

FOR PRIVATE CIRCULATION ONLY



LIC NOMURA MF FIXED MATURITY PLAN SERIES 64

**Abridged Annual Report
2013-2014**



LIC NOMURA
MUTUAL FUND

Investment Manager: LIC NOMURA MUTUAL FUND ASSET MANAGEMENT COMPANY LTD.

**Corporate Office: Industrial Assurance Building, 4th Floor, Opp.
Churchgate Station, Mumbai - 400 020, Tel: 022-66016000,
Toll Free No. 1800 258 5678, Fax :022-22843660,
Email: service@licnomuramf.com, Website: www.licnomuramf.com**

**Mutual Fund Investments Are Subject To Market Risks, Read All
Scheme Related Documents Carefully.**

FMP SERIES 64

LIC NOMURA MUTUAL FUND

Industrial Assurance Bldg, 4th Floor , Opp. Churchgate Station, Mumbai – 400 020

TRUSTEE REPORT

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

Scheme/Benchmark	6 Months	1Year	Since inception
LIC NOMURA MF FIXED MATURITY PLAN SERIES 64			
Direct	5.15%	N.A.	5.98%
Regular	5.12%	N.A.	5.93%
Crisil Short Term Bond Fund Index	5.00%	N.A.	6.80%
Past performances may or may not be sustained in future			

b. Future Outlook:

With the hopes of a more growth friendly party forming government and unleashing policies which would help revive investment and push growth to above 5% for the first time in the past two years. Some of the key areas for the new government are improving infrastructure, consolidating fiscal deficits, containing inflation, and reinvigorating the manufacturing sector. Any indications of the policies in these areas will be keenly watched by the market participants. Thus, the unfolding of the political scene in the coming few months will remain crucial.

In terms of investment opportunity, infrastructure would be an obvious area for post-election policy drive, internet penetration is still low but growing rapidly, opening up opportunity for e-commerce companies, agricultural productivity must rise in order to feed the increasing population with different taste (more protein, etc.). Investing in export oriented IT and pharma provide good hedge against potential currency weakness. Despite the recent rally, mid-cap valuation relative to large cap remains attractive.

G-sec range that earlier stood at 8.70-8.95% will see an upward shift as frontloaded H1 FY14 borrowing Rs 3.68 lakh crore in the April-September period, (which is about 62% of the government debt borrowing plan of Rs 5.97 lakh crore for FY14) coupled with a likely uptick in inflation in next release on a turnaround in food prices and a rebound in core CPI impacts the appetite for government debt will put upward, steepening pressure on the yield curve, which may attract more global investors to the Indian Markets .

The Asset Management Company with the consent of the boards has taken steps to further improve the efficiencies in the business. The streamlining of NAV computation, strengthening of various functions in line with the Mutual fund industry has helped in the growth of business.

The regulator has also guided and supported in permitting new schemes and also the merger of four equity funds. Our scheme RGESS was launched by the honorable Finance minister along with few other fund house schemes.

The fund house also has taken initiatives to improve public relations and media coverage with success.

c. Operations of the schemes:

As on 31st March 2014, LIC Nomura Mutual fund manages 44 schemes (16 opened ended, 24 Close ended and 4 Interval Schemes), out of which 31 are debt, 1 liquid, 1 gilt, 10 equity (2 ELSS) and 1 balanced schemes.

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

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

FMP SERIES 64

09th May 1994 under registration code MF/012/94/5.

The Fund was governed by a Board of Trustees earlier and is governed by LIC Mutual Fund Trustee Company Pvt. Ltd. with effect from 8th April 2003. LIC Mutual Fund entered into a joint venture with Japan's leading financial services conglomerate Nomura Asset Management Strategic Investments Pte Ltd. on 18 Jan 2011. Registrars of Companies have issued fresh Certificate of Incorporation – incorporating the new name w.e.f. 15 Feb 2011. Thereby LIC MF Trustee Company Pvt Ltd. has been renamed as LIC Nomura Mutual Fund Trustee Company Private Ltd.

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

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

LIC Nomura Mutual Fund Trustee Company Pvt Ltd.

The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies

3. Investment objective of the scheme.

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

4. Significant Accounting Policies :

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

5. Unclaimed Dividends & Redemptions as on 31.03.2014

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

6. Statutory Information:

- The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. 2 crores for setting up the Fund, and such other accretions / additions to the same.
- The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- Full Annual Report shall be disclosed on the website (www.licnomuramf.com) and shall be available for inspection at the Head Office of the mutual fund. Present and prospective unit holder can obtain copy of the trust deed, the full Annual Report of the Fund /AMC at a price.

