



IDFC Pension Fund Management Company Limited

BOARD OF DIRECTORS

- Mr. Vikram Limaye
Chairman
- Dr. T. C. Nair
- Mr. Bharat Shah
- Mr. Bharat S. Raut
- Mr. Naval Bir Kumar
- Mr. Sunil Kakar

AUDITORS

- M. P. Chitale & Co.
Chartered Accountants

PRINCIPAL BANKERS

- HDFC Bank Limited

REGISTERED OFFICE

One India Bulls Centre,
841, Jupiter Mills Compound,
Senapati Bapat Marg,
Elphinstone Road (West)
Mumbai – 400 013

TO THE MEMBERS,

We are pleased to present the Second Annual Report to the Members, alongwith the Audited Profit and Loss Account for the year ended March 31, 2011 and the Balance Sheet as at March 31, 2011

PRINCIPAL ACTIVITIES

The Company is one of the six pension fund managers selected by the Pension Fund Regulatory and Development Authority (PFRDA) to manage the New Pension System (NPS) launched by the Government of India for all citizens of India other than government employees covered under NPS.

FINANCIAL RESULTS

	YEAR ENDED MARCH 31, 2011	YEAR ENDED MARCH 31, 2010
Gross Income	6,193,203	3,937,255
Profit before Tax	2,980,458	(1,728,486)
Provision for Tax	135,646	(452,413)
Profit after Tax	1,568,739	(1,276,073)

OPERATIONAL OVERVIEW

As of March 31, 2011 the AUM of Tier I & II NPS is as follows:

DATA AS ON MARCH 31, 2011

PORTFOLIOS	CUMULATIVE MARKET VALUE (₹)	ALLOCATION
Scheme E	10,699,453.61	39.55%
Scheme G	5,373,074.22	19.86%
Scheme C	7,352,164.23	27.18%
Scheme E Tier II	1,694,274.20	6.26%
Scheme G Tier II	760,843.21	2.81%
Scheme C Tier II	1,170,514.57	4.33%
Total	27,050,324.04	100.00%

PERFORMANCE

SCHEME	* SINCE INCEPTION (ABSOLUTE)
Nifty	59.65%
Scheme E	34.49%
Scheme G	9.62%
Scheme C	16.74%
Scheme E Tier II	7.29%
Scheme G Tier II	6.97%
Scheme C Tier II	6.99%
Inception Date is May 1, 2009	

DIVIDEND

Due to inadequacy of profits, the Board of Directors do not recommend any dividend for the year ended March 31, 2011.

DIRECTORS

In terms of the provisions of the Articles of Association of the Company and Companies Act, 1956, Mr. Bharat Raut would retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. L. K. Narayan resigned from the directorship of the Company with effect from March 24, 2011. The Board wishes to place on record its sincere appreciation for his guidance and valuable contribution to the Company during his tenure as director.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Sunil Kakar was appointed as additional director of the Company by the Board of Directors on March 24, 2011. He would hold office till the conclusion of the forthcoming Annual General Meeting. The members are requested to consider his appointment as director of the Company.

AUDITORS

M/s. M. P. Chitale & Co., Chartered Accountants will hold the office of Statutory Auditors of the Company up to the ensuing Annual General Meeting. It is proposed to re-appoint M/s. M. P. Chitale & Co. as the statutory auditors of the Company for the financial year ending March 31, 2012.

M/s. M. P. Chitale & Co., have confirmed that their re-appointment, if made, would be in conformity with the provisions of Sections 224 and 226 of the Companies Act, 1956 as have also indicated their willingness to be appointed.

You are requested to consider their re-appointment.

AUDIT COMMITTEE

The Audit Committee consists of three members, Mr. Bharat S. Raut, Chairman, Dr. T. C. Nair and Mr. Sunil Kakar. The Committee met two times during the year under review. The functions of the Committee includes reviewing the financial statements, internal control systems and significant accounting policies of the Company and discussing the audit findings and recommendations of the internal and statutory auditors of the Company.

