

LIC MUTUAL FUND ASSET
MANAGEMENT LIMITED

ANNUAL REPORT
2022 - 2023



NOTICE OF ANNUAL GENERAL MEETING TO MEMBERS

NOTICE is hereby given that the Twenty-Ninth Annual General Meeting of the Members of LIC Mutual Fund Asset Management Limited will be held on Friday, 28th July 2023 at 12.30 p.m. through video conferencing. The venue of the Meeting shall be deemed to be the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2023 and the Balance Sheet as on that date, together with the Cash Flow Statement, Notes, Reports of the Board of Directors and Auditors' thereon.
2. To re-appoint Mr. Paul Lobo (DIN: 09787223), Nominee Director who retires by rotation and being eligible, offer himself for re-appointment.
3. To declare final dividend of Rs. 1000/- per equity share of the Company for the Financial Year ended 31st March 2023.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

Change in designation from Additional Director to Director i.e. Appointment of Mr. Praveen Garg (DIN: 00208604) as Independent Director of the Company.

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 161 of the Companies Act, 2013 (“the Act”) and other applicable provisions read with its relevant rules (including any statutory modification(s) or re-enactment(s) thereof) and the Article of Association of the Company, Mr. Praveen Garg (DIN: 00208604), who was appointed as an Additional Non-Executive Independent Director on 06th April 2023, be and is hereby appointed as a Non-Executive Independent Director of the Company w.e.f. 6th April 2023 to hold office for a term of Five years upto 5th April 2028.

RESOLVED FURTHER THAT the Directors and/or the Company Secretary of the Company be and are hereby severally authorized to file all the necessary e-forms with the Registrar of Companies (ROC) and do all such acts, deeds, matters and things as may be required in this regard.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and are hereby severally authorized to sign, submit and issue certified copy of this resolution.”

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 2288 0633 / 2204

Web : www.licmf.com

CIN : U67190MH1994PLC077858



By Order of the Board of Directors

SD/-

Mayank Arora

Chief Compliance, Financial Officer & Company Secretary

Membership No: FCS-6899

Registered Office:

LIC Mutual Fund Asset Management Limited

Industrial Assurance Building, 4th Floor,

Opp. Churchgate Station, Mumbai-400 020.

Place: Mumbai

Date: 20th June 2023

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NOTES:

1. Corporate Members are requested to send a duly certified copy of the Board resolution/Authority Letter authorizing their representative to attend and vote at the Annual General Meeting.
2. Members seeking any information relating to the Accounts may write to the Chief Financial Officer at the Company's registered office at Industrial Assurance Building, 4th Floor, Opp. Churchgate Station, Mumbai – 400 020 or send an email at cs.co@licmf.com.
3. All the documents referred to in the Notice shall be available for inspection through electronic mode, basis the request being sent on cs.co@licmf.com.
4. The Ministry of Corporate Affairs ("MCA") has vide General Circular No. 20/2020 dated 5th May 2020, General Circular No. 02/2021 dated 13th January 2021, General Circular No. 19/2021 dated 08th December 2021, General Circular No. 21/2021 dated 14th December 2021, General Circular No. 02/2022 dated 05th May 2022 and General Circular No. 10/2022 dated 28th December 2022 and other circulars as may be applicable (collectively referred as "MCA Circulars"), permitted the companies to conduct Annual General Meeting (AGM) through video conferencing ("VC") or other audio visual means ("OAVM"), subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of the Act, the AGM will be convened and conducted through VC/OAVM within the jurisdiction of ROC, Mumbai.
5. The Company is pleased to inform that AGM of the Company will be held through the Two-way Video Conferencing facility.

The web-link of the meeting shall be provided separately. To access and participate in the meeting, shareholders and other participating stakeholders will be using the link of the meeting.

In case of any assistance with regards to using the technology before or during the meeting, please contact Mr. Prashant Thakkar – Chief of Operations & Technology on 9820019388.
6. While all efforts will be made to make the VC / OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-fi or LAN connection can mitigate some of the technical glitches.
7. The proceedings of the meeting shall be recorded and shall be kept in the safe custody of the Company. Such recording shall be made available at the request of the members.
8. The notice of the Annual General Meeting is being sent by electronic mode to the members at e-mail addresses which are available with the Company.
9. The facility for joining the meeting shall be kept open 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after the scheduled time of the meeting.

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Pursuant to section 105, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, the requirement of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form is not annexed hereto.

10. In conformity with the applicable regulatory requirements including but not limited to the provisions of the MCA Circulars, the Notice of this AGM is being sent only through electronic mode.
11. Since the AGM will be conducted through VC / OAVM facility, the route map is not annexed to this Notice.
12. The Voting at the meeting shall be conducted by show of hands unless a poll in accordance with section 109 of the Companies Act, 2013 is demanded by any member.
13. A copy of Memorandum of Association, Articles of Association, Statutory Registers and all documents referred to in the notice and required as per the Companies Act, 2013 will also be available for electronic inspection without any fee by the members from the date of circulation of this notice up to the date of AGM, i.e. 28th July 2023 during business hours. Members seeking to inspect such document may send a request on the email id cs.co@licmf.com at least 1 working day before the date on which they intend to inspect the document.
14. The members can pose questions concurrently at the Meeting or they can submit questions or queries regarding the agenda items on the designated email address through which the notice has been sent.

By Order of the Board of Directors

SD/-

Mayank Arora

Chief Compliance, Financial Officer & Company Secretary

Membership No: FCS-6899

Registered Office:

LIC Mutual Fund Asset Management Limited
Industrial Assurance Building, 4th Floor,
Opp. Churchgate Station, Mumbai-400 020.

Place: Mumbai

Date: 20th June 2023

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE
COMPANIES ACT, 2013**

Item No. 4

Mr. Praveen Garg (DIN: 00208604), has been acting as the Additional Non-Executive Independent Director of the Company since 06th April 2023 and shall hold office until conclusion of this Annual General Meeting.

Taking into consideration his valuable experience in the various fields and the composition of the Board as required, the Board of Directors of the Company hold the opinion that appointment of Mr. Praveen Garg as the Non-Executive Independent Director of the Company would be in the best interest of the Company.

The brief details of Mr. Praveen Garg (DIN: 00208604) along with his experience and educational qualification in accordance with para 1.2.5 of the Secretarial Standard on General Meetings (SS 2) is mentioned herein below for the members for their reference:

Sr. No	Particulars	Details
1.	Name of Director	Praveen Garg
2.	DIN	00208604
3.	Type	Independent Director
4.	Date of Birth	21/10/1961
5.	Age	61 years
6.	Qualification	Chartered Accountant, IAS (Retd.)
7.	No. of Equity Shares held in the Company	NIL
8.	Experience	More than 33 years in the Indian Administrative Service (I.A.S.)
9.	Terms and Conditions	As may be decided by the Board of Directors and the appointee Director
10.	Date of first appointment	06/04/2023
11.	Directorships held in other Companies	NIL
12.	Particulars of Committee Chairmanship/Membership held in other Companies (including this company)	Chairman of Audit Committee of LIC MF Asset Management Limited

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13.	Relationship with other Directors inter-se	NA
14.	No. of board meetings attended during the financial year 2022-23	NA
15.	Details of Remuneration Sought to be paid	Only sitting fees
16.	Remuneration last paid	NA

The members are requested to consider the appointment of Mr. Praveen Garg as Non-Executive Independent Director of the Company and approve the same in Item No. 4 by way of passing an Ordinary Resolution in terms of Section 149, 150, 152 and any other applicable provision of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013. Mr. Praveen Garg shall be appointed for a period of five years and shall not be liable to retire by rotation.

Mr. Praveen Garg has confirmed that he is not disqualified in terms of Section 164 of the Act read with rules made thereunder from being appointed as an Independent Director of the Company. In opinion of the Board, the Independent Director proposed to be appointed fulfill all the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the Management. The terms and conditions of appointment of the Independent Directors are available for inspection by members at the registered office of the Company and are also available on the website of the Company.

Except Mr. Praveen Garg, none of the Directors of the Company, Key Managerial Personnel or their relatives are deemed to be interested or concerned in the resolution.

By Order of the Board of Directors

SD/-

Mayank Arora

Chief Compliance, Financial Officer & Company Secretary

Membership No: FCS-6899

Registered Office:

LIC Mutual Fund Asset Management Limited
Industrial Assurance Building, 4th Floor,
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Place: Mumbai

Date: 20th June 2023

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DIRECTORS REPORT

LIC MUTUAL FUND ASSET MANAGEMENT LIMITED

FOR THE FINANCIAL YEAR 2022-2023

**NAMES OF PAST AND PRESENT DIRECTORS OF THE COMPANY WITH DIRECTOR IDENTIFICATION
NUMBERS (DIN)¹**

Siddhartha Mohanty	(DIN: 08058830)
Viswanatha Yerur Gowd	(DIN: 09048488)
Paul Lobo	(DIN: 09787223)
Satish Kamat	(DIN: 01536698)
Sanjay Muthal	(DIN: 06714024)
Vijay Sharma	(DIN: 07028178)
Raghunandan Maluste	(DIN: 01302477)
Praveen Garg	(DIN: 00208604)
Tritala Subramanian Ramakrishnan	(DIN: 09515616)
Shobha Reddy	(DIN: 09133433) (Ceased to be a director w.e.f. 15/11/2022)
M.R. Kumar	(DIN: 03628755) (Ceased to be a director w.e.f. 13/03/2023)
K.K. Bang	(DIN: 06505739) (Ceased to be a director w.e.f. 25/04/2023)

¹ The above disclosure has been given in accordance with Section 158 of Companies Act 2013, and reference of any of the above directors made in this document be read along with the above disclosure of their respective Director Identification Numbers

LIC Mutual Fund Asset Management Ltd.

Investment Managers to LIC Mutual Fund



Directors' Report

To,
The Members,
LIC Mutual Fund Asset Management Limited

The Directors of the Company hereby present their 29th Annual Report on the business and operations of LIC Mutual Fund Asset Management Limited together with audited financial statements for the financial year ended 31st March 2023.

1. Financial Performance:

The financial statements of the Company for the year ended 31st March 2023 have been prepared under the historical cost convention, in accordance with Indian Accounting Standards and the provisions of the Companies Act, 2013 and the rules made thereunder. The financial highlights of the Company for the year ended 31st March 2023 are as follows:

Particulars	(Amount in Rs. crore)	
	Year ended	
	Mar-23	Mar-22
Revenue from Operation	59.88	56.79
Net gain on fair value changes	3.62	3.89
Other income	5.66	3.12
Total Income	69.16	63.81
Less: Total Expenditure	68.07	61.66
Profit / (Loss) before tax	1.08	2.15
Less: Tax Expenses	-	-
Profit / (Loss) After Tax	1.08	2.15
Re-measurement gain/ (loss) on defined benefit plans	0.14	0.12
Effect of measuring investment at fair value	-	0.03
Total Comprehensive Income for the year	1.22	2.30

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Add: Surplus/ (Deficit) brought forward	(18.92)	(20.12)
Less: Dividend paid during the year	(1.10)	(1.10)
Balance carried forward	(18.80)	(18.92)

Our Company had reported total revenue from operations of Rs. 59.88 Cr for the current financial year against Rs. 56.79 Cr earned in previous year. The revenue from operation includes Investment Management fees of Rs. 58.95 Cr and Portfolio Management Fees of Rs. 0.93 Cr. Other income including investment income amounted to Rs.9.28 Cr (previous year Rs. 7.01 Cr).