For LIC Nomura Mutual Fund Trustee Company Pvt. Ltd.

Place : Mumbai
Date : 23rd June 2014

(S B MAINAK)
CHAIRMAN

FMP SERIES 64

INDEPENDENT AUDITOR'S REPORT

To the Trustees of

LIC Nomura MUTUAL FUND

Report on the Financial Statements

We have audited the accompanying financial statements of the scheme mentioned below, which comprise the balance sheet as at 31 March 2014, the revenue account and cash flow statement, for the period as mentioned below, and a summary of significant accounting policies and other explanatory information.

Name of the Scheme	Period covered by revenue account and cash flow statements
LIC Nomura MF Fixed Maturity Plan Series 64	15 May 2013 to 31 March 2014

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of

FMP SERIES 64

accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the balance sheet, of the state of affairs of the Scheme as at 31 March 2014;
- (b) in the case of the revenue account, of the surplus for the period as mentioned above; and
- (c) in the case of the cash flow statement, of the cash flows for the period as mentioned above.

Report on Other Legal and Regulatory Requirements

- 1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 2. The balance sheet and revenue account dealt with by this report are in agreement with the books of account.
- 3. In our opinion, the balance sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations.
- 4. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at 31 March 2014 are in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India, as applicable, and approved by the Board of Trustees, and are fair and reasonable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Jayesh Gandhi

Partner

Membership Number: 37924

Place: Mumbai

Date: 23 June 2014

FMP SERIES 64

ABRIDGED REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs in Lakhs)

	2013-14
1 INCOME	
1.1 Dividend	-
1.2 Interest	501.28
1.3 Realised Gain/(Loss) on Foreign Exchange Transactions	-
1.4 Realised Gains/(Losses) on Interscheme sale of Investments	-
1.5 Realised Gains/(Losses) on External sale / redemption of Investments	-
1.6 Realised Gains/(Losses) on Derivative Transactions	-
1.7 Other Income	-
(A)	501.28
2 EXPENSES	
2.1 Management fees (incl Service Tax)	9.14
2.3 Transfer agents fees and expenses	0.28
2.4 Custodian fees	0.71
2.5 Trusteeship fees	0.03
2.6 Commission to Agents	-
2.7 Marketing & Distribution expenses	-
2.8 Audit Fees	
2.9 Other operating expenses	1.83
Total Expense	11.99
Less: Expenses to be Reimbursed by the Investment Manager	-
(B)	11.99
3 NET REALISED GAINS/(LOSSES) FOR THE YEAR (A-B = C)	489.29
4 Change in Unrealised Depreciation in value of Investments (D)	103.18
5 NET GAINS/(LOSSES) FOR THE YEAR (E= (C-D))	386.11
6 Change in unrealised appreciation in the value of investments (F)	-
7 NET SURPLUS/(DEFICIT) FOR THE YEAR (E+F = G)	386.11
7.1 Add : Balance transfer from unrealised appreciation reserve	
7.2 Less : Balance transfer to unrealised appreciation reserve	-
7.3 Add / (Less) : Equalisation	-
8 Total	386.11
9 Dividend Appropriation	
9.1 Income Distributed during the year	-
9.2 Tax on Income distributed during the year	-
10 Retained Surplus/(Deficit) carried forward to Balance Sheet	386.11

FMP SERIES 64

ABRIDGED BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs in Lakhs)

		2013-14
LIABILITIES		
1	Unit Capital	6,388.70
2	Reserves & Surplus	
2.1	Unit Premium Reserve	-
2.2	Unrealised Appreciation Reserve	-
2.3	Other Reserves	386.11
3	Loans & Borrowings	
4	Current Liabilities & Provisions	
4.1	Provision for doubtful Income/Deposits	-
4.2	Other Current Liabilities & Provisions	2.50
	TOTAL	6,777.31
ASSETS		
1	Investments	
1.1	Listed Securities :	
1.1.1	Equity shares	-
1.1.2	Preference Shares	
1.1.3	Equity Linked Debentures	
1.1.4	Other Debentures & Bonds	6,069.45
1.1.5	Debt Securities	
1.2	Securities Awaited Listing :	
1.2.1	Equity shares	
1.2.2	Preference Shares	
1.2.3	Equity Linked Debentures	
1.2.4	Other Debentures & Bonds	
1.2.5	Securities Debt Securities	
1.3	Unlisted Securities	
1.3.1	Equity shares	
1.3.2	Preference Shares	
1.3.3	Equity Linked Debentures	
1.3.4	Other Debentures & Bonds	-
1.3.5	Securities Debt Securities	
1.4	Government Securities	-
1.5	Treasury Bills	
1.6	Commercial Paper / Certificate of Deposit	-
1.6.1	Commercial Paper	
1.6.2	Certificate of Deposit	297.35
1.7	Bill Rediscounting	
1.8	Units of Domestic Mutual Fund	-
1.90	Foreign Securities	
	Total Investments	6,366.80
2	Deposits	
3	Other Current Assets	
3.1	Cash & bank Balance	80.11
3.2	CBLO/reverse Repo Lending	195.85
3.3	Others	134.55
4	Deferred Revenue Expenditure (to the extent not written off)	-
	TOTAL	6,777.31