SHARE CAPITAL

No further equity shares were issued during the year under review.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the public.

PARTICULARS OF EMPLOYEES

Since your Company does not have any employees, the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are not applicable and hence not given.

STATUTORY DISCLOSURE OF PARTICULARS

Since the Company does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1998, are not applicable and hence not given.

There was no income or expenditure in foreign currency during the period under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the representation made by the management, the directors, pursuant to the provisions of Section 217 (2AA) the Directors wish to state

- that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

The Board places on record its gratitude to the Government of India, the Pension Fund Regulatory & Development Authority, other regulatory authorities and institutions, investors in the Pension Fund schemes and to the Members for their continued guidance and support.

The Company would also like to express its gratitude for the unstinted support and guidance received from Infrastructure Development Finance Company Limited and other group companies.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

VIKRAM LIMAYE

Chairman

Mumbai

April 25, 2011

To The Members of IDFC Pension Fund Management Company Limited

We have audited the attached Balance Sheet of IDFC PENSION FUND MANAGEMENT COMPANY LIMITED as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

(1) As required by the Companies Auditor's Report Order (CARO) 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose as Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

(2) Further to our comments in the Annexure referred to in paragraph (1) above, we state that:

- (a) We have 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 appears from our examination of those books;
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with in this report are in agreement with the books of account;

- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable;
- (e) On the basis of written representation received by the Company from the directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31, 2011,
 - (ii) in so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date, and
 - (iii) in so far as it relates to the Cash Flow Statement of the Company for the year ended on that date.

FOR M. P. CHITALE & CO.

Chartered Accountants
Firm Reg. No. 101851W

VIDYA BARJE

Partner
(Membership No. 104994)

Mumbai
April 25, 2011

Annexure referred to in paragraph 1 of the report of even date of the Auditors to the members of IDFC Pension Fund Management Company Limited

- (i) (a) The Company has maintained proper records, showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for the physical verification of all the fixed assets at reasonable intervals and discrepancies observed during the verification have been properly dealt with in the books of account.
- (c) The Company has not disposed of substantial part of fixed assets during the year.
- (ii) The Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iii) The Company has not taken any loans from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for the services rendered.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into a Register in pursuance of Section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vii) Company has an internal audit system commensurate with its size and nature of business.
- (viii) Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues outstanding as at March 31, 2011 for a period of more than six months from the date they became payable.

- (x) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, during the year, the Company has not taken any loan and no amounts were due towards principal or interest to financial institution, bank or debenture holders during the year.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xv) According to the information and explanations given to us, the Company has not taken any term loan.
- (xvi) According to the information and explanations given to us, during the year, the Company has not raised any funds.
- (xvii) During the year, the Company has not made any preferential allotment of shares to parties and Companies covered and recorded in the Register maintained under Section 301 of the Act.
- (xviii) According to the information and explanations given to us, the Company has not issued any debentures up to March 31, 2011.
- (xix) The Company has not raised money from public issue.
- (xx) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- (xxi) Considering the nature of the business and the services rendered by the Company, clauses (ii) and (xiii) under Clause 4 of the CARO are not applicable.

FOR M. P. CHITALE & CO.

Chartered Accountants
Firm Reg. No. 101851W

VIDYA BARJE

Partner
(Membership No. 104994)

Mumbai
April 25, 2011

BALANCE SHEET

AS AT MARCH 31, 2011

		₹	₹	₹
	SCHEDULE		AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1		120,000,000	120,000,000
Reserves and Surplus			1,568,739	-
			121,568,739	120,000,000
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	2	140,000		140,000
Less: Accumulated Depreciation/Amortisation		48,838		2,173
Net Block			91,162	137,827
Investments	3		117,028,760	119,027,255
Deferred Tax Asset			316,767	452,413
Current Assets, Loans and Advances				
Cash and Bank Balances	4	318,392		245,716
Loans and Advances	5	4,062,499		1,023,196
			4,380,891	1,268,912
Less: Current Liabilities and Provisions	6			
Current Liabilities			248,841	2,162,480
Net Current Assets/(Liabilities)			4,132,050	(893,568)
Debit Balance in Profit and Loss Account			-	1,276,073
			121,568,739	120,000,000
Notes to the Accounts	11			
The Schedules referred to above and Notes to the Accounts form an integral part of the Balance Sheet				

