

11th

Annual Report

2017 - 2018



**You Save,
We Secure
Peaceful Retirement**



LIC Pension Fund Ltd.

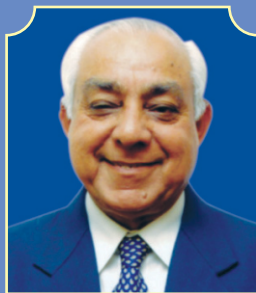
BOARD OF DIRECTORS



Shri V. K. Sharma
Chairman



Shri Hemant Bhargava
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
(upto 31.01.2018)



Ms. Priti Panwar
MD & CEO
(w.e.f. 10.03.2018)

Eleventh Annual Report 2017-18



LIC Pension Fund Ltd.



LIC Pension Fund Ltd.

Banker to the Company

HDFC BANK

CORPORATION BANK

Statutory Auditors

M/S. CHETAN SHAH & CO.

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.

Eleventh Annual Report 2017-18

DIRECTORS' REPORT

To
The Members,
LIC Pension Fund Ltd.

Your Directors have the pleasure in presenting the Eleventh Report of your Company together with the audited Financial Statements for the year ended 31st March, 2018.

Financial Results

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

(Amt. in Rupees)

Sr. No.	Particulars	Year ended 31 st March	
		2018	2017
1	Income from Operations	6,30,33,628	4,55,95,564
2	Other Income	3,44,35,666	3,43,06,383
3	Total (1+2)	9,74,69,294	7,99,01,947
4	Management expenses	7,91,87,447	6,34,68,820
5	Profit/(Loss) before Tax (3-4)	1,82,81,847	1,64,33,127
6	Tax Expenses	51,47,377	55,18,875
7	Profit/(Loss) after Tax(5-6)	1,31,34,470	1,09,14,252
8	Paid up Capital	30,00,00,000	30,00,00,000
9	Net Worth	35,29,98,828	33,98,64,358

Note:

Amount due to Sponsor(LIC of India) as on 31.03.2018 is ₹ 8,49,31,414/- as against ₹ 7,04,43,204/- as on 31.03.2017, 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 ₹ 9,74,69,294/- for the year under review as against ₹ 7,99,01,947/- for previous year. Profit before tax and after tax stood at ₹ 1,82,81,847/- and ₹ 1,31,34,470/- respectively for current year as against ₹ 1,64,33,127/- and ₹ 1,09,14,252/- respectively for the previous year.

The Net worth of the Company as at the close of the current financial year was ₹ 35,29,98,828 /- as against ₹ 33,98,64,358/-. The variation in the net worth is ₹ 1,31,34,470/-

For the financial year 2017-18 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 ₹ 1,31,34,470/- to Reserves.

**Financial Highlights**

In the Financial year 2017-18 LIC Pension Fund Limited has received an amount of ₹ 14123.10 crore as fresh inflow in respect of the following schemes:

Scheme	Amount in Crore
Central Govt.	4,370.51
State Govt.	8138.25
NPS Lite	53.30
Corporate CG Scheme	602.09
E Tier- I	115.24
C Tier- I	84.16
G Tier –I	154.02
E Tier – II	4.96
C Tier –II	3.01
G Tier- II	4.18
Atal Pension Yojana (APY)	593.08
A Tier I	0.31
A Tier II	-0.01
Total	14123.10

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

Particulars	Amount in Crore
31-Mar-16	35,537.76
31-Mar-17	52,709.26
31-Mar-18	70,130.26

The Company is managing the AUM of ₹ 70130.26 Crore as at 31.03.2018 under the following NPS schemes:

Scheme	Amount in Crore
Central Govt.	26379.36
State Govt.	38095.11
NPS Lite	859.27
Corporate CG Scheme	2586.14
E Tier- I	355.58
C Tier- I	231.72
G Tier- I	342.59
E Tier – II	8.98
C Tier- II	6.51
G Tier- II	8.77
Atal Pension Yojana (APY)	1255.84
A Tier I	0.39
A Tier II	0.00
Total	70130.26

Investment Pattern of the Company for Schemes under Govt. Sector and Corporate CG/NPS Lite (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%