NOTES TO ACCOUNTS - ANNEXURE 1 TO THE ABRIDGED BALANCE SHEET AND REVENUE

ACCOUNT FOR THE YEAR/ PERIOD ENDED 31ST MARCH, 2014

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

Asset Class	FY2013-2014			
	Appreciation		Depreciation	
	Rs.in lakhs	% to net	Rs.in lakhs	% to net
Commercial Papers & Certificate of Deposits	-	-	(0.48)	(0.01)
Bonds and Debentures	-	-	(102.70)	(1.52)

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

FY2013-2014			
Purchase		Sale	
Amount (Rs. in Lacs)	%	Amount (Rs. in Lacs)	%
6,373.25	86.12	-	-

1.8 Non traded Securities in the portfolio:

31st March 2014		
Market Value (Rs in Lakhs)	% to Net Assets	
6,366.80	93.98	

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

Name	Nature of transaction	Amount (Rs in lakhs)	Related Party Relationship
LIC Nomura MF Trustee Co Pvt. Ltd.	Trusteeship fees	0.03	Sponsor of Fund
LIC Nomura MF AMC Ltd.	Management Fees	9.14	Investment Manager of Scheme

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

Plans / Option	Face Value	Current Year No of Units in Lakhs				Previous Year No of Units in Lakhs			
		Opening balance as on 01.04.2013	Addition during the year	Deletion during the year	Closing Balance as on 31.03.2014	Opening balance as on 01.04.2012	Addition during the year	Deletion during the year	Closing Balance as on 31.03.2013
DIV	10	-	0.19	-	0.19	-	-	-	-
GR	10	-	125.13	-	125.13	-	-	-	-
Direct DIV	10	-	0.03	-	0.03	-	-	-	-
Direct GR	10	-	513.53	-	513.53	-	-	-	-

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

FMP SERIES 64

KEY STATISTICS FOR THE YEAR / PERIOD ENDED 31ST MARCH, 2014

	Current Year / Period ended 31/03/2014
1. NAV per unit (Rs.):	
Open	
Dividend	-
Growth	-
Direct Dividend	-
Direct Growth	-
High	
Dividend	10.5929
Growth	10.5929
Direct Dividend	10.5978
Direct Growth	10.5975
Low	
Dividend	9.7988
Growth	9.7988
Direct Dividend	9.8004
Direct Growth	9.8001
End	
Dividend	10.5929
Growth	10.5929
Direct Dividend	10.5978
Direct Growth	10.5975
2. Closing Assets Under Management (Rs. in Lakhs)	
End	6,774.79
Average (AAuM) ⁴	6,508.17
3. Gross income as % of AAuM ¹	6.77
4. Expense Ratio:	
a. Total Expense as % of AAuM (No Class)	0.16
b. Management Fee as % of AAuM (inclusive service tax)(No Class)	0.12
5. Net Income as a percentage of AAuM ²	6.61
6. Portfolio turnover ratio ³	-
7. Total Dividend per unit distributed during the year / period (plan wise)	
DIVIDEND	-
DIRECT DIVIDEND	-
8. Returns:	
a. Last One Year	
Scheme	NA
Benchmark	NA
b. Since Inception	
Scheme	5.93
Benchmark	6.80

1. Gross income = amount against (A) in the Revenue account i.e. Income.
2. Net income = amount against (C) in the Revenue account i.e. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD
3. Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year/period.
4. AAuM=Average daily net assets

BOOK - POST

If undelivered please return to :

M/s. Karvy Computershare Pvt. Ltd.

Unit: LIC NOMURA MUTUAL FUND

"Karvy Plaza", Registry House. No.: 8-2-596, Avenue 4, Street No. 1 ,

Banjara Hills, Hyderabad 500 034. Tele. No. 040 - 44677131

Website: www.karvymfs.com/www.karvycomputershare.com

