

FOR PRIVATE CIRCULATION ONLY



*Khushiyaan, Zindagi Ki...*

**ABRIDGED ANNUAL REPORT  
2016-17**

**EXCHANGE TRADED  
FUND-SENSEX**

**An Open-Ended Exchange Traded Fund**

**INVESTMENT MANAGER: LIC MUTUAL FUND ASSET MANAGEMENT LTD.**

Corporate Office : Industrial Assurance Building, 4th Floor,  
Opp. Churchgate Station, Mumbai - 400 020. Tel.: 022-6601 6000  
Toll Free No. : 1800 258 5678, Fax : 022-22843660  
Email : [service@licmf.com](mailto:service@licmf.com), Website : [www.licmf.com](http://www.licmf.com)

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

## Trustee Report

### Scheme Performance, Future Outlook and Operations of the Scheme

#### Performance of LIC MF ETF-Sensex

| Plan & Benchmark | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|--------|---------|---------|-----------------|
| Growth Plan      | 18.30% | NA      | NA      | 11.11%          |
| Benchmark#       | 16.88% | NA      | NA      | 9.78%           |

#S&P BSE Sensex

NA: Not Available

Past performance may or may not be sustained in future.

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

LIC of India, the Sponsor and the Settler of LIC Mutual Fund (Formerly LIC Nomura Mutual Fund) has entrusted a sum of Rs.2 Crore to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

**LIC Mutual Fund** (Formerly known as LIC Nomura Mutual Fund) has been constituted as a trust on 20/04/1989 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with LIC of India as the Sponsor and the LIC Mutual Fund Trustee Private Ltd. (Formerly known as LIC Nomura Mutual Fund Trustee Company Private Ltd.) as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on 9/5/94 vide Registration Code No. MF/012/94/5, which was issued afresh by SEBI in the name of LIC Nomura Mutual Fund on 6/4/2011 under Registration Code. MF/012/94/5 and then subsequently in the name of LIC Mutual Fund on 12/05/2016 under the same registration code.

**LIC Mutual Fund Trustee Private Ltd** (Formerly known as LIC Nomura Mutual Fund Trustee Company Private Ltd.), through its Board of Directors, discharges its obligations as trustee of LIC Mutual Fund. The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unit holders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

**LIC Mutual Fund Asset Management Ltd.** (Formerly known as LIC Nomura Mutual Fund Asset Management Company Ltd) is a public limited company incorporated under the Companies Act, 1956 on 20th April, 1994, having its Registered Office at 4th Floor, Industrial Assurance Building, Opp. Churchgate Station, Mumbai – 400 020. It has been appointed as the Asset Management Company of LIC Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated 22/04/1994.

#### Debt Market Outlook

As per the latest monetary policy review (June 2017), the Reserve Bank of India has maintained a neutral stance. However RBI has acknowledged that the headline inflation has declined due to base effect, fall in food prices and decline in oil prices. Accordingly the Headline projections have been revised downwards from 4.5-5% range to 3.5-4.5% range for March 2018. However RBI has raised concerns on rising rural wages, consumption demand, imported inflation, impact of 7<sup>th</sup> pay commission, fiscal risk from loan waivers and rebound in growth after demonetization which may lead to higher inflation.

Going ahead, rate action will be data dependent. Likelihood of easing has improved but the quantum may depend on how data shapes up. Liquidity is in the range of around 3 to 4 trillion which may be sucked out over a period of time in a non-disruptive way. Globally within US with unemployment rate below 5% and non-farm payrolls as per expectations, there are expectations of a rate hike during 2017. Also The Federal Open Market Committee (FOMC) is on the cusp of Balance

sheet reduction. Elections in UK will decide the Brexit process going ahead.

#### Money Market

Money Market yields in 2016-17 have come down by more than 100 bps buoyed by Rate cuts, accommodative stance of the RBI and surplus liquidity in the system after demonetization. This led to a number of first time issuers to enter CP markets to take advantage of the lower rates. Money Market Funds experienced huge growth in last financial year due to surplus liquidity leading MFs to look at new credits which not only provided them relatively better rates but also diversified the portfolio.

