LIC MUTUAL FUND

Directors' Report

To,
The Members,

Your Directors take pleasure in presenting their 24th Annual Report, on the business and operations of LIC Mutual Fund Asset Management Limited together with audited financial statements for the financial year ended March 31, 2018.

1. Financial Performance:

The financial statements of the Company for the year ended 31st March, 2018 have been prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles in India and the provision of the Companies Act, 2013. The financial highlights of the Company for the year ended 31st March, 2018 are as follows:

(Amount in `crore)

Particulars	Year ended	
	Mar-18	Mar-17
Revenue from Operation	55.09	48.82
Other income	4.92	4.64
Total Revenue	**60.01**	**53.46**
Less: Total Expenditure	**55.49**	**50.65**
Profit / (Loss) before tax	**4.52**	**2.81**
Add / (Less): Tax write back / (Tax Expenses)	1.80	(1.80)
Profit / (Loss) After Tax	6.32	1.01
Less: Proposed dividend and tax thereon	(1.32)	(0.66)
Less: Deficit brought forward	(36.04)	(36.39)
Balance carried forward	(31.04)	(36.04)

Our Company had reported total revenue from operations of Rs.55.09 Cr for the current financial year against Rs.48.42 Cr earned in previous year, at a growth rate of 13%. The revenue from operation includes Investment Management fees of Rs.54.01 Cr and Portfolio Management Fees of Rs.1.08 Cr. Other income including investment income amounted to Rs.4.92 Cr against Rs.4.64 Cr earned in the previous year.

The Company had incurred total expense of Rs.55.49 Cr in current year compared to Rs. 50.65 Cr in the previous year. The profit / (loss) after tax for the current year is Rs.6.32 vis-à-vis Rs.1.01 Cr in the previous year.

2. Operational Highlights

Your Company acts as the asset manager to LIC Mutual Fund. The Year on Year (YoY) growth in terms of AAUM category for schemes of LIC Mutual Fund is tabled below:

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` in Crores

Fund Category	Financial Year 2017-18 (AAUM)	Financial Year 2016-17 (AAUM)	Growth (`)
Equity	2712.50	2070.64	31.00
Debt	19209.00	15141.50	26.86
Total AAUM	21921.50	17212.15	27.36

The total number of investors as at the end of the year stood at 332415 as against 330422 at the end of the last financial year.

3. Portfolio Management:

Your Company has been rendering portfolio management services ('PMS') since 2006. As on year end, the total AUM of the portfolio management business stood at Rs. 1343.38 Cr. as on 31st March, 2018 as against Rs. 1088.35 Cr.as on 31st March, 2017.

4. Dividend:

Keeping in mind the overall performance and the outlook for our company, our Directors are pleased to recommend the dividend of Rs. 1000 Per share i.e. 10 % on each Equity Share having face value of the total outgo for the current year amounts to Rs. 1 Crore 10 Lakhs.

5. Capital Infusion and Capital Reserves:

There was no capital infusion during the financial year 2017-2018. During the year ended March 31, 2018 the Company made a profit of Rs. 6.32 Crores (PAT). The Company does not propose to transfer any amount to Capital Reserves.

6. Material changes and commitments, if any, affecting the financial position of the company:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

7. Details of Significant and Material Orders Passed by The Regulators:

During the year 2017-18, no penalties or strictures and material orders which have a significant impact have been imposed or passed by the regulators or courts or tribunals or any statutory authority on any matter during the year which have an impact on the going concern status and company's operations in future.

8. Internal Financial Controls:

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditors report to the Audit Committee of the Board.

The internal control system monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls significant audit observations, if any and corrective actions thereon are presented to the Audit Committee of the board.

9. Report on Performance of Subsidiaries, Associates and Joint Venture Companies:

Company does not have any subsidiary and joint venture nor made any investment in the associate Company.

10. Deposits:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

11. Auditors of The Company - Statutory:

In accordance with the applicable provision of law, the Company has appointed statutory auditors, who periodically submit their reports, which are placed before the Audit committee for discussion, review and implementation of their recommendations.

12. Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. M.P. Chitale & Co., Chartered Accountants, the Statutory Auditors of the Company have been appointed for a term of 5 years in the Annual General Meeting held on 21st September, 2015. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company. Accordingly, M/s. M.P. Chitale & Co. shall continue to act as Auditors of the Company for the financial year 2018-19.

13. **Observations of Statutory Auditors on Accounts for the year ended 31st March 2018:**

The observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended 31st March 2018 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

14. **Extract of the annual return:**

The details forming part of extract of the annual return in form MGT 9 forms part of the Board's report (Annexure A)

15. **Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

Conservation of Energy & Technology Absorption

Since the Company does not own any manufacturing facility, the disclosure under this head is not applicable. Further, other requirement of the Company (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are also not applicable.

Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings and Outgo for the financial year ended March 31, 2018 is Nil.

16. **Risk Management:**

The Audit Committee of the Board of Directors ensures seamless functioning of the Company and the Mutual Fund activity. The Asset Management Company has constituted various committees to which specific functions have been delegated including Risk Management. The Management of the Asset Management Committee and the Risk Management Committee ensures implementation of various Risk Management practices in the Company and with respect to Mutual Fund operations. The Board of Directors has also appointed a reputed a Chartered Accountants firm as the Internal Auditors for Mutual Fund operations. The Internal Auditor also reviews the adequacy of Risk Management systems and report the same in their Internal Audit Report.

17. **Corporate Social Responsibility (CSR):**
The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable since the Company doesn't fulfill the criteria as specified under provisions of Section 135 of the Companies Act, 2013.

Industrial Assurance Building, 4th Floor, Opp. Churchgate Station, Mumbai-400 020. | **Board :** +91 22 6601 6000 | **Fax :** +91 22 2283 5606 | **Web :** www.licmf.com | **CIN :** U67190MH1994PLC077858

18. Annual evaluation of directors, committee and board:

The Board has carried out an annual performance evaluation of its own performance, and of the directors individually, as well as the evaluation of Audit Committee, Nomination and Remuneration Committee, Board of Directors.

The Board adopted a formal evaluation mechanism for evaluating its performance and as well as that of its Committees and individual directors, including the Chairman of the Board the exercise was carried out by feedback survey from each director covering Board functioning such as composition of Board and its Committees, experience and competencies, governance issues etc. Separate Exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as attendance, contribution at the meeting etc.

19. Directors:

Changes in Directors and Key Managerial Personnel

The details about changes in the Board of Directors have been given in the table below:

Name	Designation	Date of Appointment	Date of Cessation
Mr. Vinay Sah	Nominee Director	25/04/2017	-
Mr. Raj Kumar	Whole Time Director & CEO	31/08/2017	-
Ms. Sarojini Dikhale	Whole time Director and Chief Executive Officer	30/06/2015	24/04/2017
Ms. Sunita Sharma	Nominee Director	25/02/2014	12/04/2017

Retirement by rotation

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 none of the Independent Directors is liable to retire by rotation. Accordingly, Mr. Sivasankar Gopakumar (DIN: 07542356) retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Your Directors recommend his approval.

Declaration by Independent Directors

The Company has received necessary declaration from each independent Director of the Company under Section 149 (7) of the Company Act, 2013 that the Independent

Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6).