The Company had incurred total expense of Rs. 68.07 Cr in current year compared to Rs. 61.66 Cr in the previous year. The total comprehensive income for the current year is Rs. 1.22 Cr vis-à-vis Rs. 2.30 Cr in the previous year.

2. Operational Highlights

The 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:

Fund Category	Financial Year 2022-23 (AAUM)	Financial Year 2021-22 (AAUM)	Rs.in Crores
			Growth (%)
Equity	7594.59	5946.86	27.71
Debt	10116.65	12270.16	(17.55)
Total AAUM	17711.24	18,217.02	(2.78)

The total number of folios as at the end of the financial year 31st March 2023 stood at 580842 as against 549971 at the end of the last financial year.

There was no change in nature of the business of the Company, during the year under review.

The Company is in the process of taking over the schemes of IDBI Mutual Fund. The same will have a positive impact on overall profitability of the Company.

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. 1475.64 Cr. as on 31st March 2023 as against Rs.1603 Cr. as on 31st March 2022.

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4. Dividend:

Keeping in mind the overall performance and the outlook for our Company, our Directors are pleased to recommend a dividend of Rs. 1000/- per share i.e. 10% on each Equity share having Face Value of Rs.10,000/- out of the current year's profit. In the last financial year 2021 – 2022, the Company had declared a dividend of Rs. 1000/- per share i.e. 10% on each Equity share having Face Value of Rs.10,000/-

5. Unpaid Dividend and IEPF:

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend A/c of the Company.

6. Capital Infusion and Transfer to Reserves:

There was no capital infusion during the financial year 2022-2023. During the year ended March 31, 2023, the Company made a profit of Rs. 1.22 Cr. The Company does not propose to transfer any amount to Reserves.

7. Material changes and commitments, if any, affecting the financial position of the company under Section 134(3)(l) of the Companies Act, 2013:

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.

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

During the year 2022-2023, 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.

9. 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 of the Company 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.

LIC Mutual Fund Asset Management Company Limited
Investment Managers to LIC Mutual Fund



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

The Company does not have any Subsidiary, Associates and Joint Venture.

11. 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.

12. Loan from Directors or Directors relatives:

The Company has not borrowed any amount from any Directors of the Company or their relatives.

13. Auditors of the Company - Statutory:

In accordance with the applicable provisions of law, the Company has appointed a Statutory Auditor, who periodically submits their reports and the same are placed before the Audit Committee for discussion, review and implementation of their recommendations.

14. Statutory Auditors:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. V.C. Shah & Co., Chartered Accountants (FRN: 109818W), have been appointed as Statutory Auditors, for a period of 5 years, in the Twenty-Sixth Annual General Meeting of the Company held in the year 2020, to hold office till the conclusion of 31st Annual General Meeting to be held in the year 2025.

15. Observations of Statutory Auditors on Accounts for the year ended 31st March 2023:

There were no adverse observations by the Statutory Auditors in their report. The comments / disclaimers made by the Statutory Auditors in their report for the financial year ended 31st March 2023 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.

16. Reporting of frauds by Statutory Auditors under Section 143(12):

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

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17. Annual Return:

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March 2023 is available on Company's website at:

<https://www.licmf.com/addendum-notice>

18. 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, hence the disclosure under this head is not applicable. Further, other requirements pursuant to Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption are also not applicable.

Foreign Exchange Earnings and Outgo

For the purpose of Rule 8 of the Companies (Accounts) Rules, 2014, Foreign Exchange Earnings and Outgo during the financial year ended March 31, 2023, is Nil.

19. Maintenance of Cost Records:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is not required to maintain Cost Records under said Rules.

20. Corporate Social Responsibility (CSR):

Since the Company does not fulfil the criteria specified for applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013, the provisions of Corporate Social Responsibility and the disclosures as per Section 134 of the Companies Act, 2013 and Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

21. 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 the Committees of the Board.

The Board has adopted a formal evaluation mechanism for evaluating its performance as well as that of its committees and individual Directors. 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. A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as attendance, contribution at the meeting etc.

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22. Matters related to Board of Directors and Key Managerial Personnel:

Changes in Directors and Key Managerial Personnel

The details about changes in the Board of Directors and Key Managerial Personnel have been given in the table below:

Name	Designation	Date of Appointment	Date of Cessation
Tritala Subramanian Ramakrishnan	Managing Director and Chief Executive Officer	28/07/2022*	-
Mr. Vijay Sharma	Independent Director	28/07/2022**	-
Mr. Paul Alphonso Lobo	Nominee Director	28/11/2022	-
Ms. Shobha Reddy	Nominee Director	28/04/2021	15/11/2022
Mr. Mangalam Ramasubramanian Kumar	Nominee Director	11/04/2019	13/03/2023

*Mr. T.S. Ramakrishnan's appointment as a Managing Director of the Company was regularised at the Annual General Meeting of the Company dated 28th July 2022.

**Mr. Vijay Sharma's re-appointment as Independent Director was regularised at the Annual General Meeting of the Company dated 28th July 2022.

Retirement by rotation

Mr. Viswanatha Yerur Gowd (DIN:09048488) who has been the longest on the Board of AMC was liable to retire by rotation, he is superannuating from LIC of India as of 31st July 2023. Accordingly, Mr. Paul Alphonso Lobo (DIN:09787223) is considered to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment pursuant to provision of Section 152(6) of the Companies Act, 2013.

Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6).



During the financial year 2022-23, the Company has re-appointed Mr. Vijay Sharma as independent director of the Company for a second term of 5 years. In the opinion of the Board, the independent directors possess the requisite integrity, expertise, experience and proficiency (including registration in Independent Directors' databank and clearing of examination, if applicable).

Corporate Governance

During the financial year 2022-23, the Company has paid remuneration to Mr. T.S. Ramakrishnan, Managing Director (MD) and Chief Executive Officer (CEO) of the Company. The Details pursuant to Section II, Schedule V of the Companies Act, 2013.

Particulars	Details
All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	Rs. 59,92,237/- which include perquisite of Rs.9,55,550/- and PLI of Rs. 2,21,525/-
Details of fixed component and performance linked incentives (PLI) along with the performance criteria	Rs.47,62,662/- (Fixed Component) Rs. 2,21,525/- (PLI). The performance evaluation of MD & CEO was undertaken by the Nomination & Remuneration Committee (NRC) of the AMC and the PLI was approved by the Board of Directors of the AMC.
Service contracts, notice period, severance fees	-
Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	-

23. 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: -

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Sr. No	Date of meeting	Names of Directors as on the date of meeting	Directors Present	Leave of Absence
1	27/04/2022	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Ms. Shobha Reddy Mr. Raghunandan Maluste Mr. T. S. Ramakrishnan	Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Ms. Shobha Reddy Mr. Raghunandan Maluste Mr. T. S. Ramakrishnan	Mr. M. R. Kumar
2	29/06/2022	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Ms. Shobha Reddy Mr. Raghunandan Maluste Mr. T. S. Ramakrishnan	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Ms. Shobha Reddy Mr. Raghunandan Maluste Mr. T. S. Ramakrishnan	--
3	28/09/2022	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Ms. Shobha Reddy Mr. Raghunandan Maluste Mr. T. S. Ramakrishnan	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Mr. Raghunandan Maluste Mr. T. S. Ramakrishnan	Ms. Shobha Reddy

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4	29/12/2022	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Mr. Raghunandan Maluste Mr. T. S. Ramakrishnan Mr. Paul Lobo	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Mr. T. S. Ramakrishnan Mr. Paul Lobo	Mr. Raghunandan Maluste
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The Company has complied with the applicable Secretarial Standards in respect of all the meetings.

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 and in accordance with the provisions of SEBI Circular No. SEBI/HO/IMD/IMD-I DOF2/P/CIR/2022/17 dated February 09, 2022.

The Audit Committee as on 31st March 2023 comprised of:

Mr. Kailash Kumar Bang	Independent Director - Chairman
Mr. Satish K. Kamat	Independent Director - Member
Mr. Viswanatha Yerur Gowd	Nominee Director – Member

During the year, (Four) 4 meetings of the Audit committee were held. Further, during the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

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:

The Nomination and Remuneration Committee as on 31st March 2023 comprised of:

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 2288 0633 / 2204

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Mr. Sanjay Muthal	Independent Director - Chairman
Mr. Kailash Kumar Bang	Independent Director - Member
Mr. Satish K. Kamat	Independent Director - Member

During the year, (Two) 2 meetings of Nomination and Remuneration Committee were held.

The Nomination and Remuneration policy has been annexed as **Annexure II**.

Risk Management Committee:

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 Company and the Risk Management Committee ensures implementation of various Risk Management practices in the Company with respect to Mutual Fund operations. The Board of Directors has also appointed a reputed Chartered Accountants firm as the Internal Auditors for Mutual Fund operations. The Internal Auditor for Mutual Fund operations also reviews the adequacy of Risk Management systems and report the same in their Internal Audit Report. An Independent Audit Firm has also been appointed to review the requirements of SEBI Circular on Risk Management Framework. During the year, (Five) 5 meetings of the Board level Risk Management Committee were held.

The Risk Management Committee as on 31st March 2023 comprised of:

Mr. Sanjay Muthal	Independent Director - Chairman
Mr. Satish K. Kamat	Independent Director - Member
Mr. T.S. Ramakrishnan	Managing Director & CEO - Member

24. Related Party Transaction

All related party transactions entered into during the financial year with related party(ies) as defined under the provisions of Section 2(76) were on an arm's length basis and were in the ordinary course of business. Further, none of these contracts / arrangements / transactions with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014. However, the details of the Related Party Transactions undertaken during the financial year ended 31st March 2023, are annexed as **Annexure I**.

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

The Company has not made any loans, guarantees covered under section 186 of the Act.



Full particulars of investments covered under Section 186 of the Companies Act 2013 provided during the financial year under review has been furnished in Note 6 of the Notes to Accounts which forms part of the financials of the Company.

26. Executive Committee:

The Executive Committee was constituted by the Board of Directors of the Company.
The composition of the Committee as on 31st March 2023 is as under:

Mr. T. S. Ramakrishnan	Managing Director & CEO - Chairman
Mr. Vishwanatha Yerur Gowd	Nominee Director – Member
Mr. Satish K. Kamat	Independent Director - Member

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

27. Managerial Remuneration:

The disclosures of details of Top 10 employees in receipt of remuneration pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the Company.