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	31.03.2018	31.03.2017	Growth
	(in ₹)	(in ₹)	(%)
Central Government	25.3839	23.9808	5.85%
State Government	22.6816	21.4375	5.80%
NPS Lite Scheme -Govt. Pattern	20.8934	19.7232	5.93%
Corporate CG	16.6773	15.8133	5.46%
Atal Pension Yojana (APY) Scheme	12.8478	12.1823	5.46%

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

Scheme	31.03.2018	31.03.2017	Growth
	(in ₹)	(in ₹)	(%)
E Tier -I	17.5057	16.0524	9.05%
C Tier –I	16.0308	15.1425	5.87%
G Tier –I	16.3945	15.5362	5.52%
E Tier – II	14.6202	13.4738	8.51%
C Tier- II	15.0212	14.2400	5.49%
G Tier- II	16.3477	15.5779	4.94%
A Tier – I	10.9393	10.2511	6.71%
A Tier - II	NA	10.1274	NA

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. M/s. Chetan Shah & Co., Chartered Accountants, Mumbai, had been appointed as Statutory Auditors of the Company for the financial year 2017-18.

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 Hemant Bhargava	Member
Shri M.N. Singh	Member

Directors

Shri S. Bandyopadhyay was reappointed as Managing Director and CEO with effect from 01.06.2017 to hold office till the date of his superannuation or till such time as may be decided by the Board from time to time. Shri. S. Bandyopadhyay retired from the services of the Corporation on account of superannuation on 31st January, 2018.

Ms. Priti Panwar was appointed as an Additional Director with effect from 10th March, 2018 and holds office up to the date of ensuing Annual General Meeting. She was also appointed as Managing Director & C.E.O. in place of Shri. S. Bandyopadhyay. A Notice from a member of the Company has been received proposing her candidature for the Office of Director.

Shri. Hemant Bhargava 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. Rajneesh Khanna ceased to be Chief Financial Officer w.e.f. 09.08.2017. Ms A.N. Desai was appointed as Chief Financial Officer on 10.08.2017 in place of Shri. Rajneesh Khanna.

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 5 (Five) 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 Zonal Manager of LIC of India. As and when there is any revision in the pay scales of the Zonal Manager 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 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 Company may explore 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 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 (upto 31.01.2018) the remuneration being paid to him 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.

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 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 ₹ 8.5 lacs per month or ₹ 102 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, NSDL e-Governance Infrastructure Limited and Karvy Computershare Private Limited -Central Record Keeping Agencies, Axis Bank, Bank of India - Trustee bank, Stock Holding Corporation of India Limited -Custodian, M/s. Chetan Shah & 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, 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
CHAIRMAN**

**Place: Mumbai.
Date: 07.08.2018**

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
 - (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 2017-18 such reimbursements amounted to ₹ 7,04,43,204/-
 - (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

Place: Mumbai.

CHAIRMAN

Date: 07.08.2018



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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		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 01-April-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% 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									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									



Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	*Ms. Sarojini Dikhale (Nominee of Life Insurance Corporation of India)	1	Negligible	NIL	1	Negligible	NIL	NIL
3	*Shri S. Bandyopadhyay (Nominee of Life Insurance Corporation of India)	1	Negligible	Negligible	0	Negligible	NIL	100%

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	
4	*Shri S Srivastava (Nominee of Life Insurance Corporation of India)	1	NIL	NIL	1	Negligible	NIL	NIL
5	*Shri V K Sharma (Nominee of Life Insurance Corporation of India)	1	NIL	NIL	0	Negligible	NIL	100%
6	*Shri S V Ramanarao (Nominee of Life Insurance Corporation of India)	1	NIL	NIL	1	Negligible	NIL	NIL
7	*Shri P H Kutumbe (Nominee of Life Insurance Corporation of India)	1	NIL	NIL	1	Negligible	NIL	NIL
8	*Shri Satish Chandra Singh (Nominee of Life Insurance Corporation of India)	0	NIL	NIL	1	Negligible	NIL	100%
9	Ms. Priti Panwar (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 1-4-2017 and 31-3-2018. However, during the year, shares held by Shri. V.K. Sharma and Shri. S. Bandyopadhyay, nominees of LIC of India, were transferred to Shri. Satish Chandra Singh and Ms. Priti Panwar respectively, other nominees of LIC of India.