20. Board & Audit Committee:

Board Meeting:

During the year under review, (Four) 4 meetings of the board of Directors of the Company were held in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The details of the same are as mentioned under: -

Sr. No.	Date of meeting	Names of Directors as on the date of meeting	Directors Present	Leave of Absence
1	20/06/2017	Mr. V.K. Sharma Mr. S.K. Mitra Mr. Satish K.Kamat Mr. Sanjay Muthal Mr. K.K. Bang Mr. Vijay Sharma Mr. S. Gopakumar Mr. Raj Kumar Mr. Vinay Sah	Mr. V.K. Sharma Mr. S.K. Mitra Mr. Satish K.Kamat Mr. Sanjay Muthal Mr. K.K. Bang Mr. Vijay Sharma Mr. S. Gopakumar Mr. Raj Kumar	Mr. Vinay Sah
2	18/09/2017	Mr. V.K. Sharma Mr. S.K. Mitra Mr. Satish K.Kamat Mr. Sanjay Muthal Mr. K.K. Bang Mr. Vijay Sharma Mr. S. Gopakumar Mr. Raj Kumar Mr. Vinay Sah	Mr. V.K. Sharma Mr. S.K. Mitra Mr. Satish K.Kamat Mr. Sanjay Muthal Mr. K.K. Bang Mr. Vijay Sharma Mr. S. Gopakumar Mr. Raj Kumar Mr. Vinay Sah	

3	30/10/2017	Mr. V.K. Sharma Mr. Satish K.Kamat Mr. Sanjay Muthal Mr. K.K. Bang Mr. Vijay Sharma Mr. S. Gopakumar Mr. Raj Kumar Mr. S.K. Mitra	Mr. V.K. Sharma Mr. Satish K.Kamat Mr. Sanjay Muthal Mr. K.K. Bang Mr. Vijay Sharma Mr. S. Gopakumar Mr. Raj Kumar	Mr. S.K. Mitra Mr. Vinay Sah
4	23/02/2018	Mr. V.K. Sharma Mr. Satish K.Kamat Mr. Sanjay Muthal Mr. K.K. Bang Mr. Vijay Sharma Mr. S. Gopakumar Mr. Raj Kumar Mr. S. K. Mitra	Mr. V.K. Sharma Mr. Satish K.Kamat Mr. Sanjay Muthal Mr. K.K. Bang Mr. Vijay Sharma Mr. S. Gopakumar Mr. Raj Kumar	Mr. S. K. Mitra Mr. Vinay Sah

Audit Committee:

The Audit Committee was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee comprises of:

1. Mr. Subrata Kumar Mitra, Independent Director- Chairman
2. Mr. Kailash Kumar Bang Independent Director
3. Mr. Satisk K Kamat Independent Director and

During the year, (Four) 4 meetings of Audit committee were held.

21. Related Party Transaction:

All related party transaction that was entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There is no materially significant related party transaction made by the Company with shareholders, directors, Key Managerial Personnel or other designated persons which may have a potential conflict with interest of the Company at large. (Annexure B – Form AOC 2).

22. Particulars of loans, guarantees or investments under Section 186:

No loans, guarantees or investments under Section 186 were made to the Board.

23. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.
The composition of the committee is as under:

1. Mr. Subrata Kumar Mitra, Chairman,
2. Mr. Satish K Kamat, Independent Director
3. Mr. Sanjay Muthal, Independent Director and
4. Ms. Sunita Sharma (ceased with effect from 12/04/2017)

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The detailed policy as approved by the Board is as per the Annexure C herewith.

24. Managerial Remuneration:

Pursuant to Clause 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as per the Annexure D annexed herewith.

25. Sexual Harassment of Women at the Workplace (Prevention Prohibition & Redressal) Act, 2015:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this Policy

The following is a summary of sexual harassment complaints received and disposed off during the year 2017-2018:

a) Number of complaints of sexual harassment received during the year –: Nil
b) Number of complaints disposed of during the year –: Nil

26. Directors' Responsibility Statement:

As per the requirement of Sub Section (5) of Section 134 of the Companies Act, 2013 the Directors confirm that-

(a) In the preparation of the annual accounts, for the financial year ended March 31, 2018 the applicable accounting standards had been followed and that there are no 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 as at March 31, 2018 and of the profit and loss of the Company for the year under review;

(c) The Directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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;

(e) 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.

27. Corporate Governance:

During the financial year 2017-18, the Company has paid remuneration to Ms. Sarojini Dikhale (CEO and WTD till 24/04/2017) of Rs. 212,106/- (inclusive of perquisites of Rs. 19,853/-) and Mr. Raj Kumar of Rs. 2,602,655/- (inclusive of perquisites of Rs. 379,047/-) Apart from this the remuneration package does not contain any benefits, bonuses, stock options, fixed component, performance linked incentives, etc. The Company has not executed Service Agreement with the Whole Time Director. There is neither any notice period on both the sides nor severance fees chargeable.

28. Other Disclosures

a) <u>Disclosure Under Section 43(A)(ii) Of the Companies Act, 2013:</u>

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

b) <u>Disclosure Under Section 54(1)(d) of the Companies Act, 2013:</u>

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The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

c) **Disclosure Under Section 62(1)(b) of the Companies Act, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

d) **Disclosure Under Section 67(3) of the Companies Act, 2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

29. Acknowledgements:

Your Directors also place on record their appreciation of the tireless efforts of Team LIC Mutual Fund, a dedicated and loyal band of people who have displayed unswerving commitment to their work in these challenging times and helped the Company is able to achieve the good results.

For and on behalf of Board of Directors

Mr. Raj Kumar	**Mr. Vinay Sah**
(DIN: 06627311)	**(DIN: 02425847)**
Director & CEO	**Director**

Place: Mumbai

Date: 26.07.2018

ANNEXURE A

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	U67190MH1994PLC077858
Registration Date	:	20/04/1994
Name of the Company	:	LIC Mutual Fund Asset Management Limited
Category / Sub-Category of the Company	:	Company limited by Shares / Non -Government company
Address of the Registered office and contact details	:	Indl Assurance Bldg 4th Floor Opp. Churchgate Station, Mumbai City, MH - 400020
Whether listed company	:	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	M/s. Karvy Computershare Private Limited. Address: "Karvy Selenium", Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally, Gachibowli, Hyderabad - 500032 Contact No: 040-67162222/33211000

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	Fund Management Activities- Management Of Mutual Fund	6630	98.03 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1	Life Insurance Corporation of India Address: J B Marg, Mumbai-400020	NA	Associate Company	45%	2(6)
2	LIC Housing Finance Limited Address: Bombay Life Building, 2nd floor, 45/47, Veer Nariman Road, Mumbai-400001	L65922MH1989PLC052257	Associate Company	39.3%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. CATEGORY-WISE SHARE HOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	9266	7	9273	84.3%	9266	7	9273	84.3%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-

Sub-total(A)(1):	9266	7	9273	84.3%	9266	7	9273	84.3%	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) +(A)(2)	9266	7	9273	84.3%	9266	7	9273	84.3%	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	440	-	4	4%	440	-	4	4%	-
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):	440	-	4	4%	440	-	4	4%	-
	-	-	-	-	-	-	-	-	-
(2) Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-

i) Indian	1287	-	1287	11.7%	1287	-	1287	11.7%	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):	1287	-	1287	11.7%	1287	-	1287	11.7%	-
Total Public Shareholding (B)=(B)(1) +(B)(2)	-	-	-	-	-	-	-	-	-
	1727	-	1727	15.7%	1727	-	1727	15.7%	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10993	7	11000	100%	10993	7	11000	100%	

ii. SHAREHOLDING OF PROMOTERS:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share -holding at the end of 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	% change in share holding during

								the year
1.	LIC of India	4950	45%	-	4950	45%	-	-
2.	LIC Housing Finance Ltd	4323	39.3%	-	4323	39.3%	-	-
	Total	9273	84.3%	-	9373	84.3%	-	-

iii. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

No change in promoter shareholding

Sr. No.		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	-	-	-	-

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Top 10 Shareholders	No. of shares	% of total shares of the	No. of shares	% of total shares of

			Company		the Company
1.	GIC Housing Finance				
	At the beginning of the year	1,287	11.70%	1,287	11.70%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	1,287	11.70%	1,287	11.70%

2.	Corporation Bank				
	At the beginning of the year	440	4.00%	440	4.00%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	440	4.00%	440	4.00%

v. <u>SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:</u>

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	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 Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	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	-	-	-	-
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:

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount
		Mr. Raj Kumar, Whole Time Director and CEO (present)	Ms. Sarojini Dikhale, Whole Time Director and CEO (till 24.04.2017)			
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2223608.00	192253.00	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	379047.00	19853.00	-	-	-
	(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 (A)	2602655.00	212106.00			-
	Ceiling as per the Act	As per Schedule V	As per Schedule V	-	-	-