28. Disclosure regarding Internal Complaints Committee:

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under 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 2022-2023:

- a) Number of complaints of sexual harassment received during the year –: 1
- b) Number of complaints disposed off during the year –: 1
- c) Number of cases pending for more than 90 days –: Nil

29. 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, 2023, the applicable accounting standards had been followed and that there are no material departures.

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- 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, 2023 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.

30. Other Disclosures

a) Disclosure Under Section 43(a)(ii) of the Companies Act, 2013:

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) Disclosure Under Section 54(1)(d) of the Companies Act, 2013:

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.

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e) Disclosure of Proceedings pending, or application made under Insolvency and Bankruptcy Code, 2016:

No application was filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the Insolvency and Bankruptcy Code, 2016 ("IBC") before the NCLT.

f) Disclosure of reason for difference between valuation done at the time of taking loan from Bank and at the time of one-time settlement:

There was no instance of onetime settlement with any Bank or Financial Institution.

31. Acknowledgements:

The Directors thank the Company's employees, customers, vendors, investors and financial institutions for their continuous support.

The 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.

For and on behalf of Board of Directors

SD/-
Mr. T.S. Ramakrishnan
(DIN: 09515616)
Managing Director and Chief Executive Officer

SD/-
Mr. Siddhartha Mohanty
(DIN: 08058830)
Director

Place: Mumbai
Date: 20th June 2023

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ANNEXURE I

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 transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Particulars	Particulars
(a) Name(s) of the related party and nature of relationship	-
(b) Nature of contracts/ arrangements/ transactions	-
(c) Duration of the contracts / arrangements/transactions	-
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e) Justification for entering into such contracts or arrangements or transactions	-
(f) Date(s) of approval by the Board	-
(g) Amount paid as advances, if any	-
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-

2. Details of material contracts or arrangement or transactions at arm's length basis

Particulars	Particulars
(a) Name(s) of the related party and nature of relationship	Refer Note 1
(b) Nature of contracts/ arrangements/ transactions	Leasing of property, availing of services in normal course of business, Gratuity, sitting fees at arm's length basis
(c) Duration of the contracts / arrangements/transactions	Regular at Arm's Length
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Refer Note 2
(e) Date(s) of approval by the Board, if any	27/04/2022
(f) Amount paid as advances, if any	Nil

Note 1****Related parties during the year**

Sr. No.	Particulars	Relationship
1	Life Insurance Corporation of India (LIC)	Group Company
2	LIC Housing Finance Limited*	Group Company
3	T. S. Ramakrishnan, Managing Director & Chief Executive Officer	Key Management Personnel (KMP)
4	Mayank Arora, Chief Compliance, Financial Officer & Company Secretary	Key Management Personnel (KMP)
5	Kailash Bang	Independent Director
6	Raghunandan Maluste	Independent Director
7	Sanjay Muthal	Independent Director
8	Satish K Kamat	Independent Director
9	Vijay Sharma	Independent Director

*No transactions during the year

**The transactions with related parties are not material in nature and were on an arm's length basis and in the ordinary course of business.

NOTE - 2	
The Related Party Transactions are as under	
	(₹ in '000)
Particulars	2022-23
Transactions:	
Life Insurance Corporation of India (LIC)	
Rent, rates and taxes & other operating expenses	34,213.70
Contribution to provident and other funds	269.23
Gratuity	173.61
Insurance expenses	2784.64
Contribution to Gratuity Fund	-
Receivables and deposits:	
Advances recoverable in cash or kind	8548.95
Key Management Personnel (KMP)	
Transactions:	
Remuneration#	12,310.75
Independent Directors of AMC	
Sitting fees to Independent Directors	1,110.00
# The above figures do not include liability towards gratuity and leave encashment as separate figure for KMP is not available. Perquisites have been valued in accordance with the provisions contained in the Income Tax Rules, 1962.	

ANNEXURE II

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) was required to be constituted. Accordingly, the NRC had been constituted at the Board Meeting dated June 21, 2014. The NRC had been constituted at the Board Meeting dated February 07, 2020 with the following members as on 31st March 2023:

1. Mr. Sanjay Muthal
2. Mr. Satish K Kamat
3. Mr. Kailash Kumar Bang

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 as amended from time to time. 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 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 or the Managing director or the Manager
 - 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, remuneration, 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. The Committee may delegate its authority to identify and appoint personnel to the Managing Director & CEO or to any other person (e.g. Human Resources department), as it may consider necessary and appropriate.

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.

As per the applicable provisions of Companies Act 2013, rules made thereunder, the Board and / or the Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

Remuneration

The remuneration / compensation etc. to the Whole-time Director / Managing Director & CEO will be in line with the requirements stated in the Companies Act, 2013. The remuneration / compensation etc. payable to the Whole-time Director / Managing Director & CEO shall be subject to the approval of the shareholders of the Company.

Currently, the Company only pays sitting fees to its Independent Directors.

The remuneration payable to KMP or Senior Management level personnel will be in line with the Individual's qualification and experience.

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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LIC Mutual Fund Asset Management Limited Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of **LIC Mutual Fund Asset Management Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) 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 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the 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's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial 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 the 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 financial statements, including the disclosures, and whether the 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, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2023

taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and according to the information and explanation given to us, during the current year, the remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under 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, 2023 (Refer Note- 27) to the Financial Statement;
 - 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.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has declared and paid dividend during the year. The same is in compliance with section 123 of the Companies Act, 2013.

For V. C. Shah & Co.

Chartered Accountants

ICAI Firm Registration No.109818W

Viral J. Shah

Partner

Membership No.: 110120

Place: Mumbai

Date: April 20, 2023

UDIN:

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of LIC Mutual Fund Asset Management Limited on the Ind AS financial statements for the year ended March 31, 2023)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and to the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. (a)(A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Intangible Assets.
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given by the management, there are no immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Hence, reporting under clause 3(i)(d) is not applicable to the company.
- (e) As represented by the Management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company is in the business of rendering services, and consequently, does not hold any inventory. Accordingly, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
 - (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has made investments of its surplus into the Mutual funds' schemes and unlisted companies. But such investments are not prejudicial to the interest of the Company. The Company has not provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms,

Limited Liability Partnerships or any other parties. Hence, reporting under clause 3(iii)(c) to (f) of the Order is not applicable.

- iv. The Company has not given any loan to directors and to any other Company. Hence, the requirements under Section 185 of the Act is not applicable. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of investments have been complied with by the Company. The Company has not given any loan, guarantee or security to anyone.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits, as per the directives issued by Reserve Bank of India and the provisions of the section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
 - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There are no dues with respect to income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty which have not been deposited on account of any dispute, except for details given below.

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	1,15,97,196	AY 2012-13	Commissioner of Income Tax-Appeals
The Income Tax Act, 1961	Income Tax including interest as applicable	26,34,190	AY 2013-14	Commissioner of Income Tax-Appeals

- viii. As represented by the Management, there were no transactions which were previously not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence, reporting under clause 3(ix)(a) to (f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under clause 3(x)(a) of the Order is not applicable.

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). Hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) As represented by the Management, there was no instance of fraud on the company and hence, reporting under clause 3 (xi) b is not applicable.
- (c) As represented by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) (a) to (c) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors as per the provisions of section 192 of the Companies Act, 2013. Hence, reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (i) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the reporting under clauses 3(xvi)(a) to (c) is not applicable.
- (ii) In our opinion and based on the information received there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year. Hence, reporting under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. During the year there was no resignation of the Auditors. Hence, reporting under clause 3 (xviii) of the Order is not applicable to the company.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. Provisions of section 135 of Companies Act, 2013 related to Corporate Social Responsibility is not applicable to the company, Hence, reporting under clause 3(xx)(a) and (b) is not applicable to the company.

For V. C. Shah & Co.

Chartered Accountants

ICAI Firm Registration No.109818W

Viral J. Shah

Partner

Membership No.: 110120

Place: Mumbai

Date: April 20, 2023

UDIN:

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of LIC Mutual Fund Asset Management Limited on the Ind AS financial statements for the year ended March 31, 2023)

Report on the Internal Financial Controls Over Financial Reporting 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, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2023, based on the criteria for internal financial control over financial reporting 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 ICAI.

Management’s Responsibility for Internal Financial Controls

The Management of the Company 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 (the “ICAI”). 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 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.

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.

For V. C. Shah & Co.

Chartered Accountants

ICAI Firm Registration No.109818W

Viral J. Shah

Partner

Membership No.: 110120

Place: Mumbai

Date: April 20, 2023

UDIN:

LIC Mutual Fund Asset Management Limited

(₹ in '000)

Balance Sheet

Particulars	Note	As at Mar 31, 2023	As at Mar 31, 2022
ASSETS			
Financial Assets			
Cash & cash equivalents	3	34,043.94	2,972.54
Bank balance other than Cash and cash equivalents	4	-	439,300.00
Receivables			
Trade Receivables	5	60,494.52	60,110.03
Investments	6	964,966.08	609,107.04
Other financial assets	7	7,066.53	18,089.82
		1,066,571.07	1,129,579.43
Non-Financial Assets			
Current Tax Assets (net)	8	100,094.37	99,524.10
Property, Plant & Equipment	9	182,844.06	135,303.14
Other Intangible Assets	10	3,453.59	3,426.81
Other Non Financial assets	11	95,277.93	61,459.56
		381,669.95	299,713.61
Total Assets		1,448,241.02	1,429,293.04
LIABILITIES & EQUITY			
Liabilities			
Financial liabilities			
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		224.73	1,480.44
Other financial liabilities	13	151,070.85	124,205.52
		151,295.58	125,685.96
Non-Financial liabilities			
Provisions	14	62,399.84	70,206.44
Other non-financial liabilities	15	2,922.83	3,011.73
		65,322.67	73,218.17
Equity			
Equity Share Capital	16	110,000.00	110,000.00
Other Equity	17	1,121,622.77	1,120,388.91
		1,231,622.77	1,230,388.91
Total Liabilities and Equity		1,448,241.02	1,429,293.04

SIGNIFICANT ACCOUNTING POLICIES

1 & 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 V. C. Shah & Co.
Chartered Accountants
Firm Registration No : 109818W

For and on behalf of Board of Directors

Sd/-
Viral J. Shah
Partner
Membership No.: 110120

Sd/-
Siddhartha Mohanty
Director
DIN:08058830

Sd/-
T. S. Ramakrishnan
Managing Director &
Chief Executive Officer
DIN: 09515616

