

FOR PRIVATE CIRCULATION ONLY



LIC NOMURA MF FIXED MATURITY PLAN SERIES 64

**ABRIDGED ANNUAL REPORT
2014-15**



LIC NOMURA
MUTUAL FUND

INVESTMENT MANAGER: LIC NOMURA MUTUAL FUND ASSET MANAGEMENT COMPANY LTD.

**Corporate Office : Industrial Assurance Building, 4th Floor,
Opp. Churchgate Station, Mumbai - 400 020. Tel.: 022-6601 6000
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Mutual Fund Investments Are Subject to Market Risk, Read All Scheme Related Document Carefully.

LIC NOMURA MF FIXED MATURITY PLAN SERIES 64

LIC NOMURA MUTUAL FUND

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

TRUSTEE REPORT

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

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

Scheme/Benchmark	6 Months	1Year	Since inception
Plans			
Direct Growth	4.40%	9.29%	8.17%
Regular Growth	4.38%	9.23%	8.11%
Benchmark-CRISIL Short Term Bond Fund Index			
Direct Growth	5.27%	10.31%	9.16%
Regular Growth	5.27%	10.31%	9.16%

Past performances may or may not be sustained in future.

b. Future Outlook:

Debt Market outlook:

India Macro-Outlook on a Strong Footing:

India Macro Outlook appears to be getting healthier as growth pick up, benign inflation and stable external balance situation makes it conducive and most attractive investment destination from a Global perspective.

The growth trajectory of our economy seems to be gaining traction and is evidenced by a pick-up in Manufacturing activities.

Macro economic data points and indicators like IIP, Auto Sales, early signs of revival in Capex Cycle indicates we are at the nascent stage of recovery.

We are expecting the Real GDP growth at about 7.8% in FY16 vs 7.3% in FY15.

IIP:

India April IIP growth was seen at 4.1% and marks a strong start making us believe that a 5.6% IIP growth, which is about double the pace of 2.8% in FY15; is a possibility.

The April IIP has given a strong start for FY16 rising 4.1% YoY and is in line with the increase in indirect tax collections which saw an uptick of 12.6% (Excluding the effects of increase in fuel cess and removal of exemptions) for the cumulative two-months period of April-May FY16. The same is way higher than the annual target of growth rate in indirect tax collections of ~7.3% (Excluding the impact from higher cess)

Our estimates for FY16 average IIP stands at about 5.6%.

We expect the WPI Inflation to return in the positive trajectory by Nov'15 and start showing in the corporate results beginning from Q3FY16.

Growth matrix dependent on Legislative Reforms & Government spend

The central bank has already announced three interest rate cuts of 25 bps and may be on the path of another 50bps rate cut in the coming fiscal year. Other things remaining the same, we may hope to see further rate cuts in the range of about 100 bps in the coming few years, given its inflation mid-point target of 4% by end of FY18. As things stand now, the trajectory of interest rates in India is going to be downward in the medium term and thus unlikely to hurt the growth. The hurdles to growth emanates from legislative reforms involving creation of infrastructure (land acquisition clearances); uniform tax regime (implementing of GST); labour laws; ease of doing business are some of the elements which has the potentials to change the landscape of Indian growth scenario. However, the same gets substantially affected with an erratic monsoon as two-third of population remains dependent on the farm output.

Essentially, we believe that at this point in time, farm output and rural income is most critical to an increase in consumer spending along with the politically driven legislative reforms for a smooth ascending growth trajectory. In this parlance further cut in interest rates is only an enabling factor in reaching the potential output but not a precedent for driving the Capex cycle or giving a boost to consumption expenditure.

Government efforts to revive investments expected to continue

The renewed investment thrust for adding production capacity and improving the Indian infrastructure including Railways, Roads and Construction, Defense Production are some of the areas already seeing higher government spending allocation in the Union and Railway Budget 2015-16.

A 45% increase was noted in the new project announcements by the government at Rs.4607bn while the private sector investments stood at Rs.5414bn.

The Central Government's announcement for new projects amounted to Rs.3072bn, the most since FY10, State Government projects announcement saw an increase by 286% to Rs.1452bn. And it is prudent to expect further pick up in the pace of government announcement of new projects with the implementation of the Fourteenth Finance Commission Report where State Governments were given a larger share of tax revenues garnering additional allocation of Rs.1.86tn from the central taxes for FY16.