B. <u>REMUNERATION TO OTHER DIRECTORS:</u>

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Subrata K Mitra	Mr. Kailash K Bang	Mr. Satish Kamat	Mr. Sanjay Muthal	Mr. Vijay Sharma	
	1. Independent Directors	-	-	-	-	-	-
	Fee for attending board / committee meetings	1,80,000	1,40,000	2,20,000	1,20,000	80,000	7,40,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	1,80,000	1,40,000	2,20,000	1,20,000	80,000	7,40,000
	2. Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please	-	-	-	-	-	-

	specify						
	Total (2)	-	-	-	-	-	-
	Total (B) = (1+2)	1,80,000	1,40,000	2,20,000	1,20,000	80,000	7,40,000
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-

C. <u>REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:</u>

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Mayank Arora, Company Secretary& Compliance Officer	Mr. Pawan Baheti, Chief Financial Officer	Total
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32,93,571.00	36,75,605.00	69,69,176
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	- as % of profit	0.00	0.00	0.00
	- others, specify	0.00	0.00	0.00

5	Others, please Specify	0.00	0.00	0.00
	Total	32,93,571.00	36,75,605.00	69,69,176

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NOT APPPLICABLE

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

Mr. Raj Kumar
(DIN: 06627311)
Director & CEO

Mr. Vinay Sah
(DIN: 02425847)
Director

Date: 26.07.2018

Place: Mumbai

Annexure B

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 arms length transaction under third proviso thereto.

1.	Details of contracts or arrangements or transactions not at Arm's length basis.	NIL
a)	Name(s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2.	Details of contracts or arrangements or transactions at Arm's length basis.	
a)	Name(s) of the related party & nature of relationship	Life Insurance Corporation of India is an Associate company in term of section 2(6) of the Company Act, 2013
b)	Nature of contracts/arrangements/transaction	Leasing of property,other business expenses and availing of other services in the normal course of business and at arm's length basis
c)	Duration of the contracts/arrangements/transaction	Regular and normal course of business and at arm length basis
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In 2017-18, the company has incurred expenses amounting to Rs.28,169,239
e)	Date of approval by the Board	-
f)	Amount paid as advances, if any	NIL

Annexure C

NOMINATION & REMUNERATION COMMITTEE POLICY DOCUMENT

Background & Constitution

Pursuant to Section 178 of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014; since the Company has a paid up capital of more than Rs. 10 crores; the Nomination and Remuneration Committee (NRC) has been constituted at the Board Meeting dated June 21, 2014 with the following members:-

1. Mr. S K Mitra
2. Mr. Satish K Kamat
3. Mr. Sanjay Muthal

Overall objectives of the NRC Committee

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the formulation of criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling its responsibilities.
- To implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

DEFINITIONS

- The 'Act' means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- Board means Board of Directors of the AMC.

- Directors mean Directors of the Company.
- Key Managerial Personnel (KMP) means :
  - Chief Executive Officer
  - Whole-time director
  - Chief Financial Officer
  - Company Secretary
  - Such other officer as may be prescribed.
- Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Policy for appointment, evaluation, removal and retirement of Director, KMP and Senior Management

Appointment criteria and qualifications

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board for his / her appointment.

- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

Term / Tenure

Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time.

No re-appointment shall be made earlier than one year before the expiry of term.

Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly)

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

The secretary of this committee will be the Company Secretary of the Company.

Annexure D

Details pursuant to Clause 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

	Names	**Mr. Nityanand Prabhu**	**Mr. Saravana Kumar**	**Mr. Rajesh Patwardhan**	**Ms. Shefali Suri**	**Mr. Prashant Jitendra Thakkar**	**Mr. Marzban Irani**	**Mr. Milind Kshirsagar**	**Mr. Sachin Relekar**	**Mr. Rahul Singh**	**Mr. Pawan Baheti**
a.	Designation of the employee	Chief Operations Officer	Chief Investment Officer	Chief Marketing Officer	Chief Human Resource Officer	Chief Technology Officer & Head - Strategy	Fund Manager -Fixed Income	Relation Head-West	Fund Manager -Equity	Fund Manager- Debt	Chief Financial Officer
b.	Remuneration received.	93,79,452.00	92,28,170.00	78,73,827.00	62,98,167.00	62,98,167.00	56,14,481.00	53,78,115.00	50,23,623.00	47,52,486.00	36,75,605.00
c.	Nature of employment whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
d.	Other terms & conditions	As mentioned in 'appointment letter'	As mentioned in 'appointment letter'	As mentioned in 'appointment letter'	As mentioned in 'appointment letter'	As mentioned in 'appointment letter'	As mentioned in 'appointment letter'	As mentioned in 'appointment letter'	As mentioned in 'appointment letter'	As mentioned in 'appointment letter'	As mentioned in 'appointment letter'
e.	Nature of duties of the employee	Presently, Chief Operating Officer at LIC Mutual Fund Asset Management Ltd	Presently, Chief Investment Officer at LIC Mutual Fund Asset Management Ltd	Presently, Chief marketing Officer at LIC Mutual Fund Asset Management Ltd.	Presently, Chief Human Resources Officer at LIC Mutual Fund Asset Management Ltd.	Presently, Chief Technology Officer and Head – Strategy at LIC Mutual Fund Asset Management Ltd.	Presently, Fund Manager (Fixed Income) at LIC Mutual Fund Asset Management Ltd	Presently, Regional Head - West at LIC Mutual Fund Asset Management Ltd.	Presently, Fund Manager (Equity) at LIC Mutual Fund Asset Management Ltd	Presently, Fund Manager (Fixed Income) at LIC Mutual Fund Asset Management Ltd	Presently, Chief Financial Officer at LIC Mutual Fund Asset Management Ltd at LIC Mutual Fund Asset Management Ltd.
f.	Qualifications & experience of the employee	B. Com. LLB	MBA (PGDM)-IIM, B.E, CAIIB	BSc (Microbiology), master's in marketing management	MBA HR	Diploma in Computer Engg.	B.Com., PGDBM (Finance)	B.Com., MMS, ICWA (Level 1)	BE, MMS-Finance	B.Sc., PGPM (IIM)	B.com, CA
g.	Date of commencement of employm	6-Apr-15	28-Apr-15	11-Feb-16	1-Jun-12	16-Jul-12	4-Aug-16	4-Aug-16	3-Dec-12	27-Aug-15	22-Jan-15

Rn

	ent										
h.	The age of the employee	48	52	51	44	41	43	50	44	36	35
i.	The last employment held by such employee before joining the company	COO & Acting CEO at ING Investment Mgt Ltd (2007 to 2015)	Head of Investment-PMS at Trust Investment Advisors Pvt Ltd (From October 1, 2013 to April 27, 2015)	Vice President (Head for Banks & ND) – Deutsche Asset Management India Pvt. Ltd. (From 2004 to 2016)	Mirae Asset Management Company, Human Resource Management – 2008-2010	Mirae Asset Management Company, IT	DSP Blackrock Investment Managers as Vice President Fixed Income	JP Morgan Asset Management India Pvt. Ltd., Head - Institutional Sales	TATA Asset Management Ltd., Equity Analyst	BOI AXA Investment Managers, Fund Management, Fixed Income Asset Management	BOI AXA Investment Managers, Senior Manager, Finance
j.	The percentage of equity shares held by the employee in the company within the meaning of sub-clause (iii) of clause (a) of sub-section 2(A) of Section 217 of the Companies Act	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
k	Whether the employee is a relative of any director or manager of the company and if so, the name of such director.	No	No	No	No	No	No	No	No	No	No

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ADDENDUM TO DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

Dear Members,

The following change has been made in point 19 of the Directors' report for the financial year ended March 31, 2018

Retirement by rotation

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 none of the Independent Directors is liable to retire by rotation. Accordingly, Mr. Vinay Sah (DIN: 02425847) retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Your Directors recommend his approval.