Place : Mumbai
Date : 21st April, 2023

Sd/-
Mayank Arora
Chief Financial Officer and Company Secretary

Statement of Profit and Loss

Particulars	Note	Year ended Mar-23	Year ended Mar-22
Revenue from operations			
Fees and commission income	18	598,787.04	567,948.49
Net gain on fair value changes	19	36,196.51	38,915.09
Other income	20	56,587.04	31,230.43
Total income		691,570.59	638,094.01
EXPENSES			
Finance costs	21	15,699.25	8,677.10
Employee benefits expense	22	347,074.80	302,435.86
Depreciation, amortisation & impairment	23	40,003.63	29,791.13
Other expenses	24	277,957.16	275,642.28
Total Expenses		680,734.84	616,546.38
PROFIT BEFORE TAX		10,835.75	21,547.63
Tax expenses			
Current tax		-	-
(Short)/Excess provision of tax of earlier years		-	-
MAT credit entitlement		-	-
Deferred tax		-	-
PROFIT FOR THE YEAR		10,835.75	21,547.63
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plans		1,398.11	1,151.46
Income tax on above		-	-
Effect of measuring investment at fair value		-	280.98
Other Comprehensive Income for the year (net of tax)		1,398.11	1,432.44
Total Comprehensive Income for the year		12,233.86	22,980.07
EARNINGS PER EQUITY SHARE			
Weighted average number of equity shares (Nos.)		11,000	11,000
Basic and Diluted EPS (Rs.)		1.11	2.09
Face Value per share (Rs.)		10,000	10,000

SIGNIFICANT ACCOUNTING POLICIES

1 & 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 V. C. Shah & Co.
Chartered Accountants
Firm Registration No : 109818W

Sd/-
Viral J. Shah
Partner
Membership No.: 110120

For and on behalf of Board of Directors

Sd/- Siddhartha Mohanty Director DIN:08058830	Sd/- T. S. Ramakrishnan Managing Director & Chief Executive Officer DIN: 09515616
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Place : Mumbai
Date : 21st April, 2023

Sd/-
Mayank Arora
Chief Financial Officer and Company Secretary

LIC Mutual Fund Asset Management Limited
Cash Flow Statement

(₹ in '000)

Particulars	Year ended	
	Mar 31, 2023	Mar 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after Other Comprehensive Income	12,233.86	22,980.07
Add/(Less) adjustments for:		
Depreciation and amortization expenses	40,003.63	29,681.43
Loss/(Profit) on sale of investments (net)	(7,988.55)	(3,273.05)
Fair value gain (Unrealised gain)	(28,207.96)	(35,923.02)
Loss/(Profit) on sale of fixed assets (net)	(61.68)	(37.49)
Interest on Bank deposits	(10,474.29)	(22,634.46)
Interest on lease liability	15,699.25	8,677.10
Provision/(write back) for gratuity	588.60	(5,405.04)
Operating profit before working capital changes	21,792.86	(5,934.43)
Change in assets and liabilities		
(Increase)/decrease in trade receivables	(384.49)	(6,354.88)
(Increase)/decrease in other financial and non-financial assets	(34,748.39)	(26,785.06)
Increase/(Decrease) in Trade Payable	(1,255.71)	(23,625.39)
Increase/(Decrease) in other financial liabilities	11,166.08	58,000.44
Increase/(Decrease) in other non-financial liabilities	(88.89)	438.80
Increase/(decrease) in provisions	(8,395.19)	41,165.55
Cash generated from operations	(11,913.74)	36,905.02
Direct taxes (paid)/Refund (Net)	(570.27)	(7,355.21)
NET CASH FROM OPERATING ACTIVITIES	(12,484.01)	29,549.82
CASH FLOW FROM INVESTING ACTIVITIES		
Payment/Proceeds towards capital expenditure	(87,510.35)	(93,803.72)
Interest on Investment in fixed deposits	22,427.59	23,911.59
Maturity/ (Investment) made in bank deposits	439,300.00	(9,800.00)
Investment in Equity shares	-	(14,217.96)
Investment in mutual fund units	(1,052,267.48)	(446,587.29)
Disposal of mutual fund units	732,605.64	492,899.98
NET CASH GENERATED BY INVESTING ACTIVITIES	54,555.41	(47,597.40)
CASH FLOW FROM FINANCIAL ACTIVITIES		
Payment of dividend	(10,395.00)	(10,395.00)
Payment of dividend distribution tax	(605.00)	(605.00)
NET CASH USED IN FINANCING ACTIVITIES	(11,000.00)	(11,000.00)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	31,071.40	(29,047.58)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,972.54	32,020.12
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	34,043.94	2,972.54

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

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 V. C. Shah & Co.
Chartered Accountants
Firm Registration No : 109818W

For and on behalf of Board of Directors

Sd/-
Viral J. Shah
Partner
Membership No.: 110120

Sd/-
Siddhartha Mohanty
Director
DIN: 08058830

Sd/-
T. S. Ramakrishnan
Managing Director &
Chief Executive Officer
DIN: 09515616

Place : Mumbai
Date : 21st April, 2023

Sd/-
Mayank Arora
Chief Financial Officer and Company Secretary

LIC Mutual Fund Asset Management Limited

Statement of changes in equity

a) Equity Share Capital

(₹ in '000)	
Particulars	Amount
Balance as at 31 March, 2021	110,000.00
Changes due to prior period errors	-
Restated balance as at 31 March, 2021	110,000.00
Add / (Less): Changes in equity share capital during the year	-
Balance as at 31 March, 2022	110,000.00
Changes due to prior period errors	-
Restated balance as at 31 March, 2022	110,000.00
Add / (Less): Changes in equity share capital during the year	-
Balance as at 31 March, 2023	110,000.00

b) Other equity

	Reserves & Surplus			Other Comprehensive Income	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance as at 31 March, 2021	790,000.00	519,640.00	(209,920.02)	8,688.86	1,108,408.84
Changes in accounting policy/Prior period errors	-	-	-	-	-
Restated balance as at 01 April, 2021	790,000.00	519,640.00	(209,920.02)	8,688.86	1,108,408.84
Profit for the year	-	-	21,547.64	-	21,547.64
Other comprehensive income (net of tax)	-	-	-	1,432.44	1,432.44
Total comprehensive income for the year	-	-	21,547.64	1,432.44	22,980.08
Dividend on equity shares	-	-	(10,395.00)	-	(10,395.00)
TDS on dividend paid	-	-	(605.00)	-	(605.00)
Balance as at 31 March, 2022	790,000.00	519,640.00	(199,372.38)	10,121.30	1,120,388.91
Changes in accounting policy/Prior period errors	-	-	-	-	-
Restated balance as at 01 April, 2022	790,000.00	519,640.00	(199,372.38)	10,121.30	1,120,388.91
Profit for the year	-	-	10,835.75	-	10,835.75
Other comprehensive income (net of tax)	-	-	-	1,398.11	1,398.11
Total comprehensive income for the year	-	-	10,835.75	1,398.11	12,233.86
Dividend on equity shares	-	-	(10,395.00)	-	(10,395.00)
TDS on dividend paid	-	-	(605.00)	-	(605.00)
Balance as at 31 March, 2023	790,000.00	519,640.00	(199,536.63)	11,519.41	1,121,622.77

For V. C. Shah & Co.
Chartered Accountants
Firm Registration No : 109818W

For and on behalf of Board of Directors

Sd/-
Viral J. Shah
Partner
Membership No.: 110120

Sd/-
Siddhartha Mohanty
Director
DIN: 08058830

Sd/-
T. S. Ramakrishnan
Managing Director &
Chief Executive Officer
DIN: 09515616

Place : Mumbai
Date : 21st April, 2023

Sd/-
Mayank Arora
Chief Financial Officer and Company Secretary

LIC Mutual Fund Asset Management Limited
Notes to Financial Statements for the year ended March 31, 2023

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 4th 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).

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.

Ministry of Corporate affairs have made changes on March 31, 2023, in the following Indian Accounting Standards (Ind AS) amended namely Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115, Ind AS 1, Ind AS 8, Ind AS 12 and Ind AS 34. These amendments shall be applicable from annual reporting periods beginning on or after April 01, 2023.

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 within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 31.

2. Significant Accounting Policies

2.1. Use of estimates and critical accounting judgements

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

i) Property, plant and equipment and Intangible assets:

Management reviews the estimated useful lives and residual value of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are as per Schedule II of the Companies Act, 2013 or are based on company's historical experience with similar assets and considering anticipated technological changes, whichever is more appropriate.

ii) Income Tax:

The company reviews at each Balance Sheet date the carrying amount of deferred tax assets. The factors used in estimates may defer from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

iii) Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

iv) Defined benefit obligation:

The cost of post-employment benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long-term nature of these plans such estimates are subject to significant uncertainty.

v) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions

LIC Mutual Fund Asset Management Limited
Notes to Financial Statements for the year ended March 31, 2023

and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

2.2. Property, plant and equipment.

Property, Plant & Equipment are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation and accumulated impairment losses, if any. Gains or losses arising from derecognition of property, plant and equipment are measured as difference between the net disposal proceeds and the cost of the assets less accumulated depreciation upto the date of disposal and are recognised in the statement of profit and loss when asset is derecognised. Leasehold Improvements are shown at historical cost less accumulated depreciation.

Subsequent cost incurred on an item of property, plant and equipment is recognized in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance expenses are recognized in Profit and Loss account as and when incurred.

Depreciation on Property, Plant & Equipment

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.

As per the requirement of Schedule II of The Companies Act, 2013, the company has evaluated the useful lives of the respective Property, Plant & Equipment which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives for the assets are as follows:

Property, Plant and Equipment	Estimated Useful Life
Furniture and fittings	10 years
Office equipments	5 years
Computers	3 years
Computers (Ipad)	2 years
Vehicles ^(a)	5 years
Leasehold improvement	Over the period of lease or useful life, whichever is less

^(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

LIC Mutual Fund Asset Management Limited
Notes to Financial Statements for the year ended March 31, 2023

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.

2.3. Intangible assets and amortization

Intangible assets comprising of system softwares, are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation and impairment, if any.

Amortization of intangible assets:

Intangible assets are amortized using straight line method over the useful lives as under:

Intangible asset	Estimated Useful Life
Computer software	3 years

2.4. Revenue Recognition

Revenue (other than those items to which Ind AS 109 Financial Instruments are applicable) is measured at transaction price i.e. the amount of consideration to which the company expects to be entitled in exchange for transferring promised services to the customer, excluding amounts collected on behalf of third parties. The company consider the terms of the contract and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

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.

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.

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Notes to Financial Statements for the year ended March 31, 2023

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.

2.5. Employee benefits

i) Short term employee benefits

All short term employee benefits such as salaries, incentives, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

Post-employment benefits:

i) Defined contribution plan

Provident Fund - 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 benefit plan

Gratuity - Gratuity for employees is covered by Gratuity Scheme with Life Insurance Corporation of India and the contribution thereof is paid/provided for. Provision for Gratuity is made on the basis of actuarial valuation on Projected Unit Credit Method as at the end of the year. Actuarial gain and losses are recognized in full in the other comprehensive income for the period in which they occur. Past service costs both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in the future contributions to the scheme.

2.6. Provisions, Contingent Liabilities and Contingent Assets

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence

LIC Mutual Fund Asset Management Limited
Notes to Financial Statements for the year ended March 31, 2023

of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liabilities is disclosed in the financial statements.

Contingent assets are not recognised, but disclosed in the financial statements, if any. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

2.7. Income taxes

Income Tax expense comprises current tax expense and the net change in deferred tax assets or liabilities during the year. Current and deferred taxes are recognized in statement of profit and loss except when they relate to items that are recognized in the comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or equity respectively.

