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Khushiyaan, Zindagi Ki...

**ABRIDGED ANNUAL REPORT
2015-16**

**LIC MUTUAL FUND
FIXED MATURITY PLAN
SERIES-64**

Investment Manager : LIC Mutual Fund Asset Management Ltd.

Corporate Office : Industrial Assurance Building, 4th Floor,
Opp. Churchgate Station, Mumbai - 400 020. Tel.: 022-6601 6000
Toll Free No. : 1800 258 5678, Fax : 022-22843660
Email : service@licmf.com, Website : www.licmf.com

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

LIC MF FIXED MATURITY PLAN SERIES-64

LIC MUTUAL FUND

Industrial Assurance Building, 4th Floor, Opp. Churchgate Station, Mumbai - 400 020

TRUSTEE REPORT

1. Scheme Performance, Future Outlook and Operations of the Scheme

a. Performance of LIC MF Fixed Maturity Plan Series-64

Scheme/Benchmark	6 Months	1 Year	3 Years	5 Years	Since inception
Scheme-LIC MF FIXED MATURITY PLAN SERIES-64					
Growth Plan	3.69%	8.48%	NA	NA	8.24%
Benchmark-Crisil Short Term Bond Fund Index	3.90%	8.44%	NA	NA	8.91%
Direct Growth Plan	3.75%	8.60%	NA	NA	8.32%
Benchmark-Crisil Short Term Bond Fund Index	3.90%	8.44%	NA	NA	8.91%

Past performance may or may not be sustained in future.

b. Future Outlook:

Debt Market outlook:

The Urjit Patel Committee Report of January 2014 has been the guiding force behind Governor Rajan's monetary policy framework. RBI's monetary policy actions since then have been closely aligned with the evolution of headline CPI and RBI's assessment of inflationary expectations. Having achieved its January 2016 CPI target of 6% (actual at 5.69%), RBI's focus will now shift towards achieving further progress in its disinflationary path and meeting its January 2017 CPI target of 5%.

Further, liquidity neutral framework will imply that the Repo rate will no longer be as relevant as the policy rate; instead RBI will move towards term repo/ term reverse repos for targeting short term rates.

Money Market

Money market yields continued to ease sharply amid comfortable liquidity – CP segment witnessed heavy issuances in 2-3M segment with yields easing by 5-8 bps. The three months Commercial Paper yield closed at around 7.85 levels on 15th June 2016.

Liquidity will continue to remain in the comfortable zone and might come under pressure in September 2016 on account of advance tax payments.

Sovereign Bond Yields

On the sovereign bond segment, we see the 10-yr range between 7.40%-7.55% during the June-July period. The 10yr GOI-SDL spread is likely to move between 60-75bps depending on the issuance levels. RBI has already conducted INR 700bn of OMOs purchases in the first two months of FY2017 compared with INR 631bn in the whole of FY2016. Besides injecting long term liquidity, OMO purchases will also serve to support GOI prices.

On the corporate bond front, given the balance sheet issues evident in much of the banking sector, an increasing proportion of private sector financing requirements will also likely be financed through the domestic bond markets. The continued supply of bonds in the secondary market through FPI liquidation, the emerging demand-supply scenario suggests that GOI-corporate bond spreads are likely to widen going ahead.

Inflation Outlook

The Consumer Price Index (CPI) rose 5.76% in May, from a revised 5.47% in April, mainly because of an increase in food prices. Further, the Krishi Kalyan cess of 0.5% to build rural infrastructure in India, which kicked in from 1 June, 2016 on all taxable services, is expected to add to inflationary pressure, along with the recent hikes in petrol and diesel prices.

Going forward the monsoon will be a critical factor which will drive the inflation numbers. Food Inflation is a major contributor to CPI numbers and monsoon would play a vital role in easing that. The expectations of a normal monsoon supply management measures and the introduction of the electronic national agriculture market (e-NAM) trading portal, should moderate unanticipated flares of food inflation.