For and On Behalf of Board of Directors

Mr. Raj Kumar
(DIN: 06627311)
Director & CEO

Mr. Vinay Sah
(DIN: 02425847)
Director

Date: 10.08.2018
Place: Mumbai

LIC Mutual Fund Asset Management Ltd.
Investment Managers to LIC Mutual Fund

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

Board : +91 22 6601 6000
Fax : +91 22 2283 5606

Web : www.licmf.com
CIN : U67190MH1994PLC077858

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIC MUTUAL FUND ASSET MANAGEMENT LIMITED

(Formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **LIC Mutual Fund Asset Management Limited** ("the Company"), (formerly known as **LIC Nomura Mutual Fund Asset Management Company Limited)** which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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 judgements and estimates that are reasonable and prudent, and the design, implementation and maintenance of internal financial control that are operating effectively for ensuing 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.

AUDITOR'S 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 the 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 issued by the Institute of Chartered Accountants of India, as 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.

M.P. CHITALE & CO. MUMBAI C.A.

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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 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, its profits, 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 Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, 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 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e. On the basis of written representations received from the directors as on 31st March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

M.P. CHITALE & CO. MUMBAI C.A.

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** to this report.

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) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position as at March 31, 2018 refer Note-27 to the Financial Statements

   ii. The Company did not have any outstanding long-term contracts including derivative contracts at March 31, 2018 for which there were any material foreseeable losses; and

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The disclosure regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made since the requirement does not pertain to financial year ended 31st March 2018.

For M. P. Chitale & Co.
Chartered Accountants
Firm Reg. No. 101851W

M. P. CHITALE & CO.
1/11, 1st Floor,
Prabhadevi Ind. Estate,
Opp. Siddhivinayak Temple,
Veer Savarkar Marg,
Prabhadevi,
Mumbai - 400 025.
CHARTERED ACCOUNTANTS

V.V. Barje

Mumbai
Date: 26 JUL 2018

Vidya Barje
Partner
M. No. 104994

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT (Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its Fixed Assets

(a) The Company has maintained proper records, showing full particulars including quantitative details and situation of Fixed Assets.

(b) The company has carried out the physical verification of fixed assets during the year and no material discrepancies were noted.

(c) There is no immovable property held in the name of the company.

(ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.

(iv) The Company has not given any loans to directors. It has also not given any loans or guarantee to any person or body corporate. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investments made.

(v) The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules,2014(as amended). Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.

(vi) To the best of our knowledge and as explained, Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Companies Act, 2013.

M.P. CHITALE & CO. MUMBAI C.A.

(vii) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Service Tax, Goods and Service Tax, Cess and any other material statutory dues to the appropriate authorities and according to the information and explanations given to us, no undisputed dues in respect of Provident Fund, Income-Tax, Service Tax, Goods and Service Tax, Cess and any other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they become payable.

(b) According to the records of the Company, the dues outstanding of Income-Tax, Service Tax, Goods and Service Tax and Cess on account of any dispute are as follows:

Name of the statute	**Nature of dues**	**Amount in Rupees**	**Period to which it relates**	**Forum where the dispute is pending**
The Income Tax Act, 1961	Income Tax including interest as applicable	12,15,99,225	AY 2010-11	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax including interest as applicable	1,15,97,196	AY 2012-13	Commissioner of Income Tax-Appeals

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that that the company has not defaulted in repayment of dues to financial institution or bank. The company has not issued any debentures.

(ix) The Company has not raised money by way of Initial Public Offer and have not taken any term loan. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

M.P. CHITALE & CO. MUMBAI C.A.

(xi) The Company has appointed Whole Time Director and managerial remuneration paid to the Whole Time Director is within the limits prescribed in the provision of Section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

(xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential offer of fully or partly convertible shares or debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For M. P. Chitale & Co.
Chartered Accountants
Firm Reg. No. 101851W

M. P. CHITALE & CO.
CHARTERED ACCOUNTANTS

V.V. Barje

Mumbai
Date: 26 JUL 2018

Vidya Barje
Partner
M. No. 104994

ANNEXURE B

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF LIC MUTUAL FUND ASSET MANAGEMENT LIMITED

(Formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)

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

To the members of LIC Mutual Fund Asset Management Limited (formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)

We have audited the internal financial controls over financial reporting of LIC Mutual Fund Asset Management Limited ("the Company"), (formerly known as **LIC Nomura Mutual Fund Asset Management Company Limited)** as of March 31, 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note

M.P. CHITALE & CO. MUMBAI C.A.

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 judgement, 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 my /our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

M.P. CHITALE & CO. MUMBAI C.A.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

Explanatory Paragraph

We have also audited, in accordance with the Standards of Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of LIC Mutual Fund Asset Management Limited, which comprise the Balance Sheet as at March 31, 2018, the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated July , 2018 expressed an unqualified opinion thereon.

For M. P. Chitale & Co.
Chartered Accountants
Firm Reg. No. 101851W

M. P. CHITALE & CO. 1/11, 1st Floor, Prabhadevi Ind. Estate, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025. CHARTERED ACCOUNTANTS

V.V. Barje

Vidya Barje
Partner
Membership No. 104994
Mumbai, July ___ 2018
26 JUL 2018

LIC Mutual Fund Asset Management Limited
(Formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)

Balance Sheet

Particulars	Note	As at March 31 2018	As at March 31 2017
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share capital	3	110,000,000	110,000,000
Reserves and surplus	4	999,240,383	949,261,664
		1,109,240,383	1,059,261,664
NON-CURRENT LIABILITIES			
Other long-term liabilities	5	4,482,496	4,809,940
Long-term provisions	6	21,720,652	13,502,446
		26,203,148	18,312,386
CURRENT LIABILITIES			
Trade payables	7		
(a) Micro and small enterprises		-	-
(b) Other than micro and small enterprises		37,685,208	33,687,600
Other current liabilities	8	20,559,892	19,912,780
		58,245,100	53,600,380
		1,193,688,631	1,131,174,430
ASSETS			
NON CURRENT ASSETS			
Fixed assets			
Tangible assets	9	21,476,019	11,189,307
Intangible assets	10	2,551,628	3,071,564
Non-current investments	11	87,616,518	87,616,518
Long-term loans and advances	12	293,340,428	269,273,474
Other non current assets	13	150,355,500	-
		555,340,093	371,150,863
CURRENT ASSETS			
Current investments	14	270,000,000	689,000,000
Trade receivables	15	50,674,059	48,860,171
Cash and bank balances	16	301,675,334	8,896,682
Short-term loans and advances	17	15,324,528	13,266,714
Other current assets	18	674,617	-
		638,348,538	760,023,567
		1,193,688,631	1,131,174,430
SIGNIFICANT ACCOUNTING POLICIES	2		

The accompanying notes are an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date

For M. P. Chitale & Co.
Chartered Accountants
Firm Registration No : 101851W

V. V. Barje

Vidya Barje
Partner
Membership No. 104994

For and on behalf of Board of Directors

Vinay Sah
Director
DIN: 02425847

S K Mitra
Director
DIN: 00029961

Pawan Baheti
Chief Financial Officer

Raj Kumar
Whole Time Director & Chief Executive Officer
DIN: 06627311

MkArora

Mayank Arora
Company Secretary

Place : Mumbai
Date : 26 JUL 2018

M. P. CHITALE & CO.
V11, 1st Floor, Prabhadevi Ind. Estate, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.
CHARTERED ACCOUNTANTS

MUTUAL FUND ASSET MANAGEMENT LIMITED
MUMBAI-20

LIC Mutual Fund Asset Management Limited
(Formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)

Statement of Profit and Loss

Particulars	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
INCOME			
Revenue from operations	19	550,956,944	488,241,466
Other income	20	49,186,031	46,359,904
Total revenue		600,142,975	534,601,370
EXPENSES			
Employee benefits expense	21	223,314,992	276,921,440
Other expenses	22	322,949,460	221,085,982
Depreciation & amortisation expenses	23	8,662,831	8,487,751
Total Expenses		554,927,283	506,495,173
PROFIT BEFORE TAX		45,215,692	28,106,197
Tax expenses			
Current tax		-	9,224,333
Current tax expense pertaining to prior year		-	8,778,035
Deferred tax		-	-
Tax provision written back pertaining to prior year		(18,002,368)	-
PROFIT FOR THE YEAR		63,218,060	10,103,829
EARNINGS PER EQUITY SHARE			
Equity shares of par value ₹ 10,000 each			
Basic and Diluted		5,747	919
Number of shares used in computing earnings per share			
Basic and Diluted		11,000	11,000
SIGNIFICANT ACCOUNTING POLICIES	2		