Current Income Taxes

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after offsetting advance tax paid and income tax provisions arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the assets and liabilities on net basis.

Deferred Income Taxes

- i) Deferred Income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of assets and liabilities in a transaction that is not a business combination and effects neither accounting nor taxable profit or loss at the time of transaction.
- ii) Deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilised.
- iii) The carrying amount of deferred income taxes is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient profit will be available to allow all or part of deferred income tax asset to be utilised.
- iv) Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.
- v) Deferred tax assets or liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.8. Financials Instruments

i) Date of recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

ii) Initial measurement of financial instrument

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

iii) Classification of financial instruments

The company classifies all the financial assets based on business model for managing the assets and the assets contractual terms, measured at either:

a) Financial assets at amortized cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

c) Financial assets at fair value through profit or loss (FVTPL)

Investments in mutual fund units are measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition.

iv) Impairment of financial assets

The company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

LIC Mutual Fund Asset Management Limited
Notes to Financial Statements for the year ended March 31, 2023

v) De-recognition of financial assets

A financial asset is de-recognised only when:

- a) The company has transferred the rights to receive cash flows from the financial asset or
- b) Retains the contractual rights to receive cash flows of the financial asset but assumed a contractual obligation to pay the cash flows to one or more recipients.

vi) Investment in mutual funds

The company subsequently measures all the mutual fund investments at FVTPL as these financial assets do not pass the contractual cash flow test as required by Ind AS 109 – Financial Instruments, for being designated at amortised cost or FVTOCI, hence classified at FVTPL.

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. Other financial liabilities

Financial liabilities are initially recognized at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognized as an asset / liability based on underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost.

2.11. Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.12. Leases

The Company has applied IND AS 116 using the prospective approach.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. For leases of real estate

LIC Mutual Fund Asset Management Limited
Notes to Financial Statements for the year ended March 31, 2023

for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are noted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2.13. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

2.14. Segment Reporting

The company's operating segments are established on the basis of those components of the company that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108- 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account the nature of products and services, the differing risks and returns and the internal business reporting systems. Basis of such evaluation, the company concluded it operates in a single reportable segment.

LIC Mutual Fund Asset Management Limited
Notes to Financial Statements for the year ended March 31, 2023

2.15. 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 the year in which such expenses are incurred.

3 Cash and cash equivalents

Particulars	(₹ in '000)	
	As at Mar 31, 2023	As at Mar 31, 2022
Balances with banks		
In current accounts	4,043.94	2,972.54
In Fixed Deposit	30,000.00	-
	<u>34,043.94</u>	<u>2,972.54</u>

4 Bank balance other than cash and cash equivalents

Particulars	(₹ in '000)	
	As at Mar 31, 2023	As at Mar 31, 2022
Fixed deposits		
- within 12 month	-	439,300.00
- more than 12 month	-	-
	<u>-</u>	<u>439,300.00</u>

5 Trade Receivables

Particulars	(₹ in '000)	
	As at Mar 31, 2023	As at Mar 31, 2022
Unsecured, considered good		
Within 6 months	60,494.52	60,110.03
More than 6 months	-	-
	<u>60,494.52</u>	<u>60,110.03</u>

Neither trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

5.1.a Trade Receivable ageing schedule as at 31 March, 2023*

Particulars	(i) Undisputed Trade receivables considered good	(ii) Undisputed Trade receivables - which have significant increase in credit risk
Unbilled	-	-
Not due	60,494.52	-
Outstanding for following periods from due date:		
Less than 6 months	-	-
6 months-1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>-</u>

5.1.b Trade Receivable ageing schedule as at 31 March, 2022*

Particulars	(i) Undisputed Trade receivables considered good	(ii) Undisputed Trade receivables - which have significant increase in credit risk
Unbilled	-	-
Not due	60,110.03	-
Outstanding for following periods from due date:		
Less than 6 months	-	-
6 months-1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>-</u>

* There are no Disputed and Credit impaired Trade receivables for 31 March, 2023 and 31 March, 2022

Note: For the purpose of ageing, due date is considered same as bill date.

LIC Mutual Fund Asset Management Limited
Notes to Financial Statements for the year ended March 31, 2023
6 Investments

Particulars	No. of units		Amount (₹ in '000)	
	As at Mar 31,	As at Mar 31,	As at Mar 31,	As at Mar 31,
	2023	2022	2023	2022
Investments measured at FVTPL				
Units of LIC Mutual Fund (Face value of Rs. 10 each) - Quoted				
G Sec. Long Term Exchange Traded Fund	400,000.000	400,000.000	9,252.00	8,984.00
Exchange Traded Fund - Nifty 50 - Growth Plan	63,641.000	63,641.000	11,744.95	11,873.44
Exchange Traded Fund - Sensex - Growth Plan	19,123.000	19,123.000	12,040.22	12,014.91
Exchange Traded Fund Nifty 100 - Growth Plan	65,774.000	65,774.000	11,857.08	12,263.85
Units of LIC Mutual Fund (Face value of Rs 10 each) - Unquoted				
Bond Fund - Direct Growth Plan	127,425.870	127,425.870	8,132.64	7,766.29
Banking & Financial Services Fund- Direct Growth Plan	400,944.113	400,944.113	6,531.82	5,733.62
Equity Hybrid Fund- Direct Plan- Growth	39,923.782	19,906.093	5,894.74	2,941.13
Children's Fund - Direct Plan	33,994.411	33,994.411	850.75	870.62
Flexi cap Fund - Direct Growth Plan*	123,307.907	123,307.907	8,498.80	8,552.94
Large Cap Fund - Direct Growth Plan	244,495.191	244,495.191	10,444.25	10,838.67
Govt. Securities Fund - Direct - Regular Growth Plan	131,986.687	131,986.687	7,251.55	6,995.80
Index Fund Sensex Plan -Direct Growth Option	34,694.470	34,694.470	4,018.97	3,951.66
Index Fund Nifty Plan -Direct Growth Option	564,809.923	42,450.858	57,155.44	4,275.85
Infrastructure Fund - Direct Growth Plan	412,752.398	412,752.398	10,688.02	10,298.05
Banking & PSU Debt Fund - Direct Growth Plan	289,618.205	273,179.260	9,083.53	8,204.72
Large & Midcap Fund - Direct Growth Plan	953,570.956	519,755.923	24,141.94	13,880.13
Debt Hybrid Fund - Direct Growth Plan	113,613.641	113,613.641	8,478.62	8,246.57
Savings Fund- Direct Growth Plan	14,726,503.873	228,006.494	533,542.71	350,098.39
Tax Plan - Direct Growth Plan	59,109.721	59,109.721	6,318.38	6,435.45
ULIS - Direct - Single Premium 10 Years	346,293.962	346,293.962	9,844.34	10,176.68
Arbitrage Fund	499,380.768	499,380.768	6,114.12	5,790.52
Short Term Debt Fund	496,386.308	496,386.308	6,444.14	6,194.16
Overnight Fund	4,994.187	4,994.187	5,803.97	5,502.86
Ultra Short Term fund	4,991.910	4,991.910	5,752.49	5,470.73
Balanced Advantage Fund Direct Plan-Growth	981,271.338	499,011.908	10,379.89	5,023.85
Money Market Fund Direct Plan-Growth	1,819.909	-	1,887.74	-
Multi Cap Fund Direct Plan-Growth	559,972.001	-	5,405.35	-
Units of LIC Mutual Fund (Face value of Rs 1,000 each) - Unquoted				
Liquid Fund - Direct Growth Plan	36,818.542	15,469.012	150,501.09	59,815.61
		-		-
Investments measured at OCI				
Equity Shares of MF Utilities (Face value of Rs 1 each) - Unquoted	500,000.000	500,000.000	2,802.08	2,802.08
Equity shares in AMC Repo Clearing Limited	1,421,796.000	1,421,796.000	14,104.46	14,104.46
			964,966.08	609,107.04

* Flexi cap fund - direct growth plan was formerly known as Multi Cap Fund

Aggregate amount of quoted investments (Market value)	44,894.25	45,136.20
Aggregate amount of unquoted investments (Market value)	920,071.83	563,970.84
Aggregate amount of impairment in value of investments	-	-

7 Other financial assets

Particulars	(₹ in '000)	
	As at Mar 31,	As at Mar 31,
	2023	2022
Security deposits (for lease)	6,737.75	5,807.74
Other deposits (with court)	316.45	316.45
Interest accrued but not due on fixed deposit	12.33	11,965.63
	7,066.53	18,089.82

8 Current Tax (net)

Particulars	(₹ in '000)	
	As at Mar 31,	As at Mar 31,
	2023	2022
Advance income-tax (net of provision for tax)	100,094.37	99,524.10
	100,094.37	99,524.10

Notes to Financial Statements for the year ended Mar 31, 2023

(₹ in '000)

9i Property, Plant and Equipment	Leasehold improvements	Office equipments	Computer	Furniture & Fittings	Total (A)
Reconciliation of carrying amount					
Gross Block					
Balance as at 1st April, 2021	32,425.58	14,764.64	82,073.82	6,301.15	135,565.19
Additions	530.95	732.88	2,026.85	407.95	3,698.63
Disposals	(944.45)	(177.84)	(126.65)	(229.02)	(1,477.96)
Balance as at 31st March, 2022	32,012.08	15,319.68	83,974.02	6,480.08	137,785.86
Balance as at 1st April, 2022	32,012.08	15,319.68	83,974.02	6,480.08	137,785.86
Additions	396.98	686.55	31,511.35	585.66	33,180.54
Disposals	-	(164.93)	(4.00)	(81.53)	(250.46)
Balance as at 31st March, 2023	32,409.06	15,841.30	115,481.37	6,984.21	170,715.94
Accumulated depreciation and impairment losses					
Balance as at 1st April, 2021	29,258.21	11,608.12	72,159.29	5,495.74	118,521.39
Depreciation for the year	599.89	1,760.27	4,818.80	329.79	7,508.75
Disposals	(944.45)	(177.84)	(95.30)	(229.01)	(1,446.59)
Balance as at 31st March, 2022	28,913.66	13,190.56	76,882.80	5,596.53	124,583.55
Balance as at 1st April, 2022	28,913.66	13,190.56	76,882.80	5,596.53	124,583.55
Depreciation for the year	621.70	1,354.23	10,269.00	432.65	12,677.58
Disposals	-	(161.40)	(4.00)	(62.87)	(228.28)
Balance as at 31st March, 2023	29,535.36	14,383.39	87,147.80	5,966.31	137,032.85
Carrying amounts (net)					
At 31st March, 2022	3,098.43	2,129.12	7,091.23	883.55	13,202.31
At 31st March 2023	2,873.71	1,457.91	28,333.58	1,017.90	33,683.08

(₹ in '000)