D) Shareholding Pattern of top ten Shareholders:

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

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

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	*Shri S. Bandyopadhyay**				
	At the beginning of the year	1	negligible	1	negligible
	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	negligible
	At the end of the year	0	0		
2.	*Shri V K Sharma				
	At the beginning of the year	1	negligible	1	negligible
	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	negligible
	At the end of the year	0	0		

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
3.	*Ms Priti Panwar***				
	At the beginning of the year	0	0	0	0
	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	negligible
	At the end of the year	1	negligible		

* Beneficial Interest held by LIC of India

** Retired on 31.01.2018

*** Appointed on 10.03.2018

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)				
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*	Ms. Priti Panwar Managing Director and CEO**	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 19,01,939	₹ 1,25,544	₹ 20,27,483
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 4,12,561	₹ 42,354	₹ 4,54,915
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00	0.00
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	₹ 23,14,500	₹ 1,67,898	₹ 24,82,398
	Ceiling as per the Act	₹42,00,000		₹ 42,00,000

* Retired on 31.01.2018

** Appointed on 10.03.2018

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)					

SN.	Particulars of Remuneration	Name of Directors				Total Amount
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	CFO	Total
		Shri Avinash C. Abhyankar	Shri Rajneesh Khanna (upto 09.08.2017)	Ms. A. N. Desai (From 10.08.2017)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 14,70,816	₹ 5,62,753	₹ 11,51,864	₹ 31,85,433
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 41,919	₹ 1,22,374	₹ 79,595	₹ 2,43,888
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	- as % of profit	-	-		-
	others, specify...	-	-		-
5	Others, please specify	-	-		-
	Total	₹ 15,12,735	₹ 6,85,127	₹ 12,31,459	₹ 34,29,321



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: 07.08.2018

Financial Statements for the year 2017-18



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 2018

The preparation of financial statements of LIC Pension Fund Limited for the year ended 31 March 2018 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 21 April 2018.

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 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 2018. 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 Auditors' report.

For and on the 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 : 22.06.2018

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
LIC Pension Fund Limited.

Report on 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, 2018 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 others 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 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.

Auditors' 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 explanation 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, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the 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.
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 purpose of our audit.
 - (b) 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.
 - (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.
 - (d) 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.
 - (e) On the basis of written representations received from the directors as on March 31, 2018, from being appointed as a directed in terms 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 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;

- iv) As informed to us the Company has informed CAG/MAB Mumbai - 1 Office, vide their letter 25.05.2017 that the Company did not have Specified Bank Notes (SBN) as on 8 November, 2016 and the Company has not transacted in SBN during 08.11.2016 to 30.12.2016 as well as during the financial year 2016-17 as all transactions of the Company are executed by NEFT.
- (h) In Compliance with section 143 (5) of the Act and in pursuance of directions and Sub- directions, issued by the office of the Comptroller and Auditor General of India for the year ended 31st March, 2018 we report as under:
 - i) Based on the information received and the records of the Company verified , the Company does not own any freehold or lease hold.
 - ii) Based on the information received and the records of the Company verified we have not come across any instances of waiver / write off of debts/loans/interest etc. during the course of our audit.
 - iii) Based on the information received and the records of the Company verified the Company does not have any of its inventories lying with third parties and assets received as gifts/grants from Government of other authorities.

For Chetan Shah & Co.
Chartered Accountants
(FRN No.101781W)

Place: Mumbai
Date: 21.04.2018

(Chetan Shah)
Partner
(M/ship No. 036366)