The accompanying notes are an integral part of the financial statements
This is the Statement of Profit & Loss referred to in our report of even date

For M. P. Chitale & Co.
Chartered Accountants
Firm Registration No : 101851W

V. V. Barje

Vidya Barje
Partner
Membership No. 104994

For and on behalf of Board of Directors

Vinay Sah
Director
DIN: 02425847

S K Mitra
Director
DIN: 00029961

Pawan Baheti
Chief Financial Officer

Raj Kumar
Whole Time Director &
Chief Executive Officer
DIN: 06627311

MK Arora

Mayank Arora
Company Secretary

Place : Mumbai
Date : 26 JUL 2018

M. P. CHITALE & CO. 1/11, 1st Floor, Prabhadevi Ind. Estate, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025. CHARTERED ACCOUNTANTS

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

LIC Mutual Fund Asset Management Limited
(Formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)

Cash Flow Statement

Amount in ₹

Particulars	Year ended Mar 31, 2018		Year ended Mar 31, 2017	
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		45,215,692		28,106,197
Add/(Less) adjustments for:				
Depreciation and amortization expenses	8,662,831		8,487,751	
Loss/(Profit) on sale of investments (net)	(44,810,658)		(40,395,716)	
Loss/(Profit) on sale of fixed assets (net)	(243,536)		153,579	
Provision/(write back) for expenses	-		(689,172)	
Provision/(write back) for gratuity	(1,484,891)		(12,592,463)	
Provision/(write back) for lease escalation	(327,444)	(38,203,698)	(520,610)	(45,556,631)
Operating profit before working capital changes		7,011,994		(17,450,434)
Change in assets and liabilities				
(Increase)/Decrease in current assets	(3,871,702)		(3,916,337)	
(Increase)/Decrease in loans and advances	(24,066,954)		459,721	
(Increase)/Decrease in other assets	(251,030,117)		-	
Increase/(Decrease) in current liabilities	25,730,534	(253,238,239)	(11,096,583)	(14,553,199)
Cash generated from operations		(246,226,245)		(32,003,633)
Direct taxes paid		-		(4,767,190)
NET CASH FROM OPERATING ACTIVITIES		(246,226,245)		(36,770,823)
CASH FLOW FROM INVESTING ACTIVITIES				
Payment towards capital expenditure	(18,926,763)		(8,635,955)	
Proceed on sale of fixed assets	740,692		39,400	
Investment in fixed deposits (non current)	(150,000,000)		-	
Investment in mutual fund units	(795,000,000)		(1,329,444,000)	
Disposal of mutual fund units	1,258,810,658	295,624,587	730,839,716	(607,200,839)
NET CASH GENERATED BY INVESTING ACTIVITIES		295,624,587		(607,200,839)
CASH FLOW FROM FINANCIAL ACTIVITIES				
Payment of dividend	(5,500,000)		-	
Payment of dividend distribution tax	(1,119,690)	(6,619,690)	-	-
NET CASH USED IN FINANCING ACTIVITIES		(6,619,690)		-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		42,778,652		(643,971,662)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		8,896,682		652,868,344
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		51,675,334		8,896,682

The accompanying notes are an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date

For M. P. Chitale & Co.
Chartered Accountants
Firm Registration No : 101851W

V. V. Barje

Vidya Barje
Partner
Membership No. 104994

For and on behalf of Board of Directors

Vinay Sah
Director
DIN: 02425847

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Whole Time Director &
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DIN: 06627311

MK Arora

Mayank Arora
Company Secretary

Place : Mumbai
Date : 26 JUL 2018

M. P. CHITALE & CO.
V11, 1st Floor, Prabhadevi Ind. Estate, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.
CHARTERED ACCOUNTANTS

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED
MUMBAI-20

LIC Mutual Fund Asset Management Limited
(Formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)
Notes to Financial Statements for the year ended Mar 31, 2018

1. Company Overview

   The principal activity of the Company is to act as an Investment management advisor to LIC Mutual Fund ('the Fund'). The Company manages the investment portfolio and provides various administrative services to the Fund.

   The Company also provides portfolio management services ('PMS') to clients under Securities and Exchange Board of India (portfolio managers) Regulations, 1993 (as amended).

2. Significant Accounting Policies

   2.1. Basis of preparation of financial statements

   These financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values. Indian GAAP comprises mandatory Accounting Standards (AS) as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the act and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

   2.2. Use of Estimates

   The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. The estimate and assumptions used in the financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statement. The assets and liabilities have been classified as current and non-current based on 12 month operating cycle.

   2.3. Revenue Recognition

   i) Revenue from Operations

   Investment management fees are accounted on accrual basis in accordance with the Investment Management Agreement and are dependent on the net assets value as recorded by the schemes of LIC Mutual Fund.

   Portfolio management fees are recognised, on accrual basis, in accordance with the terms of agreement with respective clients.

   Revenue from advisory services is accounted, on accrual basis, based on the terms of agreement with the clients.

M.P. CHITALE & CO. MUMBAI C.A.

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

ii) Other Income

The profit/(loss) on sale of investments are recognised in the Statement of Profit and Loss on the date of trade and determined using the First-In-First-Out (FIFO) basis for individual security.

Interest income is recognised using the time-proportion method, based on the rate implicit in the transaction. Dividend is recognised when right to receive dividend is established.

2.4. Investments

Investments are either classified as current or long-term based on Management's intention. Current investments are carried at the lower of cost and fair value of each investment individually. Long-term investments are carried at cost less provision recorded to recognize any decline, other than temporary, in the carrying value of each investment.

2.5. Fixed Assets, Depreciation and Impairment of Assets

i) Tangible assets and capital work-in-progress

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

ii) Intangible assets

Intangible Assets are stated at acquisition cost of such assets and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets under development comprise the cost of assets that are under development for not yet ready for their intended use at the reporting date.

iii) Depreciation and amortization

Depreciation on tangible assets is provided on the straight line method over the useful life of assets estimated by the management. Depreciation for assets purchased/sold during the year is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the assets is available to the Company for its use. The management estimates the useful lives for the other fixed assets as follows:

Particulars	Estimated Useful Life
Furniture and fittings	10 years
Office equipments	5 years

M.P. CHITALE & CO. MUMBAI C.A.

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

Particulars	Estimated Useful Life
Computers	3 years
Vehicles[a]	5 years
Leasehold improvement	Over the period of lease or useful life, whichever is less
Computer software	3 years

[a] *based on management estimates, the useful life as given above represents the period over which the Management expects to use these assets. Hence the useful life for these assets is different from the useful life as prescribed under Schedule Part C of II of the Companies Act, 2013.*

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Gains or losses arising from the retirement or disposal of fixed assets are recognised as income or expense in the Statement of Profit and Loss.

iv) Impairment

The company assesses carrying amounts of assets, at each financial year end, to ascertain impairment based on internal / external factors. An impairment loss is recognised, in Statement of Profit and Loss, wherever the carrying value of an assets exceeds its recoverable amount. If there is an indication that a previously impaired loss no longer exists, the recoverable amount is reassessed, and the carrying amount of an asset is restated to its revised recoverable amount not exceeding the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

2.6. Employee Benefits

Long Term Employee Benefits

i) Defined Contribution Plan

The company contributes to recognised provident fund scheme, which is defined contribution scheme. The company has no further obligation beyond making the contributions. The contributions are recognised on accrual basis and charged to Statement of Profit and Loss.

ii) Defined Benefits Plan

The company provides for gratuity, a defined contribution plan, covering eligible employees. Liabilities with regards to gratuity are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using Projected Unit Credit Method. The company recognizes the net obligation for the gratuity in the balance sheet as an asset or liability, respectively in accordance with AS - 15 "Employee Benefits". Actuarial gains and

M.P. CHITALE & CO. MUMBAI C.A.

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise.