9ii Property, Plant and Equipment	Right for use asset	10 Other Intangible Assets	Computer Software
Reconciliation of carrying amount		Reconciliation of carrying amount	
Gross Block		Gross Block	
Balance as at 1st April, 2021	88,875.10	Balance as at 1st April, 2021	96,114.05
Additions	110,862.40	Additions	2,202.50
Disposals	(18,667.90)	Disposals	-
Balance as at 31st March, 2022	181,069.60	Balance as at 31st March, 2022	98,316.55
Balance as at 1st April, 2022	181,069.60	Balance as at 1st April, 2022	98,316.55
Additions	55,950.01	Additions	2,897.16
Disposals	(4,434.22)	Disposals	-
Balance as at 31st March, 2023	232,585.39	Balance as at 31st March, 2023	101,213.71
Accumulated depreciation and impairment losses		Accumulated depreciation and impairment losses	
Balance as at 1st April, 2021	38,784.84	Balance as at 1st April, 2021	92,791.32
Depreciation for the year	20,183.93	Depreciation for the year	2,098.42
Impairment loss	-	Impairment loss	-
Disposals	-	Disposals	-
Balance as at 31st March, 2022	58,968.77	Balance as at 31st March, 2022	94,889.74
Balance as at 1st April, 2022	58,968.77	Balance as at 1st April, 2022	94,889.74
Depreciation for the year	24,455.65	Depreciation for the year	2,870.39
Reversal of impairment loss	-	Reversal of impairment loss	-
Disposals	-	Disposals	-
Balance as at 31st March, 2023	83,424.42	Balance as at 31st March, 2023	97,760.13
Carrying amounts (net)		Carrying amounts (net)	
At 31st March, 2022	122,100.83	At 31st March, 2022	3,426.81
At 31st March 2023	149,160.98	At 31st March 2023	3,453.59

(₹ in '000)

LIC Mutual Fund Asset Management Limited**Notes to Financial Statements for the year ended March 31, 2023****11 Other non financial assets**

Particulars	(₹ in '000)	
	As at Mar 31, 2023	As at Mar 31, 2022
Prepaid expenses	28,918.26	24,480.98
Advances recoverable	2,348.57	871.01
Statutory dues (Input tax credit)	39,475.28	34,408.55
Others	24,535.82	1,699.02
	<u>95,277.93</u>	<u>61,459.56</u>

12 Trade payables

Particulars	(₹ in '000)	
	As at Mar 31, 2023	As at Mar 31, 2022
Total outstanding dues of micro and small enterprises#	-	-
Total outstanding dues of other than micro and small enterprises*	224.73	1,480.44
	<u>224.73</u>	<u>1,480.44</u>

* 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.

12.1 Trade payable ageing*

Outstanding for following periods from due date of payment	Particulars	
	(i) MSME	(ii) Others
As at 31 March, 2023		
Unbilled		
Not due		
Outstanding for following periods from due date:		
Less than 1 year	-	224.73
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>224.73</u>
As at 31 March, 2022		
Unbilled		
Not due		
Outstanding for following periods from due date:		
Less than 1 year	-	1,323.78
1-2 years	-	22.06
2-3 years	-	134.60
More than 3 years	-	-
	<u>-</u>	<u>1,480.44</u>

* There are no Disputed Trade payables for 31st March, 2023 and 31st March, 2022.

Note: For the purpose of ageing, due date is considered same as bill date.

LIC Mutual Fund Asset Management Limited**Notes to Financial Statements for the year ended March 31, 2023****13 Other financial liabilities**

Particulars	(₹ in '000)	
	As at Mar 31, 2023	As at Mar 31, 2022
Balance held on behalf of PMS clients	2,651.39	1,179.23
Lease liabilities	148,419.46	123,026.29
	<u>151,070.85</u>	<u>124,205.52</u>

14 Provisions

Particulars	(₹ in '000)	
	As at Mar 31, 2023	As at Mar 31, 2022
Provision for outstanding expenses	58,694.67	49,528.21
Provision for maturity bonus	-	17,561.66
Provision for gratuity	588.60	-
Provision for contingencies	3,116.57	3,116.57
	<u>62,399.84</u>	<u>70,206.44</u>

15 Other non-financial liabilities

Particulars	(₹ in '000)	
	As at Mar 31, 2023	As at Mar 31, 2022
Statutory dues	2,922.83	3,011.73
	<u>2,922.83</u>	<u>3,011.73</u>

16 Share capital

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Authorised: 25,000 equity shares of ₹10,000 each	250,000.00	250,000.00
Issued, subscribed and paid up: 11,000 equity shares of ₹10,000 each, fully paid up	110,000.00	110,000.00
	<u>110,000.00</u>	<u>110,000.00</u>

- 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		Amount (₹ in '000)	
	As at Mar 31,		As at Mar 31,	
	2023	2022	2023	2022
Opening number of shares outstanding	11,000	11,000	110,000.00	110,000.00
Add : Shares issued during the year	-	-	-	-
Closing number of shares outstanding	<u>11,000</u>	<u>11,000</u>	<u>110,000.00</u>	<u>110,000.00</u>

- 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,		As at Mar 31,	
	2023		2022	
	No. of shares	% held	No. of shares	% held
Equity shares of ₹ 10,000 each fully paid:				
LIC of India and its nominees (Associate)	4,950	45.00%	4,950	45.00%
LIC Housing Finance Limited (Associate)	4,323	39.30%	4,323	39.30%
GIC Housing Finance Limited	1,287	11.70%	1,287	11.70%

As at Mar 31,	As at Mar 31,
2023	2022

- 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 allotted 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

- -

Shares held by promoters at the end of the year 31 March, 2023				% change during the year
S. No.	Promoter name	No. of shares	% of total shares	
1	LIC of India	4,950	45%	-

Shares held by promoters at the end of the year 31 March, 2022				% change during the year
S. No.	Promoter name	No. of shares	% of total shares	
1	LIC of India	4,950	45%	-

17 Other Equity

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Securities premium	790,000.00	790,000.00
General reserve:		
Balance as at the beginning of the year	519,640.00	519,640.00
Add: transferred from surplus	-	-
Balance as at the end of the year	<u>519,640.00</u>	<u>519,640.00</u>
Surplus/(Deficit) in the Statement of Profit and Loss:		
Balance as at the beginning of the year	(189,251.09)	(201,231.16)
Add: Profit for the year	12,233.86	22,980.07
Less: Dividend	(10,395.00)	(10,395.00)
Less: Income tax on dividend	(605.00)	(605.00)
Balance as at the end of the year	<u>(188,017.23)</u>	<u>(189,251.09)</u>
	<u>1,121,622.77</u>	<u>1,120,388.91</u>

LIC Mutual Fund Asset Management Limited
Notes to Financial Statements for the year ended March 31, 2023
18 Fees and commission income

	(₹ in '000)	
Particulars	Year ended Mar-23	Year ended Mar-22
Management fees from mutual fund (Net)	589,461.46	558,737.69
Portfolio management fees (Net)	9,325.58	9,210.80
	<u>598,787.04</u>	<u>567,948.49</u>

19 Net gain on fair value changes

	(₹ in '000)	
Particulars	Year ended Mar-23	Year ended Mar-22
Unrealised gain on Investment	28,207.96	35,642.04
Realised gain on Investment	7,988.55	3,273.05
	<u>36,196.51</u>	<u>38,915.09</u>

20 Other income

	(₹ in '000)	
Particulars	Year ended Mar-23	Year ended Mar-22
Interest income on		
Fixed deposit with bank	10,474.29	22,634.44
Security deposit on lease asset	368.70	87.11
Profit on sale of Fixed Asset	61.68	37.49
Interest on income tax refund	2,844.78	3,388.83
Fair value change in lease accounting	758.09	4,654.99
Other non-operating income	13.25	427.57
Excess provision written back	42,066.25	-
	<u>56,587.04</u>	<u>31,230.43</u>

21 Finance cost

	(₹ in '000)	
Particulars	Year ended Mar-23	Year ended Mar-22
Interest on lease liability	15,699.25	8,677.10
	<u>15,699.25</u>	<u>8,677.10</u>

22 Employees benefit expense

	(₹ in '000)	
Particulars	Year ended Mar-23	Year ended Mar-22
Salaries, allowances and bonus	312,586.45	264,731.98
Deputation cost	5,642.64	11,608.97
Staff welfare expenses	7,724.28	6,047.63
Contribution to provident and other funds	16,754.68	15,277.29
Gratuity	4,366.75	4,769.99
	<u>347,074.80</u>	<u>302,435.86</u>

As per Ind AS 19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are

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:

	Year ended Mar-23	Year ended Mar-22
Company contribution to provident and pension fund		
Provident fund	16,508.84	13,651.04
Pension fund	245.84	1,626.25
	<u>16,754.68</u>	<u>15,277.29</u>

b) Defined Benefit Plan:

The company has the following defined benefit plan

Particulars	Remarks
Gratuity	Funded

Asset information

Gratuity is administered through a trust fund set up with Life Insurance of India

Particulars	As at March 31, 2023	As at March 31, 2022
-------------	-------------------------	-------------------------

i) Reconciliation of change in present value of the defined benefit obligation

Balance at the beginning of the year	28,571.04	25,498.18
Interest cost	2,092.23	1,701.42
Current service cost	3,568.04	3,646.75
Past service cost (vested benefits)	-	-
Benefit paid	(7,525.93)	(795.96)
Actuarial (gain) / loss on obligation	(3,347.31)	(1,479.35)
Balance at the end of the year	<u>23,358.06</u>	<u>28,571.04</u>
Current	335.63	210.55
Non current	23,022.44	28,360.49

LIC Mutual Fund Asset Management Limited
Notes to Financial Statements for the year ended March 31, 2023

ii) Reconciliation of change in fair value of the plan assets fund		
Opening fair value of plan assets	30,270.06	20,093.14
Adjustment to opening fair value of plan assets	-	-
Return on plan assets excluding interest income	(1,949.20)	(327.89)
Interest income	1,949.20	1,461.45
Contribution by employer	25.33	9,839.32
Contribution by employee	-	-
Benefit paid	(7,525.93)	(795.96)
Fair value of plan assets at end	<u>22,769.46</u>	<u>30,270.06</u>
iii) Past service cost recognised		
Past service cost (non vested benefits)	-	-
Past service cost (vested benefits)	-	-
Recognised past service cost (vested benefits)	-	-
iv) Amount to be recognized in the balance sheet		
Present value of obligations at end of the year	23,358.06	28,571.04
Fair value of plan assets at the end of the year	<u>22,769.46</u>	<u>30,270.06</u>
Net (Liability)/Asset recognised in the balance sheet	<u>(588.60)</u>	<u>1,699.02</u>
v) Expenses recognised in the statement of profit and loss account		
Current service cost	3,568.04	3,646.75
Interest cost	143.03	239.97
Past service cost (vested benefits)	-	-
Settlement effect	-	-
Unrecognised past service cost - non vested benefit	-	-
Expenses to be recognised in the statement of profit and loss account	<u>3,711.07</u>	<u>3,886.72</u>
vi) Expenses recognised in Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognised for the period	(3,347.31)	(1,479.35)
Asset limit effect	-	-
Return on Plan Assets excluding net interest	1,949.20	327.89
Unrecognised actuarial (gain) / loss from previous period	-	-
Total actuarial (gain)/loss recognised in OCI	(1,398.11)	(1,151.46)
vii) Actuarial Assumption Per Annum		
Discount rate	7.22%	7.35%
Salary escalation	3.00%	5.00%
Retirement age	58 Years	58 Years
Attrition rate:		
Past service 0 to 5 years	10.00%	10.00%
viii) Sensitivity analysis		
Discount rate + 1%	20,717.82	25,334.26
Discount rate - 1%	26,437.01	32,362.48
Salary escalation increase rate + 1 %	26,098.60	31,920.29
Salary escalation increase rate - 1 %	20,764.24	25,442.35
ix) Expected payout		
Expected outgo		
Year 1	335.63	210.55
Year 2	284.04	280.56
Year 3	233.92	283.36
Year 4	244.38	248.96
Year 5	258.52	1,091.22
Year 6-10	9,239.02	11,976.25

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.