AS PER OUR REPORT OF EVEN DATE

FOR M. P. CHITALE & CO.

Chartered Accountants

Firm Reg. No. 101851W

VIDYA BARJE

Partner

(Membership No. 104994)

Mumbai | April 25, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF IDFC PENSION FUND MANAGEMENT COMPANY LTD.**T.C. NAIR**

Director

BHARAT S. RAUT

Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2011

		₹	₹
	SCHEDULE ↘	APRIL 1, 2010 TO MARCH 31, 2011	MARCH 31, 2009 TO MARCH 31, 2010
INCOME			
Operating Income	7	115	-
Other Income	8	6,193,088	3,937,255
		6,193,203	3,937,255
EXPENDITURE			
Personnel Expenses	9	5,105	2,320,648
Operating and Other Expenses	10	3,160,975	3,342,920
Depreciation/Amortisation		46,665	2,173
		3,212,745	5,665,741
PROFIT/(LOSS) BEFORE TAX		2,980,458	(1,728,486)
Provision for Tax			
- Deferred Tax		135,646	(452,413)
PROFIT/(LOSS) AFTER TAX		2,844,812	(1,276,073)
Balance Brought Forward		(1,276,073)	-
Balance Carried to Balance Sheet		1,568,739	(1,276,073)
Profit/(Loss) per share			
Basic and Diluted (Face Value ₹ 10)		0.24	(0.12)
Notes to the Accounts	11		

The Schedules referred to above and the Notes to the Accounts form an integral part of the Profit and Loss Account

AS PER OUR REPORT OF EVEN DATE

FOR M. P. CHITALE & CO.
Chartered Accountants
Firm Reg. No. 101851W

VIDYA BARJE
Partner
(Membership No. 104994)
Mumbai | April 25, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF IDFC PENSION FUND MANAGEMENT COMPANY LTD.

T.C. NAIR
Director

BHARAT S. RAUT
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2011

	₹	₹
	APRIL 1, 2010 TO MARCH 31, 2011	MARCH 31, 2009 TO MARCH 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	2,980,458	(1,728,486)
<i>Adjustments for:</i>		
Depreciation & Amortisation	46,665	2,173
Dividend Earned	(6,078,804)	(3,937,255)
Operating loss before Working Capital Changes	(3,051,681)	(5,663,568)
Movements in working capital:		
(Increase)/Decrease in Loans and Advances	(3,039,303)	(1,023,196)
Increase/(Decrease) in Current Liabilities	(908,269)	1,157,110
Increase/(Decrease) in Provisions	(1,005,370)	1,005,370
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(A)	(4,524,284)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(140,000)
Dividend Earned	6,078,804	3,937,255
Purchase of Investments	-	(121,937,255)
Sale Proceeds of Investments	1,998,495	2,910,000
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(B)	(115,230,000)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	120,000,000
NET CASH FROM FINANCING ACTIVITIES	(C)	120,000,000
Net change in Cash and Cash Equivalent	(A + B + C)	72,676
Cash and Cash Equivalent as at the beginning of the year	245,716	-
Cash and Cash Equivalent as at the end of the year	318,392	245,716
	(72,676)	(245,716)

AS PER OUR REPORT OF EVEN DATE

FOR M. P. CHITALE & CO.

Chartered Accountants

Firm Reg. No. 101851W

VIDYA BARJE

Partner

(Membership No. 104994)

Mumbai | April 25, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF IDFC PENSION FUND MANAGEMENT COMPANY LTD.