ANNEXURE 'A' TO AUDITORS' REPORT

Referred to in the Auditors' Report of even date to LIC PENSION FUND LIMITED on the financial statements for the year ended March 31, 2018 - 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 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.
- (c) The Company does not have any Immovable Property in its name.
- (ii) The Company does not have any physical stock of inventory.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firm, or other parties covered in the register maintained under Section 189 of the Companies Act.
- (iv) The Company has not granted any loans, investments, guarantees and security to which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) Provision of sub-section (1) of section 148 of the Companies Act, 2013 regarding maintenance of cost records is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the company examined by us, Company is regular in depositing Statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other Statutory Dues to appropriate authorities and no undisputed statutory dues are outstanding as on the last day of the financial year.
- (b) According to the information and explanations given to us and the records of the company examined by us the Company does not have any disputed Statutory Dues.
- (viii) The Company has not defaulted in repayment of loans or borrowing from any financial institution, bank or payment to debenture holders.
- (ix) The company has not raised any money by way of Initial Public Offer or Further Public Offer.
- (x) Accordingly to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- (xi) Accordingly to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Chetan Shah & Co.
Chartered Accountants
(FRN No.101781W)

Place: Mumbai
Date: 21.04.2018

(Chetan Shah)
Partner
(M/ship No. 036366)



ANNEXURE – B TO THE AUDITOR’S REPORT

Report on the Internal Financial Controls 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 31st March 2018 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 (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal 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.

Auditor’s Responsibility

Our responsibility is to express and give 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 on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 auditor’s 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 report, 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 evaluations 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, the Company has, in all material respects, and adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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.

For Chetan Shah & Co.
Chartered Accountants
(FRN No.101781W)

Place: Mumbai
Date: 21.04.2018

(Chetan Shah)
Partner
(M/ship No. 036366)



LIC Pension Fund Limited
CIN-U66020MH2007PLC176066

STATEMENT OF BALANCE SHEET AS AT MARCH 31, 2018

		31 March 2018 Amount in ₹	31 March 2017 Amount in ₹
Equity and Liabilities			
Shareholders Funds			
Share Capital	2	300,000,000	300,000,000
Reserves and Surplus	3	52,998,828	39,864,358
		352,998,828	339,864,358
Non-current Liabilities			
Deferred Tax Liabilities (net)	4	117,772	70,395
		117,772	70,395
Current Liabilities			
Other Current Liabilities	5	86,086,582	70,610,821
Short-term Provisions	6	13,753,231	8,868,218
		99,839,813	79,479,039
Total		452,956,413	419,413,792
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	7A	689,328	1,061,772
Intangible Assets	7B	1,523,346	1,264,172
		2,212,674	2,325,944
Long-term Loans and Advances	8	74,500	71,500
Other Non-current Assets	9	247,401,126	211,601,126
		247,475,626	211,672,626
Current Assets			
Trade Receivables	10	18,331,063	13,396,088
Cash and Cash Equivalents	11	119,712,947	137,499,033
Other Current Assets	12	65,224,103	54,520,101
		203,268,113	205,415,222
Total		452,956,413	419,413,792
Summary of Significant Accounting Policies	1		
The accompanying notes form an integral part of the Financial Statements In terms of our report attached.			

Chetan Shah & Co.
Chartered Accountants

DIRECTOR
Shri. Jagdish Capoor
DIN:00002516

MANAGING DIRECTOR & CEO
Ms. Priti Panwar
DIN: 08072073

Shri. Chetan Shah
Partner
Membership No. : 036366
Firm Reg. No. : 101781W

COMPANY SECRETARY
Shri. Avinash Abhyankar

CFO
Ms. Anjali Desai

PLACE : Mumbai
DATE : April 21, 2018

LIC Pension Fund Limited
CIN-U66020MH2007PLC176066

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

		31 March 2018 Amount in ₹	31 March 2017 Amount in ₹
Revenue from Operations	13	63,033,628	45,595,564
Other Income	14	34,435,666	34,306,383
Total		97,469,294	79,901,947
Expenses			
Employee benefit expense	15	27,056,585	25,500,396
Depreciation and amortization expense	7	1,331,764	972,275
Annual Fees to PFRDA	16	26,354,624	17,908,148
Other expenses	17	24,444,474	18,699,147
Prior Period Items	18	-	388,854
Total		79,187,447	63,468,820
Profit before exceptional and extraordinary items and tax		18,281,847	16,433,127
Exceptional Items			
Profit before extraordinary items and tax		18,281,847	16,433,127
Extraordinary Items			
Profit before tax		18,281,847	16,433,127
Tax expense:			
Current tax		5,100,000	5,600,000
Deferred tax		47,377	25,000
Excess /Short Provision for taxation/ others		-	(106,125)
Total		5,147,377	5,518,875
Profit/(Loss) After Tax		13,134,470	10,914,252
Earning per equity share:			
Basic & Diluted		0.44	0.36
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.			