LIC Mutual Fund Asset Management Limited**Notes to Financial Statements for the year ended March 31, 2023****23 Depreciation, amortization & impairment expense**

Particulars	(₹ in '000)	
	Year ended	Year ended
	Mar-23	Mar-22
Depreciation of Property, Plant and Equipment	12,677.58	7,508.77
Amortisation of other intangible assets	2,870.40	2,098.43
Depreciation on Right of use assets	24,455.65	20,183.93
	<u>40,003.63</u>	<u>29,791.13</u>

24 Other expenses

Particulars	(₹ in '000)	
	Year ended	Year ended
	Mar-23	Mar-22
Rent, rates and taxes and electricity	7,490.86	7,294.39
Repair and maintenance	2,346.49	1,817.64
Communication cost	19,196.87	19,598.81
Brokerage	503.28	237.62
Printing & stationery	4,134.26	4,404.10
Advertising and Publicity	25,514.84	44,862.61
Director's fees, allowances and expenses	1,738.87	1,166.80
Auditor's fees and expenses		
- Audit fees	775.00	550.00
- Other services	-	125.00
- Tax audit fees	50.00	50.00
- Reimbursement of expenses	6.60	12.90
Legal and Professional fees	41,281.99	35,219.85
Insurance	5,693.90	2,040.21
RTA expenses	9,077.77	11,473.49
Computer and software expenses	81,203.12	61,231.24
Fund accounting charges	7,612.00	7,766.96
Outsourced staff cost	40,115.44	38,092.50
Maturity Bonus expense	-	17,561.66
Travelling & conveyance	20,190.64	13,260.67
Registration Fees	3,118.50	1,363.27
Other operating expenses	7,906.73	7,512.56
	<u>277,957.16</u>	<u>275,642.28</u>

LIC Mutual Fund Asset Management Limited**Notes to Financial Statements for the year ended March 31, 2023****25 Leases**

This note provides the information for lease and right of use assets where the company is a lessee.

Following are the changes in the carrying value of right of use assets:

Particulars	As at March 31,	
	2023	2022
Lease Asset		
Gross Carrying amount		
Opening gross carrying amount	181,069.60	88,875.10
Additions	55,950.01	110,862.40
Disposals & transfers	(4,434.22)	(18,667.90)
Closing gross carrying amount	232,585.39	181,069.60
Accumulated depreciation		
Opening accumulated depreciation	58,968.77	38,784.84
Depreciation charged	24,455.65	20,183.93
Disposals and transfers	-	-
Closing accumulated depreciation	83,424.42	58,968.77
Net	149,160.97	122,100.83

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation in the statement of profit and loss.

Present value is computed by weighted average incremental borrowing rate .

Following are the changes in the carrying value of Lease Liability:

Particulars	As at March 31,	
	2023	2022
Lease liabilities:		
Balance as at beginning	123,026.29	57,527.99
Additions	55,077.48	106,639.34
Finance cost accrued during the period	15,699.25	8,677.10
Deletions	(5,192.31)	(23,249.12)
Less: Payment of lease liabilities	(40,191.25)	(26,569.02)
Balance as at end	148,419.46	123,026.29

Particulars	As at March 31,	
	2023	2022
Less than one year	24,388.86	19,987.24
One to five years	98,251.06	89,302.24
More than five years	25,779.54	13,736.81
Total	148,419.46	123,026.29

26 Related party disclosures

i) Related parties:

Group Companies:

Life Insurance Corporation of India (LIC)

LIC Housing Finance Limited*

Key Management Personnel (KMP):

T. S. Ramakrishnan, Chief Executive Officer (From 1st March, 2022)

Mayank Arora, Chief Compliance, Financial Officer & Company Secretary

Dinesh Pangtey, Chief Executive Officer (up to 28th Feb, 2022)

Kailash Bang, Independent Director

Raghunandan Maluste, Independent Director

Sanjay Muthal, Independent Director

Satish K Kamat, Independent Director

Vijay Sharma, Independent Director

* No transactions during the year

ii) The related party transaction are as under :

(₹ in '000)		
Particulars	2022-23	2021-22
Life Insurance Corporation of India (LIC)		
Transactions:		
Rent, rates and taxes & other operating expenses	34,213.70	24,270.07
Contribution to provident and other funds	269.23	1,626.25
Gratuity	173.61	413.45
Insurance expenses	2,784.64	1,573.17
Contribution to Gratuity Fund	-	10,000.00
Receivables and deposits:		
Advances recoverable in cash or kind	8,548.95	8594.73
Key Management Personnel (KMP)		
Transactions:		
Remuneration [#]	12,310.75	16,571.18
Independent Directors of AMC		
Sitting fees to Independent Directors	1,110.00	1,150.00

[#] 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.

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

(₹ in '000)		
Particulars	As at Mar 31,	As at Mar 31,
	2023	2022
Contingent liabilities		
Claims against the Company, not acknowledged as debts	*81,027.04	84,478.02
Commitments		
Estimated amount of unexecuted capital contracts (net of advance and deposit)	-	-

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.

* Includes Rs 66,795.66 towards LIC Mutual Fund Unit Linked Insurance Scheme (LIC MF ULIS), which is a unique scheme introduced by LIC Mutual Fund prior to SEBI (Mutual Fund) Regulations came into effect. This scheme offers Life Insurance Cover, Accident Cover & Maturity & Loyalty Bonus to the investors. This scheme has been there since last more than 28 years. The scheme offers 5, 10 & 15 years terms with an option of installment payments ie. monthly & yearly frequency. In order to keep the eligibility of maturity bonus intact, the investor has to pay all the installments on time i.e., within days of grace as stipulated. If the investor discontinues before the maturity of the term by way of full or part redemption, or on account of death, the maturity/loyalty bonus stands forfeited.

In order to assess the maturity/loyalty bonus liability, an actuarial valuation is done as of Mar 23. As per the actuarial report, the value of the liability is estimated at Rs. 126,281.38 as of Mar 23. In LIC MF ULIS Scheme books, a provision of Rs. 59,485.72 is available as of Mar 23. Since there is a gap between the actuarial stated liability and the provision available in the LICMF ULIS Scheme books to the extent of Rs.66,795.66, a contingent liability of Rs.66,795.66 is disclosed.

28 Fair Value measurements

(₹ in '000)

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	Amortised cost	OCI	FVTPL	Amortised cost	OCI
Financial Assets						
Cash & Cash Equivalents	-	34,043.94	-	-	2,972.54	-
Bank balance other than Cash and cash equivalents	-	-	-	-	439,300.00	-
Trade Receivables	-	60,494.52	-	-	60,110.03	-
Investments	948,059.54	-	16,906.54	592,200.50	-	16,906.54
Other financial assets	-	7,066.53	-	-	18,089.82	-
	948,059.54	101,604.99	16,906.54	592,200.50	520,472.38	16,906.54
Financial liabilities						
Trade payables	-	224.73	-	-	1,480.44	-
Lease liabilities	-	-	-	-	-	-
Other financial liabilities	-	151,070.85	-	-	124,205.52	-
	-	151,295.58	-	-	125,685.97	-

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimate made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level is given below.

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. For example: listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, units of mutual fund) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in mutual fund are based on the Net Asset Value ("NAV") declared by respective schemes and fair value of security deposits are based on discounted cash flows using a discount rate.

The carrying amounts of cash and cash equivalent, Bank balances other than cash and cash equivalents, trade receivables, unquoted mutual fund units, other financial assets, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

III. Valuation Process

The finance department performs the calculations of financial assets and liabilities required for financial reporting purposes. This team reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance team at least once in a month.

Quoted mutual fund investment have been categorised into level 1 (recurring fair value measurement) and unquoted mutual fund investments are categorised into level 2 of fair value hierarchy.

IV. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note :

During the periods mentioned above, there have been no transfer amongst the levels of hierarchy.

Notes to Financial Statements for the year ended March 31, 2023

29 Financial risk management

The Company is exposed primarily to credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the Company.

The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, cash and cash equivalents, bank balance other than cash and cash equivalents that are derived directly from its operations and investments.

A. Credit Risk

The Company is exposed to credit risk front its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-90 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

(₹ in '000)

Particulars	As at March 31	
	2023	2022
Upto 3 months	59,477.44	60,110.03
3-6 months	913.55	-
6-12 months	103.53	-
More than 12 months	-	-
Total	60,494.52	60,110.03
Provisions for expected credit loss	-	-

B. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables, other financial liabilities.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, process and policies related to such risks are overseen by management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows:

i) Maturities of non-derivative financial instruments

As at 31 March 2023

(₹ in '000)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payable	224.73	-	-	224.73
Lease liabilities	24,388.86	98,251.06	25,779.54	148,419.46
Total	24,613.59	98,251.06	25,779.54	148,644.20

As at 31 March 2022

(₹ in '000)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payable	1,480.44	-	-	1,480.44
Lease liabilities	19,987.24	89,302.24	13,736.81	123,026.29
Total	21,467.68	89,302.24	13,736.81	124,506.73

C. Market Risk

Market risk is the risk that the fairvalue of future cash flows of a financial instrument will fluctuate because of changes in market price. Market risk comprises of foreign currency risk, interest rate risk and price risk.

i) Foreign currency risk

The company does not have exposure in foreign currency, hence it is not subjected to foreign currency risk

ii) Interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The company carries the financial liabilities at amortised cost, hence are not subject to interest rate risk since the carrying amount and future cash flows will not fluctuate because of change in market interest rate.

iii) Price risk

The company is exposed to price risk from its investment in mutual funds, classified in the balance sheet at fair value through profit and loss.

The investments held by the company are ancillary to the investment management business objective.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the companies profit before tax is based on changes in the NAVs of mutual funds at balance sheet date.

