

## INDEPENDENT AUDITOR'S 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 Audit of the Ind AS Financial Statements

##### Opinion

We have audited the accompanying Ind AS financial statements of **LIC Mutual Fund Asset Management Limited**. ("the Company"), (formerly known as **LIC Nomura Mutual Fund Asset Management Company Limited**), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern



- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements 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 requirements of Section 197(16) of the Act, as amended; In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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, 2019 refer Note-26 to the Financial Statements ;
  - ii. The Company did not have any Long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Mumbai

Date: 9/2/19



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

V. Barje

Vidya Barje

Partner

M. No. 104994

UDIN No.: 19104994AAAAABJ2555

**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) Fixed assets have been Physical verified by management at reasonable intervals which according to our opinion, is reasonable having regard to the size of the company and the nature of its business and no material discrepancies were noted on such verification.
  - (c) According to the information and explanation given by the management and audit procedures performed, there are no immovable properties, included in the property, plant and equipment fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the company.
- (ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3(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, Limited Liability Partnerships 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.



- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, Undisputed statutory dues including Provident Fund, Income-tax, Goods and Service Tax, Cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the records of the Company, the dues outstanding of Income-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) In our opinion and according to the information and explanations given to us, the Company has not taken any loan either from banks, financial institutions or from the government and has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (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.
- (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) According to the information and explanations given by the management and audit procedures performed, 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) According to the information and explanations given to us and on an overall examination of the balance sheet, 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.

Mumbai

Date: 9/7/19



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

*V. V. Barje*

Vidya Barje

Partner

M. No. 104994

UDIN No.: 19104994AAAABJ2555



**Annexure "B" to the Independent Auditor's Report of even date on the Financial Statements of LIC Mutual Fund Asset Management Limited (Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of LIC Mutual Fund Asset Management Limited ("the Company") as of March 31, 2019 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 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 with reference to



these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

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



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, 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.

**Mumbai**

**Date:** 9/7/19



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

*V. V. Barje*

**Vidya Barje**

**Partner**

**M. No. 104994**

**UDIN No.: 19104994AAAABJ2555**

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

(₹ in '000)

**Balance Sheet**

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash & Cash Equivalents	3	10,133.65	1,675.33	8,896.68
Bank balance other than Cash and cash equivalents	4	510,000.00	450,000.00	-
Receivables				
Trade Receivables	5	98,468.54	50,674.06	48,860.18
Investments	6	430,489.93	397,612.00	802,599.21
Other financial assets	7	25,889.70	2,652.96	1,056.06
		<u>1,074,981.82</u>	<u>902,614.35</u>	<u>861,412.13</u>
<b>Non-Financial Assets</b>				
Current Tax Assets (net)	8	112,403.69	286,556.60	266,160.84
Property, Plant & Equipment	9	16,566.29	21,476.02	11,189.31
Other Intangible Assets	10	1,355.64	2,551.63	3,071.56
Other non financial assets	11	16,388.87	20,487.29	15,323.29
		<u>146,714.49</u>	<u>331,071.54</u>	<u>295,745.00</u>
<b>Total Assets</b>		<b><u>1,221,696.31</u></b>	<b><u>1,233,685.89</u></b>	<b><u>1,157,157.13</u></b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Financial liabilities</b>				
Payables	12			
Trade Payables				
- Total outstanding dues of micro enterprises and small enterprises				
- Total outstanding dues of creditors other than micro enterprises and small enterprises		19,732.25	37,685.19	33,687.60
Other financial liabilities	13	-	-	5,500.00
		<u>19,732.25</u>	<u>37,685.19</u>	<u>39,187.60</u>
<b>Non-Financial liabilities</b>				
Provisions	14	11,636.02	22,131.09	23,615.98
Other non-financial liabilities	15	2,599.21	6,910.12	4,299.25
		<u>14,235.23</u>	<u>29,041.21</u>	<u>27,915.23</u>
<b>Equity</b>				
Equity Share Capital	16	110,000.00	110,000.00	110,000.00
Other Equity	17	1,077,728.83	1,056,959.49	980,054.30
		<u>1,187,728.83</u>	<u>1,166,959.49</u>	<u>1,090,054.30</u>
<b>Total Liabilities and Equity</b>		<b><u>1,221,696.31</u></b>	<b><u>1,233,685.89</u></b>	<b><u>1,157,157.13</u></b>