2.7. Foreign Currency Transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Realized gains and losses, if any, arising out of transactions settled during the year are recognized in the statement of profit and loss. Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the balance sheet date the gains or losses resulting from such transaction are included in the statement of profit and loss.

2.8. Income Taxes

Income tax expense comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax asset or liability is recorded for the timing differences based on tax effect of the aggregate amount of timing differences between accounting income and taxable income for the year, subject to the consideration of prudence.

Deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are reviewed for the appropriateness of their respective carrying values at each financial year end.

2.9. Earnings per share

Basic earnings per share is computed by dividing the net profit or loss after tax attributable to equity shareholders by weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit or loss after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.10. Leases

Leases in which a significant portion of the risks and rewards of ownership are 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 statement of profit and loss on a straight line basis over the extended lease term.

2.11. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits

M.P. CHITALE & CO. MUMBAI C.A.

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liabilities. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognised nor disclosed in the financial statements.

2.12. Distribution and Scheme Overrun Expenses

i) New Fund Offer Expenses

Expenses relating to the new fund offer are charged to Statement of Profit and Loss in which such expenses are incurred.

ii) Distribution Commission

Commission or incentive expenses for distribution of schemes of mutual fund are recognized in the Statement of Profit and Loss in the year in which such expenses are incurred.

Withheld commission or incentive to the distributors is paid only when valid claims are made from when those amounts became due.

iii) Scheme Overrun Expenses

Expenses of schemes of LIC Mutual Fund (Formerly known as LIC Nomura Mutual Fund) in excess of stipulated limits as per SEBI (Mutual Fund) Regulations, 1996 are charged to Statement of Profit and Loss.

2.13. Cash and Cash equivalents

Cash and cash equivalents comprises of only bank balances held in current account and fixed deposits with original maturity upto 3 months.

M.P. CHITALE & CO. MUMBAI C.A.

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

LIC Mutual Fund Asset Management Limited
(Formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)

Notes to Financial Statements for the year ended Mar 31, 2018

3 Share capital

Amount in ₹

Particulars	As at Mar 31, 2018	As at Mar 31, 2017
Authorised:		
25,000 equity shares of ₹10,000 each	250,000,000	250,000,000
Issued, subscribed and paid up:		
11,000 equity shares of ₹10,000 each, fully paid up	110,000,000	110,000,000
	110,000,000	110,000,000

a) The reconciliation of the number of shares outstanding and the amount of share capital as at the beginning and at the end of the reporting period are as follows:

Particulars	No. of shares As at Mar 31, 2018	No. of shares As at Mar 31, 2017	Amount As at Mar 31, 2018	Amount As at Mar 31, 2017
Opening number of shares outstanding	11,000	11,000	110,000,000	110,000,000
Add : Shares issued during the year	-	-	-	-
Closing number of shares outstanding	11,000	11,000	110,000,000	110,000,000

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10,000 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares are as follows:

Name of the shareholder	As at Mar 31, 2018 No. of shares	As at Mar 31, 2018 % held	As at March 31, 2017 No. of shares	As at March 31, 2017 % held
Equity shares of ₹ 10,000 each fully paid:				
LIC of India and its nominees	4,950	45.00%	4,950	45.00%
LIC Housing Finance Limited	4,323	39.30%	4,323	39.30%
GIC Housing Finance Limited	1,287	11.70%	1,287	11.70%

	As at March 31, 2018	As at March 31, 2017
d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date	-	-
e) Aggregate number of shares alloted as bonus shares during the period of five years immediately preceding the reporting date	-	-
f) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date	-	-

M.P. CHITALE & CO. MUMBAI C.A.

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

LIC Mutual Fund Asset Management Limited
(Formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)

Notes to Financial Statements for the year ended Mar 31, 2018

4 Reserves and surplus

Amount in ₹

Particulars	As at Mar 31, 2018	As at Mar 31, 2017
Securities premium account	790,000,000	790,000,000
General reserve:		
Balance as at the beginning of the year	519,640,000	519,640,000
Add: transferred from surplus	-	-
Balance as at the end of the year	519,640,000	519,640,000
Surplus/(Deficit) in the Statement of Profit and Loss:		
Balance as at the beginning of the year	(360,378,336)	(363,862,475)
Add: Profit for the year	63,218,060	10,103,829
Less: Dividend for the year	(11,000,000)	(5,500,000)
Less: Income tax on dividend	(2,239,341)	(1,119,690)
Balance as at the end of the year	(310,399,617)	(360,378,336)
	999,240,383	949,261,664

5 Other long-term liabilities

Amount in ₹

Particulars	As at Mar 31, 2018	As at Mar 31, 2017
Lease obligation payable	4,482,496	4,809,940
	4,482,496	4,809,940

6 Long-term provisions

Amount in ₹

Particulars	As at Mar 31, 2018	As at Mar 31, 2017
Provision for employee benefits:		
Provision for gratuity	18,604,087	10,385,881
Other provisions:		
Provision for contingencies	3,116,565	3,116,565
	21,720,652	13,502,446

7 Trade payables

Amount in ₹

Particulars	As at Mar 31, 2018	As at Mar 31, 2017
Trade payables*#	37,685,208	33,687,600
	37,685,208	33,687,600

* No amounts due and outstanding to be credited to investor education and protection fund.

\# There are no dues to micro, small and medium enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

8 Other current liabilities

Amount in ₹

Particulars	As at Mar 31, 2018	As at Mar 31, 2017
Employee benefits payable	410,433	10,113,530
Provision for dividend	11,000,000	5,500,000
Statutory dues	9,149,459	4,299,250
	20,559,892	19,912,780

M.P. CHITALE & CO. MUMBAI C.A.

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

LIC Mutual Fund Asset Management Limited
(Formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)

Notes to Financial Statements for the year ended March 31, 2018

9 Tangible Assets

Amount in ₹

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	April 1, 2017	Additions	Disposals	March 31, 2018	April 1, 2017	For the year	Disposals/ Adjustments	March 31, 2018	March 31, 2018	March 31, 2017
Own assets:										
Leasehold improvements	30,282,169	3,175,134	1,818,086	31,639,217	27,563,080	1,531,957	1,610,688	27,484,349	4,154,868	2,719,089
Office equipment	9,841,254	3,756,074	1,907,752	11,689,576	6,707,155	1,081,677	1,834,225	5,954,607	5,734,969	3,134,099
Computer	59,127,197	9,872,173	91,940	68,907,430	55,409,022	3,277,864	91,935	58,594,951	10,312,479	3,718,175
Furniture and fittings	4,960,942	872,282	488,810	5,344,414	3,767,840	788,170	448,951	4,107,059	1,237,355	1,193,102
Motor vehicles	5,552,653	-	4,555,228	997,425	5,127,811	212,131	4,378,865	961,077	36,348	424,842
Total	109,764,215	17,675,663	8,861,816	118,578,062	98,574,908	6,891,799	8,364,664	97,102,043	21,476,019	11,189,307
March 31, 2017	104,957,288	5,422,989	616,062	109,764,215	91,535,681	7,462,310	423,083	98,574,908	11,189,307	13,421,607

10 Intangible Assets

Amount in ₹

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	April 1, 2017	Additions	Disposals	March 31, 2018	April 1, 2017	For the year	Disposals/ Adjustments	March 31, 2018	March 31, 2018	March 31, 2017
Own assets:										
Software applications	89,860,258	1,251,100	37,000	91,074,358	86,788,694	1,771,032	36,996	88,522,730	2,551,628	3,071,564
Total	89,860,258	1,251,100	37,000	91,074,358	86,788,694	1,771,032	36,996	88,522,730	2,551,628	3,071,564
March 31, 2017	86,647,292	3,212,966	-	89,860,258	85,763,253	1,025,441	-	86,788,694	3,071,564	884,039

M.P. CHITALE & CO. MUMBAI C.A.