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Expectations from RBI policy meet on August 09 2016

Our expectations from the RBI policy meet on August 09 2016, clearly rests on the evolving inflation at the time which will significantly be dependent on global crude prices, fructification of IMD's prediction of good monsoons. We believe that the monetary policy is likely to be increasingly focused on transmission of already implemented easing measures. Quantum and timing of OMO purchases likely to become a much more important variable in determining the directionality of market interest rates. We see a possibility 25bps rate cut going forward. However the key risks to the view are possible monsoon failure, disruptive impact of Fed policy normalization and any discontinuity in RBI leadership.

c. Operations of the schemes:

As per Monthly Cumulative report (MCR) of March 2016 shared with SEBI, LIC Mutual fund manages 46 schemes (21 open ended, 21 Close ended and 4 Interval Schemes), out of which 26 are Debt, 1 Liquid, 1 Gilt, 13 Equity (2 ELSS), 1 Balanced Scheme and 4 Exchange Traded Fund.

2. Brief Background of Sponsors, Trust, Trustee Co. and AMC

LIC Mutual Fund Asset Management Ltd (Formerly known as LIC Nomura Mutual Fund Asset Management Company Ltd.) is sponsored by LIC of India. The Sponsor is the Settler of the Mutual Fund. The Sponsor has entrusted a sum of Rs.2 Cr to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

LIC Mutual Fund (Formerly known as LIC Nomura Mutual Fund) has been constituted as a trust on 20/04/1989 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with LIC of India as the Sponsor and the LIC Mutual Fund Trustee Private Ltd. (Formerly known as LIC Nomura Mutual Fund Trustee Company Private Ltd.) as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on 9/5/94 vide Registration Code No. MF/012/94/5, which was issued afresh by SEBI in the name of LIC Nomura Mutual Fund on 6/4/2011 under Registration Code. MF/012/94/5 and then subsequently in the name of LIC Mutual Fund on 12/05/2016 under the same registration code.

LIC Mutual Fund Trustee Private Ltd (Formerly known as LIC Nomura Mutual Fund Trustee Company Private Ltd.), through its Board of Directors, discharges its obligations as trustee of LIC Mutual Fund. The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unit holders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

LIC Mutual Fund Asset Management Ltd. (Formerly known as LIC Nomura Mutual Fund Asset Management Company Ltd) is a public limited company incorporated under the Companies Act, 1956 on 20th April, 1994, having its Registered Office at 4th Floor, Industrial Assurance Building, Opp. Churchgate Station, Mumbai – 400 020. It has been appointed as the Asset Management Company of LIC Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated 22/04/1994.

3. Investment objective of the scheme.

The investment objective of the Scheme is to minimize interest rate risk by investing in a portfolio of fixed income securities which mature on or before the maturity of the scheme.

4. Significant Accounting Policies :

Accounting policies are in accordance with Securities Exchange Board of India (Mutual Fund) Regulations 1996.

5. Unclaimed Dividends & Redemptions as on 31.03.2016

Unclaimed Dividends		Unclaimed Redemptions	
Amount (Rs.)	No. of Investors	Amount (Rs.)	No. of Investors
NIL	NIL	NIL	NIL

6. Statutory Information:

- The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. 2 crores for setting up the Fund, and such other accretions / additions to the same.
- The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.

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- c. Full Annual Report shall be disclosed on the website (www.licmf.com) and shall be available for inspection at the Head Office of the Mutual Fund. Present and prospective unit holder can obtain a copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

**For and on behalf of
LIC Mutual Fund Trustee Pvt .Ltd.**

sd/-

**Harish N Motiwalla
(Director)**

Place : Mumbai

Date : 15th July, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of
LIC MUTUAL FUND

Report on the Financial Statements

We have audited the accompanying financial statements of the schemes mentioned below (collectively "the Schemes"), which comprise the balance sheets as at March 31, 2016, the revenue accounts and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

- **LIC MF Fixed Maturity Plan Series-64**

Management's Responsibility for the Financial Statements

Management of LIC Mutual Fund Asset Management Limited ("Company"), the scheme's asset manager, is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemes in accordance with accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ('the SEBI Regulations'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