**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

*Utkarsh* *S K Mitra*

M R Kumar  
Director  
DIN: 03628755

S K Mitra  
Director  
DIN: 00029961

*Pawan*

Pawan Baheti  
Chief Financial Officer

*MK Arora*

Mayank Arora  
Company Secretary

*Dinesh Pangtey*

Dinesh Pangtey  
Whole Time Director &  
Chief Executive Officer  
DIN: 07517137

Place : Mumbai  
Date : 9/2/19



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

(₹ in '000)

**Statement of Profit and Loss**

Particulars	Note	Year Ended March 31,	
		2019	2018
Revenue from operations			
Fees and commission income	18	429,526.12	550,956.94
Other income	19	117,259.29	49,092.46
Total revenue		546,785.41	600,049.40
EXPENSES			
Fees and commission expense	20	8,108.12	39,345.37
Employee benefits expense	21	236,991.56	231,248.88
Depreciation & amortisation expenses	22	9,452.71	8,662.83
Other expenses	23	259,237.50	283,604.09
Total Expenses		513,789.89	562,861.17
PROFIT BEFORE TAX		32,995.52	37,188.23
Tax expenses			
Current tax		7,747.52	-
Tax provision written back pertaining to prior year		-	(18,002.37)
MAT credit entitlement		(7,747.52)	-
Deferred tax		-	-
PROFIT FOR THE YEAR		32,995.52	55,190.60
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plans		1,013.16	8,027.47
Income tax on above		-	-
- Total outstanding dues of micro enterprises and small enterprises		1,013.16	8,027.47
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		34,008.68	63,218.07
EARNINGS PER EQUITY SHARE			
Weighted average number of equity shares (Nos.)		11,000	11,000
Basic and Diluted EPS (Rs.)		3.09	5.75
Face Value per share (Rs.)		10,000	10,000

**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

*M R Kumar*  
M R Kumar  
Director  
DIN: 03628755

*S K Mitra*  
S K Mitra  
Director  
DIN: 00029961

*Pawan Baheti*  
Pawan Baheti  
Chief Financial Officer

*Dinesh Pangtey*  
Dinesh Pangtey  
Whole Time Director &  
Chief Executive Officer  
DIN: 07517137

*MK Arora*  
Mayank Arora  
Company Secretary

Place : Mumbai  
Date : 9/1/19



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

**Cash Flow Statement**

(₹ in '000)

Particulars	Year ended	
	Mar 31, 2019	Mar 31, 2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax (including Other Comprehensive Income)	34,008.68	45,215.70
Add/(Less) adjustments for:		
Depreciation and amortization expenses	9,452.71	8,662.83
Loss/(Profit) on sale of investments (net)	(37,626.30)	(44,810.66)
Loss/(Profit) on sale of fixed assets (net)	-	(243.54)
Interest on Bank deposits	(43,042.57)	(1,131.51)
Provision/(write back) for gratuity	(10,495.07)	(1,484.89)
Operating profit/(loss) before working capital changes	(47,702.55)	6,207.93
Change in assets and liabilities		
(Increase)/decrease in trade receivables	(47,794.49)	(1,813.88)
(Increase)/decrease in other financial and non-financial assets	4,871.14	(5,729.02)
Increase /(decrease) in trade payables, other financial and non-financial liabilities and provisions	(22,263.85)	7,400.72
Cash generated from operations	(112,889.75)	6,065.75
Direct taxes (paid)/Refund (Net)	174,152.91	(2,393.39)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>61,263.16</b>	<b>3,672.36</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment towards capital expenditure	(3,346.99)	(18,926.76)
Proceed on sale of fixed assets	-	740.69
Interest Received	19,033.12	101.39
Maturity/ (Investment) made in bank deposits	(60,000.00)	(450,000.00)
Investment in mutual fund units	(1,025,200.00)	(795,000.00)
Disposal of mutual fund units	1,029,948.37	1,258,810.66
<b>NET CASH GENERATED BY INVESTING ACTIVITIES</b>	<b>(39,565.50)</b>	<b>(4,274.02)</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Payment of dividend	(11,000.00)	(5,500.00)
Payment of dividend distribution tax	(2,239.34)	(1,119.69)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(13,239.34)</b>	<b>(6,619.69)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,458.32</b>	<b>(7,221.35)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>1,675.33</b>	<b>8,896.68</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>10,133.65</b>	<b>1,675.33</b>