T.C. NAIR

Director

BHARAT S. RAUT

Director

SCHEDULE 1 Share Capital		₹	₹
		AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
AUTHORISED:			
20,000,000 Equity shares of ₹ 10/- each		200,000,000	200,000,000
ISSUED, SUBSCRIBED AND PAID UP			
12,000,000 Equity shares of ₹ 10/- each, fully paid-up		120,000,000	120,000,000
(50.01% shares are held by IDFC Asset Management Company Limited & 49.99% shares are held by Infrastructure Development Finance Company Limited respectively)			

SCHEDULE 2 Fixed Assets		GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
DESCRIPTION	As at April 1, 2010			As at March 31, 2011			As at April 1, 2010			As at March 31, 2011	
	As at April 1, 2010	Additions	Deletions	As at March 31, 2011	As at April 1, 2010	Additions	Deletions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010	
INTANGIBLES											
Computer Software	140,000	-	-	140,000	2,173	46,665	-	48,838	91,162	137,827	
Total	140,000	-	-	140,000	2,173	46,665	-	48,838	91,162	137,827	
Previous Year	140,000	-	-	140,000	2,173	-	-	2,173	137,827		

SCHEDULE 3 Investments – (Current, Unquoted) (At lower of cost and market value)		₹	₹
		AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
Mutual Fund Units			
10,053,943.003 units of Face Value of ₹ 10 (Cost ₹ 11.640) each in IDFC Money Manager Fund-Treasury Plan - Inst Plan C (Growth)		117,028,760	-
11,900,940.312 units of Face Value of ₹ 10 (Cost ₹ 10.0015) each in IDFC Money Manager Fund-Treasury Plan - Inst Plan C (Daily Dividend Reinvestment Plan)		-	119,027,255
		117,028,760	119,027,255
Aggregate amount of Investments in Unquoted Mutual Funds			
Cost		117,028,760	119,027,255
Market Value		117,131,452	119,027,255

SCHEDULE 4 Cash and Bank Balances		₹	₹
		AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
Balance with a Scheduled Bank			
- on Current Account		318,392	245,716
		318,392	245,716

SCHEDULE 5 Loans and Advances (Unsecured, Considered Good)		₹	₹
		AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
Advances Recoverable in Cash or in Kind or for value to be received		1,009,732	1,023,196
Intercompany Receivables		3,052,767	-
		4,062,499	1,023,196

SCHEDULE 6 Current Liabilities and Provisions	₹	
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
CURRENT LIABILITIES		
Sundry Creditors for Expenses (Other than Micro, Medium and Small Enterprises)	138,000	1,065,370
Intercompany Payables	-	974,799
Statutory Dues	110,841	122,311
	248,841	2,162,480

SCHEDULE 7 Operating Income	₹	
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
Management Fees	115	-
	115	-

SCHEDULE 8 Other Income	₹	
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
Dividend from Units of Mutual Fund	6,078,804	3,937,255
Profit on Sale of Investments	114,284	-
	6,193,088	3,937,255

SCHEDULE 9 Personnel Expenses	₹	
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
Salaries and Bonus	-	2,266,263
Contribution to Provident Fund	-	54,385
Staff Training and Welfare Expenses	5,105	-
	5,105	2,320,648

SCHEDULE 10 Operating and Other Expenses	₹	
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
Professional Fees & Custodian Fees	765,004	748,881
Directors' Fees	180,000	70,000
Travelling and Conveyance	106,380	-
Printing and Stationery	35,264	-
Computer Software Expenses	61,650	134,959
Registration & Licenses Expenses	1,559,420	2,194,089
Miscellaneous Expenses	380,378	49,991
Auditors' Remuneration		
- Audit Fees	50,000	50,000
- Other Services	22,879	95,000
	3,160,975	3,342,920

1 Nature of Operations:

IDFC Pension Fund Management Company Limited ("the Company") is one of the Pension Fund Managers appointed by the Pension Fund Regulatory and Development Authority (PFRDA) to manage retirement funds under the New Pension Scheme (NPS) open to individuals in the private sector and manages the investment portfolio of IDFC Pension Fund.