Chetan Shah & Co.
Chartered Accountants

DIRECTOR
Shri. Jagdish Capoor
DIN:00002516

MANAGING DIRECTOR & CEO
Ms. Priti Panwar
DIN: 08072073

Shri. Chetan Shah
Partner
Membership No. : 036366
Firm Reg. No. : 101781W

COMPANY SECRETARY
Shri. Avinash Abhyankar

CFO
Ms. Anjali Desai

PLACE : Mumbai
DATE : April 21, 2018



LIC Pension Fund Limited
CIN-U66020MH2007PLC176066
CASH FLOW STATEMENT AS ON 31ST MARCH

S.N.	PARTICULARS	2018	2017
		Amount in ₹	Amount in ₹
A	Cash Flow from Operating activities		
	Profit/(Loss) before extraordinary items and tax	18,281,847	16,433,127
	Adjustments:		
	Depreciation and amortization	1,331,764	972,275
	Interest on Fixed Deposit	(33,300,242)	(33,045,042)
	Interest on IT Refund	-	(773,478)
	Interest on Savings a/c	(146,225)	(487,147)
	Income Tax Provisions	(5,147,377)	(5,493,875)
		(18,980,233)	(22,394,140)
	Working capital changes:		
	(Increase) /Decrease in long-term loans and advances	(3,000)	(50,000)
	(Increase) /Decrease in other non-current assets	(35,800,000)	(95,100,000)
	(Increase) /Decrease in other current assets	(10,704,002)	5,549,856
	(Increase) /Decrease in Trade receivables	(4,934,975)	(4,541,912)
	Increase/(Decrease) in other current liabilities	15,475,761	10,134,177
	Increase/(Decrease) in short-term provisions	4,932,390	3,408,261
		(31,033,826)	(80,599,618)
	Cash generated from operations Total of (A)	(50,014,059)	(102,993,758)
B	Cash Flow from Investing Activities		
	Capital expenditure on fixed assets	(1,218,494)	(1,085,195)
	Interest Received on Fixed Deposits	33,300,242	33,045,042
	Interest on Savings a/c	146,225	487,147
	Interest on IT Refund	-	773,478
	Net cash from Investing Activities: Total of (B)	32,227,973	33,220,472
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)	(17,786,086)	(69,773,286)
	Add: Cash and cash equivalents as at 01.04.2017	137,499,033	207,272,319
	Cash and cash equivalents as at 31.03.2018	119,712,947	137,499,033

Notes are integral part of Financial Statements

Chetan Shah & Co.
Chartered Accountants

DIRECTOR
Shri. Jagdish Capoor
DIN:00002516

MANAGING DIRECTOR & CEO
Ms. Priti Panwar
DIN: 08072073

Shri. Chetan Shah
Partner
Membership No. : 036366
Firm Reg. No. : 101781W

COMPANY SECRETARY
Shri. Avinash Abhyankar

CFO
Ms. Anjali Desai

PLACE : Mumbai
DATE : April 21, 2018

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.

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.

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**

	31 March 2018		31 March 2017	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Authorised Share Capital				
Equity shares of ₹ 10 each with voting rights	40,000,000	400,000,000	40,000,000	400,000,000
Issued Share Capital				
Equity shares of ₹ 10 each with voting rights	30,000,000	300,000,000	30,000,000	300,000,000
		300,000,000		300,000,000
Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	30,000,000	300,000,000	30,000,000	300,000,000
Total		300,000,000		300,000,000

(i) Rights of Equity Shareholders

The Company has one class of equity shares having a par value of ₹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
Equity Shares with Voting Rights:				
For the year ended March 31,2018				
Number of shares	30,000,000	—	—	30,000,000
Amount (in Rupees)	300,000,000	—	—	300,000,000
For the year ended March 31,2017				
Number of shares	30,000,000	—	—	30,000,000
Amount (in Rupees)	300,000,000	—	—	300,000,000