Liquidity surge helped the call rates to trade well below the RBI operating rate which forced the central bank to come out with regular issuance of Cash Management Bills

#### Sovereign Bond Yields

On the sovereign bond segment, we see the 10-yr range between 7.25% -7.60% during the June-July period. The 10 Year GOI-SDL spread is likely to move between 50-90 bps depending on the issuance levels. Sovereign yields which were hovering around 6.85% in the month of April 2017, declined to 6.51% in the month of June 2017 after the policy announcement.

Corporate Bond market expected to follow sovereign bond market.

#### Equity Market Outlook

We had highlighted in our previous annual report that the outlook for equity markets is quite sanguine given the market cycle, structural changes being undertaken in the economy and valuation support from a 5-year perspective. Broad index (Sensex) was up ~17% and BSE midcap was up ~33% during the previous fiscal year. We retain our positive view on the market from a medium-term perspective for the reasons stated below (and similar to our stand made earlier).

Our call of healthy returns on a tax-adjusted basis from equity markets is based on a medium term view of Indian economy and our understanding of market cycles. Indian economy experienced one of the best periods of economic growth starting early 2000s—Indian economy grew by ~5X between FY00-12 in nominal terms. This phenomenal growth of the past decade led to cyclical pressures in terms of higher inflation, deterioration in external balances, stretched balance sheets both in the corporate and banking sector etc. and more importantly brought to the fore the structural changes required to be made by the Indian economy to grow for the next decade and beyond.

Government initiatives to put in place a transparent process for allocation of real resources, deregulation of petroleum products, commitment towards fiscal rectitude, enactment of the bankruptcy code, and passage of the GST bill are good efforts to correct the structural challenges facing the economy. Government has been prudent to use the largesse from the fall in crude prices to enhance infrastructure spends. All economic booms typically result in overleveraged balance sheets in non-financial and/or financial sectors. This period is then followed by de-leveraging in the non-financial sector and consolidation and write-offs in the financial sector. Indian economy is currently witnessing all these trends and we have been almost 6 years since this phenomenon set in. Recent developments suggest that the government and RBI are making serious efforts to resolve the bad debt overhang problem in the economy. Further, this period has made both the financiers and entrepreneurs to be more circumspect, prudent in their future endeavors.

RBI's tight monetary stance over the few years, where the broad money supply (M3) has grown at ~12% CAGR between 2011-17 against a 20-year average of ~17% CAGR, has played a role in the moderation of inflationary pressures and resulted in better real returns for savers. We expect the inflationary pressures to remain moderate by better policy (both fiscal and monetary) and softer commodity prices. Formation of a monetary policy Committee (MPC) and an explicit parliamentary mandate of consumer inflation of 4% +/- 2% is likely to keep inflationary pressures under check.

Two large sectors (from a market capitalization perspective)—IT and Pharma have been facing headwinds in their businesses which are structural in nature. Some of the companies in these sectors with their

strong cash flows and able management teams are likely to tide over these difficulties and emerge stronger from this phase and provide interesting opportunities for investors.

Mid-cap index has cumulatively outperformed the large-cap index by 67% and 52% over the past 3 and 5 years. Since availability of relevant data, there has been no period when there has been divergence of this magnitude between the performances of these two indices. It is quite likely that the large-cap indices perform better compared to their mid-cap peers over the next 1-2 years, given that the financial markets typically exhibit a mean reverting behavior.

Equity market valuations are close to their historical valuations and corporate profitability remaining below the historical levels. An important factor favoring the investors is that risk averseness is quite high among corporate, banking sectors and investor community given the experience of the past 8 years (since the great financial crisis of 2008). This significantly reduces the probability of permanent loss of capital, though there could be heightened gyrations in stock markets. Investors are advised to use the corrections to buy into equities and create wealth for themselves over the medium term.

We at LIC Mutual Fund have strengthened our equity fund management team over the past 4 years and introduced well-accepted practices of research, fund management. We remain committed to maintaining high standards of analytical rigor and investment discipline in managing our funds and delivering competitive returns for our investors.