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

11 Non-current investments

Amount in ₹

Particulars	No. of Units As at March 31, 2018	No. of Units As at March 31, 2017	Amount As at Mar 31, 2018	Amount As at Mar 31, 2017
Investment in mutual fund units:				
(valued at cost, quoted)			20,559,748	20,559,748
Units of LIC Mutual Fund (Face value of Rs. 10 each):				
G Sec. Long Term Exchange Traded Fund	400,000.000	400,000.000	5,559,950	5,559,950
Exchage Traded Fund - Nifty 50 - Growth Plan	63,641.000	63,641.000	4,999,987	4,999,987
Exchage Traded Fund - Sensex - Growth Plan	19,123.000	19,123.000	4,999,836	4,999,836
Exchange Traded Fund Nifty 100 - Growth Plan	65,774.000	65,774.000	4,999,975	4,999,975
(valued at cost, unquoted)			62,056,770	62,056,770
Units of LIC Mutual Fund (Face value of Rs 10 each):				
Bond Fund - Direct Growth Plan	127,425.870	127,425.870	5,000,000	5,000,000
Banking & Financial Services Fund- Direct Growth Plan	400,944.113	400,944.113	3,958,000	3,958,000
Balanced Fund - Direct Growth Plan	19,906.093	19,906.093	1,731,000	1,731,000
Children's Fund - Direct Plan	33,994.411	33,994.411	500,000	500,000
Equity Fund - Direct Growth Plan	123,307.907	123,307.907	5,000,000	5,000,000
Growth Fund - Direct Growth Plan	244,495.191	244,495.191	5,000,000	5,000,000
Gilt Fund - Direct - Regular Growth Plan	131,986.687	131,986.687	4,140,000	4,140,000
Index Fund Sensex Plan -Direct Growth Option	34,694.470	34,694.470	1,812,770	1,812,770
Index Fund Nifty Plan Direct Growth Option	42,450.858	42,450.858	1,970,000	1,970,000
Infrastructure Fund - Direct Growth Plan	412,752.398	412,752.398	5,000,000	5,000,000
Income Plus Fund - Direct Growth Plan	273,179.260	273,179.260	5,000,000	5,000,000
Midcap Fund - Direct Growth Plan	519,755.923	519,755.923	5,000,000	5,000,000
MIP - Direct Growth Plan	113,613.641	113,613.641	5,000,000	5,000,000
Savings Plus Fund- Direct Growth Plan	228,006.494	228,006.494	5,000,000	5,000,000
Tax Plan - Direct Growth Plan	59,109.721	59,109.721	2,945,000	2,945,000
ULIS - Direct - Single Premium 10 Years	346,293.962	346,293.962	5,000,000	5,000,000
(valued at cost, unquoted)			5,000,000	5,000,000
Units of LIC Mutual Fund (Face value of Rs 1,000 each):				
Liquid Fund - Direct Growth Plan	1,959.043	1,959.043	5,000,000	5,000,000
			87,616,518	87,616,518
Additional information				
Aggregate amount of quoted investment			20,559,748	20,559,748
Aggregate market value of quoted investment			26,890,285	24,605,832
Aggregate amount of unquoted investment			67,056,770	67,056,770
Aggregate market value of unquoted investment			82,855,442	76,983,701

12 Long-term loans and advances

(Unsecured and considered good)

Amount in ₹

Particulars	As at Mar 31, 2018	As at Mar 31, 2017
Security deposits	1,428,024	729,614
Other deposits	326,447	326,447
Advance income-tax (net of provision for tax)	286,556,596	266,160,841
Prepaid expenses	5,029,361	2,056,572
	293,340,428	269,273,474

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LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

LIC Mutual Fund Asset Management Limited
(Formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)

Notes to Financial Statements for the year ended Mar 31, 2018

13 Other non current assets

Amount in ₹

Particulars	As at Mar 31, 2018	2017
Balance with bank		
Term deposit (original maturity of more than 12 months)	150,000,000	-
Interest accrued but not due	355,500	-
	150,355,500	-

14 Current investments

Amount in ₹

Particulars	No. of Units As at March 31, 2018	2017	Amount 2018	2017
Investment in mutual fund units:				
(valued at cost, unquoted)				
Units of LIC Mutual Fund (Face value of Rs 10 each):				
Savings Plus Fund Direct Growth Plan Option	10,060,539.649	24,046,167.615	260,000,000	639,000,000
FMP Series-92-1100 Days-Direct Growth Plan Option	-	5,000,000.000	-	50,000,000
Units of LIC Mutual Fund (Face value of Rs 1,000 each):				
Liquid Fund - Direct Growth Plan	3,178.425	-	10,000,000	-
			270,000,000	689,000,000
Additional information				
Aggregate amount of unquoted investment			270,000,000	689,000,000
Aggregate market value of unquoted investment			287,868,923	701,009,678

15 Trade receivables
(Unsecured & considered good)

Amount in ₹

Particulars	As at Mar 31, 2018	2017
Outstanding for a period more than six months:	-	-
Others:		
Management fees receivable	45,842,596	44,690,580
Portfolio management fee receivable	4,831,463	4,169,591
	50,674,059	48,860,171
	50,674,059	48,860,171

16 Cash and bank balances

Amount in ₹

Particulars	As at Mar 31, 2018	2017
Cash and cash equivalents		
In current accounts	1,675,334	8,896,682
Term deposit (original maturity of less than 3 months)	50,000,000	-
Other bank balances		
Term deposit (original maturity of more than 3 months but less than 12 months)	250,000,000	-
	301,675,334	8,896,682

17 Short-term loans and advances
(Unsecured, considered good unless stated other wise)

Amount in ₹

Particulars	As at Mar 31, 2018	2017
Advances recoverable in cash or kind	4,023,311	5,309,666
Prepaid expenses	11,301,217	7,837,048
Capital advances	-	120,000
	15,324,528	13,266,714

18 Other current assets

Amount in ₹

Particulars	As at Mar 31, 2018	2017
Interest accrued but not due	674,617	-
	674,617	-

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19 Revenue from operations

Amount in ₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Management fees from mutual fund (Gross)	634,181,617	551,111,536
Less: Service tax / GST	94,056,777	71,731,425
Management fees from mutual fund (Net)	540,124,840	479,380,111
Portfolio management fees (Gross)	12,739,499	10,190,490
Less: Service tax / GST	1,907,395	1,329,135
Portfolio management fees (Net)	10,832,104	8,861,355
	550,956,944	488,241,466

20 Other income

Amount in ₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit on sale of mutual fund units	44,810,658	40,395,716
Profit on sale of fixed assets	243,536	-
Interest on Bank deposits	1,131,507	2,425,514
Provisions written back to the extent no longer required	-	689,172
Interest on income tax refund	2,856,890	-
Excess provision of gratuity written back	93,585	2,749,706
Other non-operating income	49,855	99,796
	49,186,031	46,359,904

21 Employees benefit expense

Amount in ₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries, allowances and bonus	205,390,803	251,085,787
Staff welfare expenses	5,064,308	7,562,581
Contribution to provident and other funds	12,771,530	18,273,072
Leave encashment	88,351	-
	223,314,992	276,921,440

In accordance with Accounting Standard 15 on 'Employees Benefits' (AS-15) as notified under section 133 of the Company Act 2013, read together with paragraph 7 of the Company (Accounts) Rule,2014, the following disclosures have been made:

a) Defined Contribution Plan:

The Company has recognized the following amount in the statement of profit and loss towards contribution to defined contribution plan which are included under contribution to provident and others funds:

Amount in ₹

Company contribution to provident and pension fund	Year Ended March 31, 2018	Year Ended March 31, 2017
Provident fund	12,549,067	18,117,763
Pension fund	222,463	155,309
	12,771,530	18,273,072

b) Defined Benefit Plan:

The following table set out the status of the Gratuity Plan as required under AS-15, Reconciliation of opening and closing balance of the present value of the defined benefit obligation and plan assets:

Amount in ₹

Particulars	As at March 31, 2018	As at March 31, 2017
i) Reconciliation of change in present value of the defined benefit obligation		
Balance at the beginning of the year	23,447,197	34,176,850
Interest cost	1,395,529	2,250,690
Current service cost	4,628,630	5,292,235
Past service cost (vested benefits)	1,649,739	-
Benefit paid	(3,622,178)	(8,013,480)
Actuarial (gain) / loss on obligation	(8,038,141)	(10,259,098)
Balance at the end of the year	19,460,776	23,447,197