- (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:	2018	2017	2016	2015	2014
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, 2018		As At March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares with Voting Rights:				
Life Insurance Corporation of India	30,000,000	100	30,000,000	100

- (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, 2018 Number of shares held	As at March 31, 2017 Number of shares held
Equity Shares with Voting Rights:		
Life Insurance Corporation of India	30,000,000	30,000,000

NOTE 3 : RESERVE & SURPLUS

Particulars	31 March 2018 Amount in ₹	31 March 2017 Amount in ₹
Opening Balance	39,864,358	28,950,106
(+) Additions: Profit for the year	13,134,470	10,914,252
	52,998,828	39,864,358

**NOTE 4 : DEFERRED TAX LIABILITIES (NET)**

Particulars	31 March 2018 Amount in ₹	31 March 2017 Amount in ₹
Opening Balance	70,395	45,395
(+) Additions (due to the difference in depreciation as per Companies Act and as per income Tax Act)	47,377	25,000
(-) Deductions:	—	—
	117,772	70,395

NOTE 5 : OTHER CURRENT LIABILITIES

Particulars	31 March 2018 Amount in ₹	31 March 2017 Amount in ₹
Other payables		
TDS payable	204,767	167,617
GST payable	912,085	—
Pais Auto Ltd	38,316	—
LIC of India	84,931,414	70,443,204
	86,086,582	70,610,821

NOTE 6 : SHORT-TERM PROVISIONS

Particulars	31 March 2018	31 March 2017
	Amount in ₹	Amount in ₹
Provision for employee benefits		
Provision for gratuity	387,996	310,889
	387,996	310,889
Provision - Others:		
Provision for tax	10,700,000	5,600,000
Outstanding Expenses	2,665,235	2,957,329
	13,365,235	8,557,329
	13,753,231	8,868,218

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

Amount in ₹

Sr. No	Particulars	Life in years	Gross Block				Accumulated Depreciation				Net Block	
			Balance as at 1st April, 2017	Addition during the year	Deduction during the year	Balance as at 31st March, 2018	Balance as at 1st April, 2017	Addition during the year	Deduction during the year	Balance as at 31st March, 2018	WDV as on 31.03.2018	WDV as on 31.03.2017
1	Furnitures & Fixtures	10	540,961	57,492	—	598,453	337,960	54,224	—	392,184	206,269	203,001
2	Office Equipment	5	409,821	8,500	—	418,321	126,881	82,255	—	209,136	209,185	282,940
3	Computer					—						
a.	Servers	6	509,510	43,284	—	552,794	247,656	87,527	—	335,183	217,611	261,854
b.	End Users	3	1,152,771	—	—	1,152,771	838,794	257,714	—	1,096,508	56,263	313,977
	Total		2,613,063	109,276	—	2,722,339	1,551,291	481,720	—	2,033,011	689,328	1,061,772
	Previous Year		2,576,563	36,500	—	2,613,063	947,480	603,811	—	1,551,291	1,061,772	—

B. Intangible Assets

Amount in ₹

Sr. No	Particulars	Life in years	Gross Block				Accumulated Amortisation				Net Block	
			Balance as at 1st April, 2017	Addition during the year	Deduction during the year	Balance as at 31st March, 2018	Balance as at 1st April, 2017	Addition during the year	Deduction during the year	Balance as at 31st March, 2018	WDV as on 31.03.2018	WDV as on 31.03.2017
1	Computer Software	3	1,048,695	1,109,218	—	2,157,913	35,435	599,132	—	634,567	1,523,346	1,013,260
2	Licence Disaster Recovery Management	3	1,000,000	—	—	1,000,000	749,088	250,912	—	1,000,000	—	250,912
	Total		2,048,695	1,109,218	—	3,157,913	784,523	850,044	—	1,634,567	1,523,346	1,264,172
	Previous Year		1,000,000	1,048,695	—	2,048,695	416,059	368,464	—	784,523	1,264,172	—

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

	Long Term		Short Term	
	2018	2017	2018	2017
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Security Deposits				
SECURITY DEPOSIT FOR PREMISES	12,000	12,000	-	-
SECURITY DEPOSIT FOR ELECTRICITY	62,500	59,500	-	-
	74,500	71,500	-	-