Opinion

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

- (a) in the case of the balance sheets, of the state of affairs of the respective Schemes as at March 31, 2016; and
- (b) in the case of the revenue accounts, of the surplus for the year ended on that date; and
- (c) in the case of the cash flow statements of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Regulation 55(4) and clause 5(ii)(2) of the Eleventh Schedule of the Regulations, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. The balance sheets, revenue accounts and cash flow statements dealt with by this report are in agreement with the books of account of the scheme.
 - c. In our opinion, the balance sheets and revenue accounts dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations.
2. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at March 31, 2016 are in accordance with the Regulations and other guidelines issued by the Securities and Exchange Board of India, as applicable, and approved by the Board of Directors of LIC Mutual Fund Trustee Private Limited, and are fair and reasonable.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

sd/-

per Jayesh Gandhi

Partner

Membership Number: 37924

Place: Mumbai

Date: July 15, 2016

LIC MF FIXED MATURITY PLAN SERIES-64

ABRIDGED REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

(Rs in Lakhs)

	2015-16	2014-15
1 INCOME		
1.1 Dividend	-	-
1.2 Interest	497.65	608.72
1.3 Realised Gain/(Loss) on Foreign Exchange Transactions	-	-
1.4 Realised Gains/(Losses) on Interscheme sale of Investments	-	-
1.5 Realised Gains/(Losses) on External sale / redemption of Investments	(40.64)	(24.12)
1.6 Realised Gains/(Losses) on Derivative Transactions	-	-
1.7 Other Income	-	-
(A)	457.01	584.60
2 EXPENSES		
2.1 Management fees (incl Service Tax)	11.47	13.00
2.3 Transfer agents fees and expenses	-	0.02
2.4 Custodian fees	0.39	0.40
2.5 Trusteeship fees	0.05	0.07
2.6 Commission to Agents	-	-
2.7 Marketing & Distribution expenses	-	-
2.8 Audit Fees	0.46	0.16
2.9 Other operating expenses	2.05	1.79
Total Expense	14.42	15.44
Less: Expenses to be Reimbursed by the Investment Manager	-	-
(B)	14.42	15.44
3 NET REALISED GAINS/(LOSSES) FOR THE YEAR (A-B = C)	442.59	569.16
4 Change in Unrealised Depreciation in value of Investments (D)	(42.01)	(59.31)
5 NET GAINS/(LOSSES) FOR THE YEAR (E= (C-D))	484.60	628.47
6 Change in unrealised appreciation in the value of investments (F)	-	-
7 NET SURPLUS/(DEFICIT) FOR THE YEAR (E+F = G)	484.60	628.47
7.1 Add : Balance transfer from unrealised appreciation reserve & Others	0.34	-
7.2 Less : Balance transfer to unrealised appreciation reserve & Others	-	-
7.3 Add / (Less) : Equalisation	-	-
8 Total	484.94	628.47
9 Dividend Appropriation		
9.1 Income Distributed during the year	0.26	-
9.2 Tax on Income distributed during the year	0.10	-
10 Retained Surplus/(Deficit) carried forward to Balance Sheet	484.58	628.47

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ABRIDGED BALANCE SHEET AS AT 31 MARCH 2016

	(Rs in Lakhs)	
	2015-16	2014-15
LIABILITIES		
1 Unit Capital	4,674.68	6,388.70
2 Reserves & Surplus		
2.1 Unit Premium Reserve	-	-
2.2 Unrealised Appreciation Reserve	-	-
2.3 Other Reserves	1,207.66	1,014.58
3 Loans & Borrowings	-	-
4 Current Liabilities & Provisions		
4.1 Provision for doubtful Income/Deposits	-	-
4.2 Other Current Liabilities & Provisions	1.92	1.56
TOTAL	5,884.26	7,404.84
ASSETS		
1 Investments		
1.1 Listed Securities :		
1.1.1 Equity shares	-	-
1.1.2 Preference Shares	-	-
1.1.3 Equity Linked Debentures	-	-
1.1.4 Other Debentures & Bonds	-	4,577.38
1.1.5 Securitised Debt Securities	-	-
1.2 Securities Awaited Listing :		
1.2.1 Equity shares	-	-
1.2.2 Preference Shares	-	-
1.2.3 Equity Linked Debentures	-	-
1.2.4 Other Debentures & Bonds	-	-
1.2.5 Securitised Debt Securities	-	-
1.3 Unlisted Securities		
1.3.1 Equity shares	-	-
1.3.2 Preference Shares	-	-
1.3.3 Equity Linked Debentures	-	-
1.3.4 Other Debentures & Bonds	-	-
1.3.5 Securitised Debt Securities	-	-
1.4 Government Securities	-	-
1.5 Treasury Bills	-	-
1.6 Commercial Paper / Certificate of Deposit		
1.6.1 Commercial Paper	1,779.89	-
1.6.2 Certificate of Deposit	3,494.20	298.98
1.7 Bill Rediscounting	-	-
1.8 Units of Domestic Mutual Fund	-	-
1.9 Foreign Securities	-	-
Total Investments	5,274.09	4,876.36
2 Deposits	-	-
3 Other Current Assets		
3.1 Cash & bank Balance	0.51	3.50
3.2 CBLO/reverse Repo Lending	609.66	2,396.78
3.3 Others	-	128.20
4 Deferred Revenue Expenditure (to the extent not written off)	-	-
TOTAL	5,884.26	7,404.84