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LIC Mutual Fund Asset Management Limited
(Formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)

Notes to Financial Statements for the year ended Mar 31, 2018

Amount in ₹

Particulars	As at March 31, 2018	2017
ii) Reconciliation of change in fair value of the plan assets fund		
Balance at the beginning of the year	2,947,786	10,472,827
Adjustment to opening balance	(244,085)	(2,244)
Expected return on plan assets	107,444	484,788
Contribution	1,276,659	-
Benefit paid	(3,622,178)	(8,013,480)
Actuarial gain/(loss) on plan assets	(19,370)	5,895
Balance at the end of the year	446,256	2,947,786
iii) Past service cost recognised		
Past service cost (non vested benefits)	-	-
Past service cost (vested benefits)	1,649,739	
Recognised past service cost (vested benefits)	1,649,739	-
iv) Amount to be recognized in the balance sheet		
Present value of obligations at end of the year	19,460,776	23,447,197
Fair value of plan assets at the end of the year	446,256	2,947,786
Net liability recognised in the balance sheet	19,014,520	20,499,411
v) Expenses recognised in the statement of profit and loss account		
Current service cost	4,628,630	5,292,235
Interest cost	1,395,529	2,250,690
Past service cost (vested benefits)	1,649,739	-
Expected return on plan assets	(107,444)	(484,788)
Net actuarial (gain)/loss recognised in the year	(8,018,771)	(10,264,993)
Expenses to be recognised in the statement of profit and loss account	(452,317)	(3,206,856)
vi) Actuarial (gain)/loss recognised		
Actuarial gain/(loss) on obligation	8,038,141	10,259,098
Actuarial gain/(loss) on plan assets	(19,370)	5,895
Actuarial (gain)/loss recognised in the year	8,018,771	10,264,993
vii) Actuarial Assumption Per Annum		
Discount rate	7.68%	6.45%
Expected rate of return on plan assets	6.50%	10.00%
Salary escalation	5.00%	10.00%
Retirement age	58 Years	58 Years
Attrition rate:		
Past service 0 to 5 years	10.00%	32.00%
Past service 5 to 25 years	0.00%	43.00%
Past service 25 to 40 years	0.00%	0.00%

viii) Experience adjustments:

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Defined benefit obligation at year end	19,460,776	23,447,197	34,176,850	27,900,366	23,687,757
Plan assets at year end, at fair value	(446,256)	(2,947,786)	(10,472,827)	(11,441,110)	(13,222,714)
Surplus/(deficit)	19,014,520	20,499,411	23,704,023	16,459,256	10,465,043

In respect of employees deputed from Life Insurance Corporation of India ("LIC"), gratuity expense is recorded as per terms agreed with LIC. Short term compensated absences are measured at the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

22 Other expenses

Amount in ₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Rent	21,082,151	20,085,183
Rates and taxes	3,184,003	2,642,061
Advertising and Publicity	41,504,835	53,346,563
Communication charges	14,483,950	14,097,955
Professional fees	20,127,459	15,386,282
RTA expenses	65,612,657	6,538,520
Computer and software expenses	34,226,468	23,998,680
Fund accounting charges	20,832,578	19,225,459
Commission or incentive	39,345,372	14,763,072
Repair and maintenance	1,072,628	1,079,355
Outsourced staff cost	21,917,337	16,270,279
Travelling & conveyance	10,222,539	8,440,981
Electricity charges	5,528,918	6,577,412
Printing & stationery	8,131,098	5,538,338
Insurance expenses	1,366,326	1,639,621
Auditor's Remuneration		
- Statutory audit fees	550,000	550,000
- Other services	50,000	50,000
- Out of Pocket	-	6,250
Board meeting expenses	299,289	287,583
Directors sitting fees	740,000	530,000
Legal charges	1,598,154	999,040
Scheme related expenses (refer note (a) below)	1,541,587	349,840
Service tax expenses	138,566	1,175,341
Loss on sale of fixed assets	-	153,579
Other operating expenses	9,393,545	7,354,588
	322,949,460	221,085,982

(a) Scheme related expenses

Expenses incurred for/on behalf of the schemes of mutual fund, in excess of the internal limits of the schemes and cannot be charged to the scheme are charged to the statement of profit and loss.

23 Depreciation & amortization expense

Amount in ₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation of tangible assets	6,891,799	7,462,310
Amortisation of intangible assets	1,771,032	1,025,441
	8,662,831	8,487,751

24 Leases

Obligation on long term, non-cancellable operating leases

The lease rentals charges during the period and the obligation on long term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

Amount in ₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Lease rentals recognized during the year	21,082,151	20,085,183
	21,082,151	20,085,183
Lease obligation payable:		
Within one year of the Balance sheet date	13,251,432	16,486,086
Due in a period between one year and five year	31,467,835	39,378,779
Due after five years	8,815,238	13,772,892
	53,534,505	69,637,757

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LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

25 Related party disclosures

i) Related parties during the year:

Particulars	Relationship
Life Insurance Corporation of India (LIC)	Associate
LIC Housing Finance Limited*	Associate
Sarojini Dikhale, Chief Executive Officer (upto 24th April, 2017)	Key Management Personnel (KMP)
Raj Kumar, Chief Executive Officer (w.e.f 28th April, 2017)	Key Management Personnel (KMP)
Pawan Baheti, Chief Financial Officer	Key Management Personnel (KMP)
Mayank Arora, Company Secretary	Key Management Personnel (KMP)

* No transactions during the year

ii) The related party transaction are as under :

Amount in ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Life Insurance Corporation of India (LIC)		
Transactions:		
Rent, rates and taxes & electricity charges	26,103,130	25,036,534
Other operating expenses	436,921	515,848
Contribution to provident and other funds	235,123	306,999
Gratuity	165,120	210,531
Insurance expenses	1,228,945	285,261
Receivables and deposits:		
Advances recoverable in cash or kind	855,217	992,623
Key Management Personnel (KMP)		
Transactions:		
Remuneration#	9,250,517	10,218,314

The above figures do not include liability towards gratuity and leave encashment as separate figure for KMP are not available. Perquisites have been valued in accordance with the provisions contained in the Income Tax Rules,1962.

26 The disclosure regarding details of specified bank notes (SBN) held and transacted during Nov 8, 2016 to Dec 30, 2016 has not been made since therequirement does not pertain to financial year ended Mar 31, 2018. Corresponding amounts as appearing in the audited financial statements for the year ended Mar 31, 2017 have been disclosed:

Amount in ₹

	Specified bank notes (SBN)	Other denomination notes	Total
Closing cash in hand as on Nov 8, 2016 (in the form of Advance to employees)	82,000	-	82,000
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount deposited in banks	82,000	-	82,000
Closing cash in hand as on Dec 30, 2016	-	-	-

M.P. CHITALE & CO. MUMBAI C.A.

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED MUMBAI-20

27 Contingent liabilities and commitments (to the extent not provided for)

Amount in ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Contingent liabilities		
Claims against the Company, not acknowledged as debts	133,196,421	133,196,421
Commitments		
Estimated amount of unexecuted capital contracts (net of advance and deposit)	-	2,178,552

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demands raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operation.

(a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
(b) The Company does not expect any demands in respect of the above contingent liabilities due to refunds outstanding for the past assessment years.

28 Previous years figures have been regrouped where necessary to conform to current year classification.

Signature to notes 1 to 28 forms part of the financial statements and to the above notes.

For M. P. Chitale & Co.
Chartered Accountants
Firm Registration No : 101851W

V. V. Barje

Vidya Barje
Partner
Membership No. 104994

For and on behalf of Board of Directors

Vinay Sah
Director
DIN: 02425847

S K Mitra
Director
DIN: 00029961

Pawan Baheti
Chief Financial Officer

Raj Kumar
Whole Time Director & Chief Executive Officer
DIN: 06627311

MK Arora

Mayank Arora
Company Secretary

Place : Mumbai
Date : 26 JUL 2018

M. P. CHITALE & CO.
V11, 1st Floor, Prabhadevi Ind. Estate, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.
CHARTERED ACCOUNTANTS

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED
MUMBAI-20