NOTE 9: OTHER NON CURRENT ASSETS

Particulars	2018	2017
	Amount in ₹	Amount in ₹
Bank Balances		
Fixed Deposit with banks with maturity more than 12 months (Note: FD of ₹30 lacs held as a continuing security against the Performance Bank Guarantee of ₹30 lacs issued by Development Credit Bank on behalf of LIC Pension Fund Ltd in favour of PFRDA)	247,401,126	211,601,126
	247,401,126	211,601,126

NOTE 10 : TRADE RECEIVABLES

Particulars	2018	2017
	Amount in ₹	Amount in ₹
Less than six months		
Unsecured, considered good		
NPS Trustees A/c	18,331,063	13,396,088
	18,331,063	13,396,088

NOTE 11: CASH AND CASH EQUIVALENTS

Particulars	2018	2017
	Amount in ₹	Amount in ₹
Balance with banks	12,947	311,042
Cash in hand	-	-
Fixed Deposits with Scheduled banks with Maturity less than 12months (Note: FD of ₹20 lacs held as a continuing security against the Performance Bank Guarantee of ₹20 lacs issued by TamilNad Mercantile Bank on behalf of LIC Pension Fund Ltd in favour of PFRDA)	119,700,000	137,187,991
	119,712,947	137,499,033

NOTE 12: OTHER CURRENT ASSETS

Particulars	2018	2017
	Amount in ₹	Amount in ₹
<u>Accruals</u>		
Interest accrued on deposits	46,667,111	45,756,659
<u>Others</u>		
Advance tax / TDS	17,735,469	8,123,786
Cenvat Credit	135,132	87,921
Prepaid Expenditure	686,391	551,735
	65,224,103	54,520,101

NOTE 13 : REVENUE FROM OPERATIONS

Particulars	2018	2017
	Amount in ₹	Amount in ₹
Management Fees	63,033,628	45,595,564

NOTE 14 : OTHER INCOME

Particulars	2018	2017
	Amount in ₹	Amount in ₹
<u>Interest from banks</u>		
on deposits	33,300,242	33,045,042
on SB a/c	146,225	487,147
Interest on income tax refund	-	773,478
	33,446,467	34,305,667
Miscellaneous income	-	716
Reimbursement of Legal fees received from NPS Trust	989,199	-
	34,435,666	34,306,383

NOTE15 : EMPLOYEE BENEFIT EXPENSE

Particulars	2018	2017
	Amount in ₹	Amount in ₹
Salaries and Wages	23,095,595	21,904,065
Contribution to Provident Fund and Other Funds	2,104,566	1,955,435
Staff Welfare Expense	1,856,424	1,640,896
	27,056,585	25,500,396

NOTE16 : ANNUAL FEES TO PFRDA

Particulars	2018	2017
	Amount in ₹	Amount in ₹
Annual Fees to PFRDA	26,354,624	17,908,148
	26,354,624	17,908,148

**NOTE 17: OTHER EXPENSES**

Particulars	2018	2017
	Amount in ₹	Amount in ₹
Electricity expenses	487,620	563,179
Office Rent	742,312	746,556
Payment to Auditors (Refer to note below)	1,172,234	888,636
Professional Services	300,000	831,486
Board Meeting & Other Committee Exp	249,016	169,717
Brokerage charges- Pvt Sector	1,266,937	693,604
Brokerage charges- Govt Sector	10,427,834	6,045,354
Directors Travelling expenses	65,207	54,676
Disaster Recovery Management expenses	1,202,040	1,232,280
Gifts and momemtos	-	450,000
Mfund AMC	638,592	580,538
Printing & Stationary	383,151	291,078
Rent for Company car	818,883	727,229
Hardware and Software exp	3,581,917	2,616,075
Recruitment /Supply Agency Servcie	618,769	634,751
Sitting fees	550,700	502,500
Sect. Consultancy & Sect. expenses	334,575	190,071
Subscription to Newspaper & journals	35,360	23,709
Travelling expenses	329,309	95,649
Valuation Services	277,463	281,712
Entertainment expenses	156,668	192,618
Training exp	21,700	125,625
Mobile Phone charges	49,266	67,033
Office Up keep	80,581	86,952
Repairs and Maintenance	156,368	76,447
STP charges for Equity dealing	60,858	64,443
Telephone charges	193,605	217,928
Miscellaneous expenses	243,509	249,301
	24,444,474	18,699,147
Note:		
Payment to auditor comprises of:		
NPS Audit Scheme Fees	1,016,234	756,981
Statutory Audit Fees	56,000	56,280
Tax Audit & Consultancy Fees	100,000	75,375
	1,172,234	888,636