The Union Budget 2015-16 saw a quantum jump of Rs.491bn or 25.5% to Rs.2.41tn as the allocation for capital expenditure. The Railways Proposed investment Plan for 2015-19 is placed at Rs.8560bn and a plan outlay of Rs.1tn for FY16 itself will give a good start to the capital spending.

The easing in domestic interest rate cycle, decline in international commodity prices particularly energy and iron-ore, various efforts enabling the ease of doing business in India would propel and accelerate the investment cycle by the Private players in the coming period. The pick-up in Investment Cycle (net of shelved projects) is encouraging but is yet far from the levels seen in FY06 to FY11 when it averaged close to Rs.15tn.

Interest Rate Outlook

We believe there is room for additional 150 bps rate cut for the RBI in the coming fiscal year with RBI's target of CPI Inflation towards 4% by end of 2017-18. However for CY16 there may be room for further rate cut of about 25 bps depending on Monsoons and other data prints.

c. Operations of the schemes:

As per Monthly Cumulative report (MCR) of March 2015 shared with SEBI, LIC Nomura Mutual fund manages 48 schemes (19 open ended, 25 Close ended and 4 Interval Schemes), out of which 29 are Debt, 1 Liquid, 1 Gilt, 15 Equity (2 ELSS) 1 Balanced Scheme and 1 Exchange Traded Fund.

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

LIC Mutual Fund (Now LIC Nomura Mutual fund-LICNMF) was set up by Life Insurance Corporation of India, as settler, on 20th April 1989. LIC Mutual Fund Asset Management Company Ltd. was incorporated on 20th April, 1994. LIC Mutual Fund acting through the Trustee has entered into an Investment Management Agreement dated 22nd April 1994 with LIC Mutual Fund Asset Management Company Ltd. to function as the Investment Manager for all the Schemes of LIC Mutual fund. LIC Mutual fund was registered with SEBI on 09th May 1994 under registration code MF/012/94/5.

The Fund was governed by a Board of Trustees earlier and is governed by LIC Mutual Fund Trustee Company Pvt. Ltd. with effect from 8th April 2003.

LIC Mutual Fund entered into a joint venture with Japan's leading financial services conglomerate Nomura Asset Management Strategic Investments Pte Ltd. on 18 Jan 2011. Registrars of Companies have issued fresh Certificate of Incorporation – incorporating the new name w.e.f. 15 Feb 2011. Thereby LIC MF Trustee Company Pvt Ltd. has been renamed as LIC Nomura Mutual Fund Trustee Company Private Ltd.

LIC Nomura Mutual Fund Trustee Company Private Ltd. has appointed LIC Nomura Mutual Fund Asset Management Company Ltd as Investment Managers to manage the Funds and such other functions.

Nomura Asset Management Strategic Investments Pte Ltd holds 35% stake in LIC Nomura Mutual Fund Asset Management Company Ltd and LIC Nomura Mutual Fund Trustee Company Private Ltd

LIC Nomura Mutual Fund Trustee Company Pvt. Ltd.

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

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.”

LIC NOMURA MF FIXED MATURITY PLAN SERIES 64**5. Unclaimed Dividends & Redemptions as on 31.03.2015**

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

6. Statutory Information:

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

For LIC Nomura Mutual Fund Trustee Company Pvt .Ltd.

**(S B Mainak)
CHAIRMAN**

Place: Mumbai

Date: 08th July 2015

INDEPENDENT AUDITOR'S REPORT

To the Trustees of

LIC NOMURA MUTUAL FUND

Report on the Financial Statements

We have audited the accompanying financial statements of the scheme mentioned below, which comprise the balance sheet as at March 31, 2015, the revenue account and cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

- LIC Nomura MF Fixed Maturity Plan Series 64

Management's Responsibility for the Financial Statements

Management of LIC Nomura Mutual Fund Asset Management Company Limited, 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 Scheme 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 ('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 Company'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 sheet, of the state of affairs of the Scheme as at March 31, 2015; and
- (b) in the case of the revenue account, of the surplus for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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.
2. The balance sheet, revenue account and cash flow statement dealt with by this report are in agreement with the books of account.
3. In our opinion, the balance sheet and revenue account 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.
4. 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, 2015 are in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India, as applicable, and approved by the Board of Trustees, and are fair and reasonable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Jayesh Gandhi

