  
**Shri. Jagdish Capoor**  
DIN:00002516

**MANAGING DIRECTOR & CEO**  
**Ms. Priti Panwar**  
DIN:08072073

**Shri Vinod Shah**  
*Partner*  
Membership No: 032348  
Firm Reg. No: 101046W / W100063

**COMPANY SECRETARY**  
**Shri Avinash Abhyankar**  
Membership No: A19923

**DGM A/Cs**  
**Shri Mahendrakumar Agrawal**  
PAN : AAYPA2307C

**PLACE:** Mumbai

**DATE:** April 29, 2021





**LIC Pension Fund Ltd.**