## **Operations of the schemes:**

As per Monthly Cumulative report (MCR) of March 2017 shared with SEBI, LIC Mutual Fund manages 42 schemes (21 open ended, 17 Close ended and 4 Interval Schemes), out of which 23 are Debt, 1 Liquid, 1 Gilt, 12 Equity (2 ELSS), 1 Balanced Scheme and 4 Exchange Traded Funds.

In pursuance of Para A titled "Treatment of Unclaimed Redemption and Dividend Amounts" of SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016, effective from 01st April 2016 we are maintaining a separate scheme for Unclaimed Redemption and Dividend amounts specifically for deploying the Unclaimed amounts. These Unclaimed amounts are deployed in Call Money Market or Money Market instruments and total expense ratio of the scheme is capped at 50bps.

## **Annexures to Trustee Report:**

Redressal of Investor Complaints received against LIC Mutual Fund during F.Y.2016-17 reviewed and approved by the directors of LIC Mutual Fund Trustee Pvt. Ltd. in the Board meeting held on May 29, 2017(Annexure I)

## **Investment objective of the scheme.**

The investment objective of the scheme is to provide returns that closely correspond to the total returns of securities as represented by S&P BSE SENSEX Index by holding S&P BSE SENSEX stocks in same proportion, subject to tracking errors. However, there is no assurance that the objective of the scheme will be achieved.

## **Significant Accounting Policies:**

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

## **Unclaimed Dividend & Redemption as on 31.03.2017**

| Unclaimed Dividend |                  | Unclaimed Redemption |                  |
|--------------------|------------------|----------------------|------------------|
| Amount (Rs.)       | No. of Investors | Amount (Rs.)         | No. of Investors |
| -                  | -                | -                    | -                |

## **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.licmf.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.

## **Proxy Voting:**

The general voting policies and procedures of LIC Mutual Fund Asset Management Ltd. for the Schemes of LIC Mutual Fund and the actual exercise of votes in the general meetings of investee companies for F.Y.2016-17 and the Scrutinizer Certificate on Voting reports have been disclosed on our website (www.licmf.com) and in the full Annual Report for the F.Y.2016-17.

## **Investor Education & Awareness Initiative (IEAI):**

An annual charge of 2 basis points (0.02% p.a.) of daily net assets, being part of total recurring expenses is set aside for Investor Education and Awareness Initiatives (IEAI) in accordance with SEBI (Mutual Funds) Regulations, 1996 and guidelines issued thereunder. These funds set aside are used only for meeting expenses for Investor Education and Awareness Initiatives. Further, in accordance with AMFI best practice guidelines circular no 135/BP/56/2015-16 dated 20April 2015, the cumulative balance of the IEAI is transferred on periodic basis to a separate bank account maintained for the purpose.

The unspent funds are deployed in LICMF Liquid Fund. Pursuant to SEBI circular no. IMD/DF2/RS/813/2016 dated January 08, 2016 ,50% of the unutilized balance of IEAI as on March 31, 2016 & 50% of the 0.02% on daily net assets thereafter has been transferred to AMFI on monthly basis.