NOTE 18: PRIOR PERIOD ITEMS

Particulars	2018	2017
	Amount in ₹	Amount in ₹
Office Rent	-	266,065
Printing & Stationary	-	3,714
Conference Expenses	-	16,178
Miscellaneous expenses	-	12,723
Telephone	-	9,305
Staff Welfare Expenses	-	80,869
	-	388,854

NOTES TO FINANCIAL STATEMENTS

- 1) Contingent Liability of ₹ 20 lakh in respect of Performance Bank Guarantee issued 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.
- 2) Contingent Liability towards Performance Bank Guarantee provided by the LIC of India (Sponsor) issued by HDFC Bank Ltd on behalf of the Company - ₹ 20 lakh.
- 3) Additional 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 increase in AUM of private sector funds.
- 4) 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.
- 5) 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.
- 6) 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.

7) 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
3.	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	Shri S. Bandyopadhyay	Smt. Priti Panwar
Reimbursement towards expenses on staff posted to the Company	2,70,56,585 (2,55,00,396)		
Reimbursement towards fixed Assets	12,18,494 (10,85,196)		
Sale/Transfer of Fixed assets	NIL NIL		
Payment made towards reimbursement of expenses	7,04,43,204 (6,03,24,222)		
Remuneration	-	23,14,500 (28,07,322)	1,67,898*
Amount Payable – Other current liabilities	8,47,48,327 (7,04,43,204)		

*Ms Priti Panwar, MD & CEO appointed by the Board of Directors of LIC PFL w.e.f. 10.3.2018



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.

- 8) 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 31.03.2018	Year ended 31.03.2017
Net profit attributable to shareholder (₹)	1,31,34,470	1,09,14,252
Number of equity shares	3,00,00,000	3,00,00,000
Basic and Diluted earnings per share (in ₹)	0.44	0.36
Face Value	10	10

- 9) Auditors’ Remuneration

Particulars	Year ended 31.03.2018 (₹)*	Year ended 31.03.2017 (₹)*
Statutory Audit Fees	56,000	56,000
Other matters	-	-
Total	56,000	56,000

*Exclusive of GST

- 10) For the financial year 2017-18 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%.
- 11) Figures of the previous period have been re-grouped, re-arranged wherever necessary.
- 12) Expenses incurred in Foreign Currency on account of Travelling: NIL
- 13) Earning in foreign Currency: NIL
- 14) Value of Imports of CIF Basis : NIL

As per our report of even date attached

Chetan Shah & Co.
Chartered Accountants

DIRECTOR
Shri. Jagdish Capoor
DIN:00002516

MANAGING DIRECTOR & CEO
Ms. Priti Panwar
DIN: 08072073

Shri. Chetan Shah
Partner
Membership No. : 036366
Firm Reg. No. : 101781W

COMPANY SECRETARY
Shri. Avinash Abhyankar

CFO
Ms. Anjali Desai

PLACE : Mumbai
DATE : April 21, 2018

➡
**Farewell of
Shri S. Bandopadhyay**



←
**Induction of
Ms. Priti Panwar,
MD & CEO on the
Board of LIC PFL
w.e.f.10/03/2018**

➡
**LIC Pension Fund Ltd.
was awarded as
'Best Pension Fund
under G-SEC. Category'
by India Today Group
for Financial year
2017-18**





LIC Pension Fund Ltd.

Registered Office:

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

Corporate Office:

1st Floor East Wing, Industrial Assurance Building, Veer Nariman Road, Churchgate, Mumbai - 400 020.