2 Statement of Significant Accounting Policies:**A. System of Accounting**

The Company adopts the accrual concept in the preparation of the accounts.

The preparation of financial statements as per this policy requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

B. Inflation

Assets and liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

C. Investments

Long-term Investments are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.

Current Investments are carried at the lower of cost or fair value on an individual basis.

D. Fixed Assets

Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.

E. Intangible Assets

Intangible Assets comprising of system software and licenses purchased, are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.

Any expenses on such software for support and maintenance payable annually are charged to revenue account.

F. Depreciation and Amortisation**DEPRECIATION ON FIXED ASSETS**

Depreciation is charged at the rates prescribed in Schedule XIV of the Companies Act, 1956 as per written down value method. Any asset costing ₹ 5,000/- or less is written off in the year of its purchase. Depreciation on additions during the year is provided on a pro-rata basis.

DEPRECIATION ON INTANGIBLE ASSETS

Depreciation on intangible assets is charged @ 33.33% per annum on straight line method from the date of acquisition.

DEPRECIATION ON MOBILES

Depreciation on mobile handsets is charged @ 50.00% per annum on straight line method from the date of purchase.

G. Revenue Recognition

Revenue is recognised when no significant uncertainty as regards to its measurement and collection exists.

H. Foreign Currency Transactions

The transactions in Foreign exchange are accounted at exchange rate prevailing on the date of transactions. Any exchange gains or losses arising from the settlement of such transactions are recognised in the Profit and Loss Account. Receivable/Payable in foreign currency at the year-end are translated at the year-end exchange rate.

I. Operating Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Rental charges over the term of such leases, after taking in to account the escalation clause, are charged to the Profit and Loss Account on a straight line basis over the extended lease term.

J. Income Tax

The provision made for income-tax in the accounts comprises both, the current tax and deferred tax and is based on the Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The deferred tax assets and liabilities for the year, arising on account of timing differences, are recognised in the Profit and Loss Account and the cumulative effect thereof is reflected in the Balance Sheet.

K. Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

3 Deferred Tax (Net)

In view of tax losses incurred by the Company, the Deferred Tax Asset on preliminary expenditure and difference in depreciation in block of fixed assets as per tax and financial books has been created. The deferred tax balances are set out below:

PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
	₹	₹
DEFERRED TAX LIABILITY		
Differences in depreciation and other differences in block of fixed assets as per tax and financial books	16,863	13,537
Gross Deferred Tax Liability	16,863	13,537
Effect of preliminary expenditure debited to profit and loss account in the current year/period but allowed for tax purposes in following years	333,630	465,950
GROSS DEFERRED TAX ASSET	333,630	465,950
NET DEFERRED TAX ASSET	316,767	452,413

4 Segment Information

The Company is engaged in the business of acting as advisors and fund managers of IDFC Pension Fund. During the year the Company was engaged in only one business segment and no geographical segments. As such, there are no separate reportable segments as per Accounting Standards 17 on 'Segment Reporting' issued by Institute of Chartered Accountants of India.

5 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period/year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/year. The relevant details as are as follows:

PARTICULARS	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
Net Profit/(Loss) (₹)	2,844,812	(1,276,073)
Weighted average number of equity shares (Nos.)	12,000,000	10,876,712
Basic Profit/(Loss) Per Share (₹)	0.24	(0.12)
Face Value Per Share (₹)	10.00	10.00

6 The Company does not have any employee on its payroll. There is one employee on deputation from IDFC Asset Management Company Limited (Holding Company). The remuneration of deputed employee has been absorbed by the Holding Company for the current year.