The accompanying notes are an integral part of the financial statements  
This is the Cash flow statement 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

*M R Kumar*

M R Kumar  
Director  
DIN: 03628755

*S K Mitra*

S K Mitra  
Director  
DIN: 00029961

*Pawan Baheti*

Pawan Baheti  
Chief Financial Officer

*MK Arora*  
Mayank Arora  
Company Secretary

*Dinesh Pangtey*

Dinesh Pangtey  
Whole Time Director &  
Chief Executive Officer  
DIN: 07517137

Place : Mumbai

Date : 9/2/19



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

Statement of changes in equity

a) Equity Share Capital

Particulars	Amount (₹ in '000)
Balance as at 01 April, 2017	110,000.00
Add / (Less): Changes in equity share capital during the year	-
Balance as at 31 March, 2018	110,000.00
Add / (Less): Changes in equity share capital during the year	-
Balance as at 31 March, 2019	110,000.00

b) Other equity

	Reserves & Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at 01 April, 2017</b>	790,000.00	519,640.00	(329,585.70)	<b>980,054.30</b>
Profit for the year	-	-	55,190.60	55,190.60
Other comprehensive income (net of tax)	-	-	-	8,027.47
<b>Total comprehensive income</b>	-	-	<b>55,190.60</b>	<b>63,218.07</b>
Adjustment relating to lease rent escalation	-	-	(327.44)	(327.44)
Adjustment relating to securities deposit	-	-	1.77	1.77
Adjustment relating to investment	-	-	14,012.79	14,012.79
<b>Balance as at 31 March, 2018</b>	<b>790,000.00</b>	<b>519,640.00</b>	<b>(260,707.98)</b>	<b>1,056,959.49</b>
Profit for the year	-	-	32,995.52	32,995.52
Other comprehensive income (net of tax)	-	-	-	1,013.16
<b>Total comprehensive income</b>	-	-	<b>32,995.52</b>	<b>1,013.16</b>
Dividend on equity shares	-	-	(11,000.00)	(11,000.00)
Dividend distribution tax	-	-	(2,239.34)	(2,239.34)
<b>Balance as at 31 March, 2019</b>	<b>790,000.00</b>	<b>519,640.00</b>	<b>(240,951.80)</b>	<b>1,077,728.83</b>

For M. P. Chitale & Co.  
Chartered Accountants

Firm Reg. No. 10185100

Vidya Barje  
Partner

M.No. 104954



For and on behalf of Board of Directors

M R Kumar  
Director  
DIN: 03628755

Pawan Baheti  
Chief Financial Officer

Mayank Arora  
Company Secretary



S K Mitra  
Director  
DIN: 00029961

Dinesh Pangtey  
Whole Time Director &  
Chief Executive Officer  
DIN: 07517137

Place : Mumbai

Date : 9/3/19

**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, 2019**

1. Company Information and Basis of preparation of financial statements

1.1. Company Information

LIC Mutual Fund Asset Management Limited was incorporated on April 20, 1994 under The Companies Act, 1956. The registered and corporate office of the company is situated at 4<sup>th</sup> Floor, Industrial Assurance Building, Opp. Churchgate station, Mumbai – 400020.

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).

The functional and presentation currency of the Company is Indian Rupees (INR) which is the currency of the primary economic environment in which the company operates.

1.2. Basis of preparation of financial statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as "Ind AS") as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and guidelines issued by the Securities and Exchange Board of India (SEBI).

Till March 31, 2018, the company used to prepare its financial statements as per Companies (Accounting Standards) Rules, 2014 (Previous GAAP) read with rule 7 and other relevant provisions of the Act. These are the first Ind AS financial statements of the company. The transition from previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards", with April 1, 2017 being the transition date and balance for the comparative period have been restated accordingly. As per Ind AS 101, the company has presented a reconciliation of total equity as at April 1, 2017 and March 31, 2018 reconciliation of total comprehensive income for the year ended March 31, 2018. Please refer note 31 for detailed information on transition.

The financial statements have been prepared on a historical cost convention, except for certain items that have been measured at fair values at the end of each reporting period as required by the relevant Ind AS:

- (i) Certain Financial assets and liabilities measured at fair value.
- (ii) Defined benefits plan - Plan assets measured at fair value.

1.3. Presentation of financial statements

The company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to The Companies Act, 2013. An analysis regarding recovery or settlement