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NOTES TO ACCOUNT - ANNEXURE 1 TO THE ABRIDGED BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR/ PERIOD ENDED 31ST MARCH 2016

1 Investments:-

- 1.1 All the Investments are held in the name of the scheme.
- 1.2 Open Position of derivatives(outstanding market value & % to Net Assets as of the Year end) : NIL
- 1.3 Investment in Sponsors /associates and Group Companies: NIL
- 1.4 Open position of Securities Borrowed and / Lend by the scheme : Nil
- 1.5 Details of NPA: Aggregate market value and provision thereof : Nil
- 1.6 Aggregate Unrealised Gain/loss as at the end of the Financial Year/ Period and percentage to net assets

Asset Class	FY2015-2016						FY2014-2015					
	Appreciation		Depreciation		Net Amount		Appreciation		Depreciation		Net Amount	
	Rs.in lakhs	% to net	Rs.in lakhs	% to net	Rs.in lakhs	% to net	Rs.in lakhs	% to net	Rs.in lakhs	% to net	Rs.in lakhs	% to net
Commercial Papers & Certificate of Deposits	-	-	(1.86)	(0.03)	(1.86)	(0.03)	-	-	(3.07)	(0.04)	(3.07)	(0.04)
Bonds & Debentures	-	-	-	-	-	-	-	-	(40.80)	(0.55)	(40.80)	(0.55)

1.7 Aggregate Value of Purchase and Sale with Percentage to average assets

FY2015-2016				FY2014-2015			
Purchase		Sale		Purchase		Sale	
Amount (Rs.in lakhs)	%	Amount (Rs.in lakhs)	%	Amount (Rs.in lakhs)	%	Amount (Rs.in lakhs)	%
5,524.34	93.78	5,570.00	94.56	888.59	12.52	2,625.00	37.00

1.8 Non traded Securities in the portfolio:

31st March 2016		31st March 2015	
Market Value (Rs in Lakhs)	% to Net Assets	Market Value (Rs in Lakhs)	% to Net Assets
5,274.09	89.66	4,876.36	65.87

2 Details of Transactions with Associates under Regulations 25(8):

Name	Nature of transaction	Amount (Rs in lakhs)	Related Party Relationship
LIC Mutual Fund Trustee Private Limited	Trusteeship Fee	0.05	Trustee of the Fund
LIC Mutual Fund Asset Management Limited	Management fee and AMC receivable / payable	11.47	Investment Manager of the scheme

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- 3 Large Holdings in the scheme (i.e. in excess of 25% of the net assets): NIL
- 4 Unit Capital movement during the year ended/ period ended. Planwise details of movements in units- opening, subscription, redemption, closing.

Plans / Option	Face Value	Current Year No of Units in Lakhs				Prevoius Year No of Units in Lakhs			
		Opening balance as on 01.04.2015	Addition during the year	Deletion during the year	Closing Balance as on 31.03.2016	Opening balance as on 01.04.2014	Addition during the year	Deletion during the year	Closing Balance as on 31.03.2015
DIV	10	0.19	-	-	0.19	0.19	-	-	0.19
GR	10	125.13	-	14.56	110.57	125.13	-	-	125.13
Direct DIV	10	0.03	-	-	0.03	0.03	-	-	0.03
Direct GR	10	513.53	-	156.65	356.88	513.53	-	-	513.53

- 5 Expenses are inclusive of service tax where applicable.
- 6 Previous year's figures have been regrouped/rearranged wherever necessary to correspond to current year's groupings
- 7 Contingent Liability. Provide details of nature and amount : Nil
- 8 These Abridged Financials have been prepared based on the audited financials of the scheme.