7 Related party disclosures under Accounting Standard 18:

(a) Relationships:

HOLDING COMPANY:

IDFC Asset Management Company Limited

ULTIMATE HOLDING COMPANY:

Infrastructure Development Finance Company Limited

FELLOW SUBSIDIARIES:

IDFC Investment Advisors Limited

IDFC AMC Trustee Company Limited

IDFC Investment Managers (Mauritius) Limited

(b) The following transactions were carried out with the related parties in the ordinary course of business during the period:

NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP	PARTICULARS	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
		₹	₹
IDFC Asset Management Company Limited (Holding Company)	Reimbursement of expenses (Net)	2,294,644	3,438,476
	Subscription towards Equity Share Capital	-	60,000,010
	Business Centre Expenses Paid	397,476	-
Infrastructure Development Finance Company Limited (Ultimate Holding Company)	Subscription towards Equity Share Capital	-	59,999,990

(c) Following are the balances outstanding as at the year-end:

NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
	₹	₹
Receivable/(Payable) from/to IDFC Asset Management Company Limited (Holding Company)	3,052,767	(974,799)

8 No interest has been paid/payable by the Company during the year to the “suppliers” covered under the Micro Small and Medium Enterprises Development Act, 2006. The above information is based on the records available with the Company.

9 Details of Movement in Provisions, in terms of Accounting Standard 29 issued by the Institute of Chartered Accountants of India, is as under:

NATURE OF PROVISION	OPENING BALANCE AS ON 01/04/2010	PROVISIONS MADE DURING THE YEAR	PROVISIONS REVERSED/ADJUSTED	CLOSING BALANCE AS ON 31/03/2011
	₹	₹	₹	₹
Provision for Deferred Tax (Asset)/ Liability	(452,413)	-	135,646	(316,767)

10 Service Tax Credit of ₹ 878,111/- (Previous year – ₹ 332,270/-), would be claimed against future Service Tax Liability.

11 There are no contingent liabilities as at March 31, 2011.

12 Miscellaneous Expenses include Business centre expenses of ₹ 360,360/- paid to IDFC Asset Management Company Ltd. towards share of premises and maintenance costs as per the service level agreement entered between these companies.

13 There are no contracts remaining to be executed on capital account and not provided for as at March 31, 2011.

14 Previous year’s figures have been regrouped wherever necessary.

AS PER OUR REPORT OF EVEN DATE

FOR M. P. CHITALE & CO.

Chartered Accountants

Firm Reg. No. 101851W

VIDYA BARJE

Partner

(Membership No. 104994)

Mumbai | April 25, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF IDFC PENSION FUND MANAGEMENT COMPANY LTD.

T.C. NAIR

Director

BHARAT S. RAUT

Director

I. REGISTRATION DETAILS

Registration No. U 6 6 0 0 0 M H 2 0 0 9 P L C 1 9 1 3 5 0
 State Code 1 1
 Balance Sheet Date 3 1 0 3 2 0 1 1

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ '000)

Public Issue
N I L

Right Issue
N I L

Bonus Issue
N I L

Private Placement
N I L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ '000)

SOURCES OF FUNDS
 Total Liabilities
1 2 1 5 6 9

Total Assets
1 2 1 5 6 9

Paid-up Capital
1 2 0 0 0 0

Reserves and Surplus
1 5 6 9

APPLICATION OF FUNDS
 Secured Loans
N I L

Unsecured Loans
N I L

Net Fixed Assets
9 1

Investments
1 1 7 0 2 9

Net Current Assets
4 1 3 2

Deferred Tax Asset
3 1 7

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN ₹ '000)

Turnover/Income
6 1 9 3

Total Expenditure
3 2 1 3

Profit Before Tax
2 9 8 0

Profit After Tax
2 8 4 5

Profit per Share (in ₹)
0 . 2 4

Dividend %
N I L

V. GENERIC NAMES OF PRINCIPAL SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code) N I L

Product Description A S S E T M A N A G E M E N T