Partner

Membership Number: 37924

Place: Mumbai

Date: July 8, 2015

ABRIDGED REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	(Rs in Lakhs)	
	2014-15	2013-14
1 INCOME		
1.1 Dividend	-	-
1.2 Interest	608.72	501.28
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	(24.12)	-
1.6 Realised Gains/(Losses) on Derivative Transactions	-	-
1.7 Other Income	-	-
(A)	584.60	501.28
2 EXPENSES		
2.1 Management fees (incl Service Tax)	13.00	9.14
2.3 Transfer agents fees and expenses	0.02	0.28
2.4 Custodian fees	0.40	0.71
2.5 Trusteeship fees	0.07	0.03
2.6 Commission to Agents	-	-
2.7 Marketing & Distribution expenses	-	-
2.8 Audit Fees	0.16	0.22
2.9 Other operating expenses	1.79	1.61
Total Expense	15.44	11.99
Less: Expenses to be Reimbursed by the Investment Manager	-	-
(B)	15.44	11.99
3 NET REALISED GAINS/(LOSSES) FOR THE YEAR (A-B = C)	569.16	489.29
4 Change in Unrealised Depreciation in value of Investments (D)	(59.31)	103.18
5 NET GAINS/(LOSSES) FOR THE YEAR (E= (C-D))	628.47	386.11
6 Change in unrealised appreciation in the value of investments (F)	-	-
7 NET SURPLUS/(DEFICIT) FOR THE YEAR (E+F = G)	628.47	386.11
7.1 Add : Balance transfer from unrealised appreciation reserve & Others	-	-
7.2 Less : Balance transfer to unrealised appreciation reserve & Others	-	-
7.3 Add / (Less) : Equalisation	-	-
8 Total	628.47	386.11
9 Dividend Appropriation		
9.1 Income Distributed during the year	-	-
9.2 Tax on Income distributed during the year	-	-
10 Retained Surplus/(Deficit) carried forward to Balance Sheet	628.47	386.11

LIC NOMURA MF FIXED MATURITY PLAN SERIES 64

ABRIDGED BALANCE SHEET AS AT 31 MARCH 2015

	(Rs in Lakhs)	
	2014-15	2013-14
LIABILITIES		
1 Unit Capital	6,388.70	6,388.70
2 Reserves & Surplus		
2.1 Unit Premium Reserve	-	-
2.2 Unrealised Appreciation Reserve	-	-
2.3 Other Reserves	1,014.58	386.11
3 Loans & Borrowings	-	-
4 Current Liabilities & Provisions		
4.1 Provision for doubtful Income/Deposits	-	-
4.2 Other Current Liabilities & Provisions	1.56	2.50
TOTAL	7,404.84	6,777.31
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	6,069.45
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	-	-
1.6.2 Certificate of Deposit	298.98	297.35
1.7 Bill Rediscounting	-	-
1.8 Units of Domestic Mutual Fund	-	-
1.9 Foreign Securities	-	-
Total Investments	4,876.36	6,366.80
2 Deposits		
3 Other Current Assets		
3.1 Cash & bank Balance	3.50	80.11
3.2 CBLO/reverse Repo Lending	2,396.78	195.85
3.3 Others	128.20	134.55
4 Deferred Revenue Expenditure (to the extent not written off)	-	-
TOTAL	7,404.84	6,777.31

NOTES TO ACCOUNT - ANNEXURE 1 TO THE ABRIDGED BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR/ PERIOD ENDED 31ST MARCH 2015

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	FY2014-2015						FY2013-2014					
	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	-	-	(3.07)	(0.04)	(3.07)	(0.04)	-	-	(0.48)	(0.01)	(0.48)	(0.01)
Bonds & Debentures	-	-	(40.80)	(0.55)	(40.80)	(0.55)	-	-	(102.70)	(1.52)	(102.70)	(1.52)

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

FY2014-2015				FY2013-2014			
Purchase		Sale		Purchase		Sale	
Amount	%	Amount	%	Amount	%	Amount	%
888.59	12.52	2,625.00	37.00	6,373.25	86.12	-	-