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KEY STATISTICS FOR THE YEAR / PERIOD ENDED 31 MAR 2016

	Current Year ended 31 Mar 16	Previous Year ended 31 Mar 15
1. NAV per unit (Rs.):		
Open		
Dividend	11.5793	10.6006
Growth	11.5793	10.6006
Weekly	-	-
Monthly	-	-
Quarterly	-	-
Yearly	-	-
PF Dividend	-	-
PF Growth	-	-
Direct Dividend	11.5905	10.6055
Direct Growth	11.5902	10.6052
Direct Weekly	-	-
Direct Monthly	-	-
Direct Quarterly	-	-
Direct Yearly	-	-
High		
Dividend	11.6875	11.5792
Growth	12.5634	11.5792
Weekly	-	-
Monthly	-	-
Quarterly	-	-
Yearly	-	-
PF Dividend	-	-
PF Growth	-	-
Direct Dividend	11.6994	11.5904
Direct Growth	12.5897	11.5901
Direct Weekly	-	-
Direct Monthly	-	-
Direct Quarterly	-	-
Direct Yearly	-	-
Low		
Dividend	10.0000	10.6000
Growth	11.5956	10.6000
Weekly	-	-
Monthly	-	-
Quarterly	-	-
Yearly	-	-
PF Dividend	-	-
PF Growth	-	-
Direct Dividend	10.0000	10.6049
Direct Growth	11.6066	10.6047
Direct Weekly	-	-
Direct Monthly	-	-
Direct Quarterly	-	-
Direct Yearly	-	-
End1		
Dividend	-	11.5793
Growth	12.5634	11.5793
Weekly	-	-
Monthly	-	-
Quarterly	-	-

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Yearly	-	-
PF Dividend	-	-
PF Growth	-	-
Direct Dividend	10.7582	11.5905
Direct Growth	12.5897	11.5902
Direct Weekly	-	-
Direct Monthly	-	-
Direct Quarterly	-	-
Direct Yearly	-	-
2. Closing Assets Under Management (Rs. in Lakhs)		
End1	5,882.34	7,403.28
Average (AAuM) ²	5,890.61	7,094.75
3. Gross income as % of AAuM3	7.76	8.24
4. Expense Ratio:		
a. Total Expense as % of AAuM (No Class)	0.24	0.22
b. Management Fee as % of AAuM (inclusive service tax)(No Class)	0.19	0.18
5. Net Income as a percentage of AAuM4	7.51	8.02
6. Portfolio turnover ratio ⁵	-	-
7. Total Dividend per unit distributed during the year / period (plan wise)		
DIVIDEND	1.70	-
DAILY	-	-
WEEKLY	-	-
MONTHLY	-	-
QUARTERLY	-	-
YEARLY	-	-
PF DIVIDEND	-	-
DIRECT DIVIDEND	1.69	-
DIRECT DAILY	-	-
DIRECT WEEKLY	-	-
DIRECT MONTHLY	-	-
DIRECT QUARTERLY	-	-
DIRECT YEARLY	-	-
8. Returns:		
a. Last One Year		
Regular	8.48	9.23
Direct	8.60	9.29
Benchmark		
Regular	8.44	10.31
Direct	8.44	10.31
b. Since Inception		
Regular	8.24	8.11
Direct	8.32	8.17
Benchmark		
Regular	8.91	9.16
Direct	8.91	9.16

1. The net asset value disclosed above represents the computed NAV as on balance sheet date, and not the last declared NAV.
2. AAuM=Average daily net assets
3. Gross income = amount against (A) in the Revenue account i.e. Income.
4. Net income = amount against (C) in the Revenue account i.e. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD
5. Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year/period.

BOOK-POST

If underlivered please return to:
M/s. Karvy Computershare Pvt. Ltd.
Unit : LIC Mutual Fund
Karvy Selenium Tower B, Plot number 31 & 32,
Financial District - Nanakramguda, Hyderabad - 34
Website : www.karvymfs.com/www.karvycomputershare.com