Sensitivity to price risk	(₹ in '000)	
	As at March 31	
	2023	2022
Impact on profit before tax for 5% increase in NAV	48,248.30	30,455.35
Impact on profit before tax for 5% increase in NAV	(48,248.30)	(30,455.35)

LIC Mutual Fund Asset Management Limited**Notes to Financial Statements for the year ended March 31, 2023****30 Revenue from contracts with customers****a. Disaggregation of revenue**

Set out below is the disaggregation of revenue from contracts with customers and reconciliation to profit and loss account:

(₹ in '000)

Particulars	Type of Service	
	Investment management fees	Portfolio management fees
Total Revenue from contracts with customers	589,461.46	9,325.58
Geographical Markets		
India	589,461.46	9,325.58
Outside India	-	-
Total Revenue from contracts with customers	589,461.46	9,325.58
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	589,461.46	9,325.58
Total Revenue from contracts with customers	589,461.46	9,325.58

b. Contract balances

Trade receivable are non-interest bearing balances having credit period of 0-90 days.

(₹ in '000)

Balance	As at March 31	
	2023	2022
Trade receivable		
Investment management fees	54,825.96	53,935.38
Portfolio managements fees	5,668.56	6,174.65
Recoverable from IEAP	-	-

c. Contract liabilities

There are no contract liabilities

d. Contract cost

There are no contract cost

e. Performance obligations

The performance obligation of the company is to provide investment asset management and portfolio management services. The performance obligation of Company is satisfied at a point in time and payment is due within 0-90 days.

LIC Mutual Fund Asset Management Limited
Notes to Financial Statements for the year ended March 31, 2023
31 Maturity Analysis of assets and liabilities:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in '000)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	34,043.94	-	34,043.94	2,972.54	-	2,972.54
Bank balance other than cash and cash equivalents	-	-	-	439,300.00	-	439,300.00
Trade receivables	60,494.52	-	60,494.52	60,110.03	-	60,110.03
Investments	689,296.45	275,669.63	964,966.08	394,486.91	214,620.13	609,107.04
Other financial assets	12.33	7,054.20	7,066.53	11,965.63	6,124.19	18,089.82
Non-Financial assets						
Current tax assets (net)	-	100,094.37	100,094.37	-	99,524.10	99,524.10
Property, plant and equipment	-	182,844.06	182,844.06	-	135,303.14	135,303.14
Intangible assets	-	3,453.59	3,453.59	-	3,426.81	3,426.81
Other non – financial assets	37,253.57	58,024.36	95,277.93	42,355.68	19,103.88	61,459.56
Total Assets	821,100.81	627,140.21	1,448,241.02	951,190.78	478,102.25	1,429,293.03
Liabilities						
Financial Liabilities						
Trade payable	224.73	-	224.73	1,480.44	-	1,480.44
Other financial liabilities	27,040.26	124,030.59	151,070.85	21,166.48	103,039.04	124,205.52
Non Financial Liabilities						
Provisions	58,694.67	3,705.17	62,399.84	49,528.21	20,678.23	70,206.44
Other non financial liabilities	2,922.83	-	2,922.83	3,011.73	-	3,011.73
Total Liabilities	88,882.49	127,735.76	216,618.25	75,186.85	123,717.28	198,904.13

LIC Mutual Fund Asset Management Limited**Notes to Financial Statements for the year ended March 31, 2023****32 Ratios**

(₹ in '000)

Ratios	Numerator	Denominator	31 March, 2023	% Variance
(a) capital to risk weighted assets ratio (CRAR)*	-	-	-	-
(b) Tier I CRAR*	-	-	-	-
(c) Tier II CRAR*	-	-	-	-
(d) Liquidity Coverage Ratio (no.of times) [Total Financial Assets (within 12 months)/Total Liabilities (within 12 months)] This has increased as Financial asset balances and specifically, investments which are maturing within 12 months from the reporting date including new purchases, have changed.	783,847.24	88,882.49	8.82	-27.04%

Ratios	Numerator	Denominator	31 March, 2022	% Variance
(a) capital to risk weighted assets ratio (CRAR)*	-	-	-	-
(b) Tier I CRAR*	-	-	-	-
(c) Tier II CRAR*	-	-	-	-
(d) Liquidity Coverage Ratio (no.of times) [Total Financial Assets (within 12 months)/Total Liabilities (within 12 months)] This has increased as Financial asset balances and specifically, investments which are maturing within 12 months from the reporting date including new purchases, have changed.	908,835.10	75,186.85	12.09	-18.82%

*Note: Since the Company is not in lending business, it does not have any credit exposure. Hence, these ratios are not applicable to the Company.

33 Income tax**Tax components of income tax expense**

(₹ in '000)

Particulars	Year ended March 31,	
	2023	2022
Current tax expense	-	-
Adjustments for current tax of prior period	-	-
MAT credit entitlement	-	-
Total tax expense	-	-

Reconciliation of total tax charge

(₹ in '000)

Particulars	Year ended March 31,	
	2023	2022
Profit before tax (including OCI)	12,233.86	22,980.07
Tax rate	25.17%	25.17%
Tax as per above rate	3,079.26	5,784.08
Effect of:		
Non deductible expenses	772.88	(448.79)
Income not subject to tax	(7,466.07)	(8,971.10)
Provisions for expenses write back	(4,420.27)	4,907.14
Brought forward unabsorbed depreciation	-	-
Current income tax of prior year	-	-
Current year tax as per income tax provisions	(8,034.20)	(1,271.34)
Tax charge for current year recorded in Profit & Loss Account	-	-

Deferred tax assets / (liabilities)

(₹ in '000)

Particulars	As at March 31,	
	2023	2022
Deferred tax assets attributable to		
Property, Plant & Equipment	3,831.26	4,312.11
Provision for gratuity	-	-
Provision for expenses	4,302.59	3,503.95
Lease accounting	(186.64)	1,286.84
Deferred tax assets	7,947.21	9,102.90
Deferred tax liability attributable to		
Financial assets measured at FVTPL	(7,099.94)	(8,971.10)
Financial assets measured at OCI	-	(70.72)
Provision for gratuity	148.15	-
Deferred tax liability	(6,951.79)	(9,041.82)
Deferred tax asset / (liability)	995.42	61.08
Less: Brought forward unabsorbed depreciation	-	-
Total Deferred tax asset / (liability)	995.42	61.08

Movement in deferred tax assets / (liabilities)

(₹ in '000)

Particulars	Opening	Movement for the period 2022-23		Closing
		Recognised in profit or loss	Recognised in OCI	
Property, Plant & Equipment	4,312.11	(480.86)	-	3,831.26
Provision for gratuity	-	148.15	-	148.15
Provision for expenses	3,503.95	798.64	-	4,302.59
Lease accounting	1,286.84	(1,473.47)	-	(186.64)
Financial assets measured at FVTPL	(9,041.82)	1,941.88	-	(7,099.94)
Total Deferred tax asset / (liability)	61.08	934.34	-	995.42

(₹ in '000)

Particulars	Opening	Movement for the period 2021-22		Closing
		Recognised in profit or loss	Recognised in OCI	
Property, Plant & Equipment	4,302.67	9.44	-	4,312.11
Provision for gratuity	1,360.45	(1,360.45)	-	-
Provision for expenses	1,568.95	1,935.00	-	3,503.95
Lease accounting	1,890.64	(603.81)	-	1,286.84
Financial assets measured at FVTPL	(8,288.85)	(682.26)	(70.72)	(9,041.82)
Total Deferred tax asset / (liability)	833.87	(702.07)	(70.72)	61.08

The Company has evaluated the Deferred Tax Asset and Deferred Tax Liability on the eligible components as required under Ind AS 12 – Taxes on income. The net outcome is coming to Deferred Tax Asset. Currently the Company has huge unabsorbed depreciation and carry forward losses under the Income tax laws. The Company has assessed the future position and is convinced to have a reasonable certainty of realizing the accumulated loss in future. However, the Company decided that it would be prudent that the net Deferred Tax Asset should not be recognized in the current year.

34 Capital Management**A. Risk management**

The Company's objectives when managing capital are to

- i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- ii) maintain an optimal capital structure to reduce the cost of capital.

B. The capital compositions is as follows:

Particulars	As at March 31	
	2023	2022
Total debt (A)	-	-
Total equity (B)	1,231,622.77	1,230,388.91

C. Net debt reconciliation

The company has not borrowed funds.

35 Proposed dividend

The Board of Directors propose dividend at the rate of 10% for the FY 2022-23, subject to shareholder's approval.

36 Segment reporting

Company is operating under single business segment i.e. investment management and portfolio management services. Accordingly there is no separate reportable segment and hence no disclosure is made under Indian Accounting Standard 108 - Operating Segment Reporting. Further, segmentation based on geography has not been presented as the company operates only in India.

37 Corporate social responsibility

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.

- 38** The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

- 39** The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall;
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- 40** The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall;
 (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 41** There was an instance of fraudulent encashment of units held by the investors in four folios of LIC Mutual Fund to the tune of Rs 11,662.88. LIC Mutual Fund Asset Management Limited is the Investment Managers to LIC Mutual Fund. The matter is under police investigation. Keeping in mind the fiduciary responsibility, the Company has settled the matter with the impacted investor by way of insurance claim under IMI policy/recovery from RTA. The residual amount over insurance claim settlement/recovery from RTA ie. Rs 1,750.00 paid by the Company is recoverable, pending legal proceedings.
- 42** Legacy unclaimed brokerage amount of Rs 24,504.58 is written back during the year. Future claims if any, shall be examined and settled as appropriate

43 Additional Regulatory Information

(i) Title deeds of immovable properties not held in name of the company

The Company does not have immovable property in the name of the company.

(ii) Revaluation of Investment Property

The Company does not have property in the name of the company .

(iii) Revaluation of Property, Plant and Equipment

There have been no revaluation of Plant, Property and Equipment during the current year.

(iv) Revaluation of Intangible Assets

There have been no revaluation of Intangible Assets during the current year.

(v) Loans or Advances

The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.

(vi) Capital Work-in-Progress (CWIP) ageing schedule / completion schedule

The Company does not have any capital work in progress.

(vii) Intangible assets under development ageing schedule / completion schedule

The Company does not have any intangible asset under development.

(viii) Details of Benami Property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ix) Security of current assets against borrowings

The Company does not have borrowings.

(x) Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(xi) Relationship with Struck off Companies

The Company has not entered into any transaction with Struck off Companies.

(xii) Registration of charges or satisfaction with Registrar of Companies (ROC)

No satisfaction of charges are pending to be filed with ROC.

(xiii) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(xv) Compliance with approved Scheme(s) of Arrangements

The Company has not entered into any scheme of arrangement which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

(xvi) Disclosure in relation to undisclosed income

There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(xvii) Details of Crypto currency or Virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

44 The previous period figures have been regrouped and re-casted wherever necessary.

Sd/-

For V. C. Shah & Co.
Chartered Accountants
Firm Registration No : 109818W

For and on behalf of Board of Directors

Sd/-

Viral J. Shah
Partner
Membership No.: 110120

Sd/-

Siddhartha Mohanty
Director
DIN: 08058830

Sd/-

T. S. Ramakrishnan
Managing Director &
Chief Executive Officer
DIN: 09515616

Place : Mumbai

Date : 21st April, 2023

Sd/-

Mayank Arora
Chief Financial Officer and Company Secretary