1.8 Non traded Securities in the portfolio:

31st March 2015		31st March 2014	
Market Value (Rs in Lakhs)	% to Net Assets	Market Value (Rs in Lakhs)	% to Net Assets
4,876.36	65.87	6,366.79	93.98

2 Details of Payment made to Associates under regulations 25(8):

Name	Nature of transaction	Amount (Rs in lakhs)	Related Party Relationship
LIC Nomura MF Trustee Co Pvt. Ltd.	Trusteeship fees	0.07	Sponsor of Fund
LIC Nomura MF AMC Ltd.	Management Fees	13.00	Investment Manager of Scheme

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				Previous Year No of Units in Lakhs			
		Opening balance as on 01.04.2014	Addition during the year	Deletion during the year	Closing Balance as on 31.03.2015	Opening balance as on 01.04.2013	Addition during the year	Deletion during the year	Closing Balance as on 31.03.2014
DIV	10	0.19	-	-	0.19	-	0.19	-	0.19
GR	10	125.13	-	-	125.13	-	125.13	-	125.13
Direct DIV	10	0.03	-	-	0.03	-	0.03	-	0.03
Direct GR	10	513.53	-	-	513.53	-	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.

KEY STATISTICS FOR THE YEAR / PERIOD ENDED 31 MAR 2015

	Current Year ended 31 Mar 15	Previous Year ended 31 Mar 14
1. NAV per unit (Rs.):		
Open		
Dividend	10.6006	-
Growth	10.6006	-
Weekly	-	-
Monthly	-	-
Quarterly	-	-
Yearly	-	-
PF Dividend	-	-
PF Growth	-	-
Direct Dividend	10.6055	-
Direct Growth	10.6052	-
Direct Weekly	-	-
Direct Monthly	-	-
Direct Quarterly	-	-
Direct Yearly	-	-
High		
Dividend	11.5792	10.5929
Growth	11.5792	10.5929
Weekly	-	-
Monthly	-	-
Quarterly	-	-
Yearly	-	-
PF Dividend	-	-
PF Growth	-	-
Direct Dividend	11.5904	10.5978
Direct Growth	11.5901	10.5975
Direct Weekly	-	-
Direct Monthly	-	-
Direct Quarterly	-	-
Direct Yearly	-	-
Low		
Dividend	10.6000	9.7988
Growth	10.6000	9.7988
Weekly	-	-
Monthly	-	-
Quarterly	-	-
Yearly	-	-
PF Dividend	-	-
PF Growth	-	-
Direct Dividend	10.6049	9.8004
Direct Growth	10.6047	9.8001
Direct Weekly	-	-
Direct Monthly	-	-
Direct Quarterly	-	-
Direct Yearly	-	-
End¹		
Dividend	11.5793	10.6006
Growth	11.5793	10.6006

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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	-	-
2. Closing Assets Under Management (Rs. in Lakhs)		
End ¹	7,403.28	6,774.81
Average (AAuM) ²	7,094.75	6,508.17
3. Gross income as % of AAuM ³	8.24	8.76
4. Expense Ratio:		
a. Total Expense as % of AAuM (No Class)	0.22	0.21
b. Management Fee as % of AAuM (inclusive service tax)(No Class)	0.18	0.16
5. Net Income as a percentage of AAuM ⁴	8.02	8.55
6. Portfolio turnover ratio ⁵	-	-
7. Total Dividend per unit distributed during the year / period (plan wise)		
DIVIDEND	-	-
DAILY	-	-
WEEKLY	-	-
MONTHLY	-	-
QUARTERLY	-	-
YEARLY	-	-
PF DIVIDEND	-	-
DIRECT DIVIDEND	-	-
DIRECT DAILY	-	-
DIRECT WEEKLY	-	-
DIRECT MONTHLY	-	-
DIRECT QUARTERLY	-	-
DIRECT YEARLY	-	-
8. Returns:		
a. Last One Year		
Regular	9.23	NA
Direct	9.29	NA
Benchmark		
Regular	10.31	NA
Direct	10.31	NA
b. Since Inception		
Regular	8.11	5.93
Direct	8.17	NA
Benchmark		
Regular	9.16	6.80
Direct	9.16	6.80

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:
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Unit : LIC Nomura Mutual Fund
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