**For and on Behalf of  
LIC Mutual Fund Trustee Pvt .Ltd.**

sd/-  
**Harish N Motiwalla  
(Director)**

**Place: Mumbai  
Date:19<sup>th</sup> July 2017**

## Annexure To Trustee Report

Annexure I

## Redressal of Investor Complaints Received Against LIC Mutual Fund for the Period 01- April-2016 - 31-March-2017

Total Number of Folios as on 31-March-2017: 330422

| Complaint Code | Type of Complaint #                                                      | (a) No. of complaints pending at the beginning of FY 2016-2017. | (b) No. of Complaints received during the FY2016-2017 | Action on (a) and (b) |            |             |                 |                 | Pending    |            |            |             |
|----------------|--------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------|-----------------------|------------|-------------|-----------------|-----------------|------------|------------|------------|-------------|
|                |                                                                          |                                                                 |                                                       | Within 30 days        | 30-60 days | 60-180 days | Beyond 180 days | Non Actionable* | 0-3 months | 3-6 months | 6-9 months | 9-12 months |
| I A            | Non receipt of Dividend on Units                                         | 2                                                               | 15                                                    | 17                    | 0          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| I B            | Interest on delayed payment of Dividend                                  | 0                                                               | 0                                                     | 0                     | 0          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| I C            | Non receipt of Redemption Proceeds                                       | 1                                                               | 31                                                    | 32                    | 0          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| I D            | Interest on delayed payment of Redemption                                | 0                                                               | 0                                                     | 0                     | 0          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| II A           | Non receipt of Statement of Account/Unit Certificate                     | 1                                                               | 4                                                     | 5                     | 0          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| II B           | Discrepancy in Statement of Account                                      | 0                                                               | 28                                                    | 28                    | 0          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| II C           | Data corrections in Investor details                                     | 0                                                               | 0                                                     | 0                     | 0          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| II D           | Non receipt of Annual Report/ Abridged Summary                           | 0                                                               | 0                                                     | 0                     | 0          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| III A          | Wrong switch between Schemes                                             | 0                                                               | 0                                                     | 0                     | 0          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| III B          | Unauthorized switch between Schemes                                      | 0                                                               | 0                                                     | 0                     | 0          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| III C          | Deviation from Scheme attributes                                         | 0                                                               | 0                                                     | 0                     | 0          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| III D          | Wrong or excess charges/load                                             | 0                                                               | 1                                                     | 1                     | 0          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| III E          | Non updation of changes viz. address, PAN, bank details, nomination, etc | 0                                                               | 2                                                     | 1                     | 1          | 0           | 0               | 0               | 0          | 0          | 0          | 0           |
| IV             | Others                                                                   | 1                                                               | 26                                                    | 24                    | 1          | 2           | 0               | 0               | 0          | 0          | 0          | 0           |
|                | <b>TOTAL</b>                                                             | <b>5</b>                                                        | <b>107</b>                                            | <b>108</b>            | <b>2</b>   | <b>2</b>    | <b>0</b>        | <b>0</b>        | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>    |

# including against its authorized persons/distributors/employees.etc.

\* Non actionable means the complaints that are incomplete/outside the scope of the mutual fund

This statement is reviewed and approved by the directors of LIC Mutual Fund Trustee Pvt. Ltd. in the Board meeting held on May 29, 2017.

## Independent Auditor's Report

To the Trustees of  
LIC MUTUAL FUND

### Report on the Financial Statements

We have audited the accompanying financial statements of the schemes mentioned below (collectively "the Schemes"), which comprise the balance sheets as at March 31, 2017, the revenue accounts and cash flow statements, where applicable, for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### • LIC MF Exchange Traded Fund-Sensex

#### Management's Responsibility for the Financial Statements

Management of LIC Mutual Fund Asset Management Limited ("Company"), 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, where applicable, 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 and amendments thereto ("the SEBI Regulations"). This responsibility also includes maintenance of adequate accounting records and 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 Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

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

- (a) in the case of the balance sheets, of the state of affairs of the respective Schemes as at March 31, 2017;
- (b) in the case of the revenue accounts, of the surplus for the year ended on that date; and
- (c) in the case of the cash flow statements, where applicable, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Regulation 55(4) and clause 5(ii)(2) of the Eleventh Schedule of the Regulations, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, the balance sheets and revenue accounts 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; and
  - c. The balance sheets, revenue accounts and cash flow statements, where applicable, dealt with by this report are in agreement with the books of account of the Scheme.
2. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at March 31, 2017 are in accordance with the Regulations and other guidelines issued by the Securities and Exchange Board of India, as applicable, and approved by the Board of Directors of LIC Mutual Fund Trustee Private Limited, and are fair and reasonable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

**per Jayesh Gandhi**

Partner

Membership Number: 37924

Place: Mumbai

Date: July 19, 2017

# LIC MF ETF-SENSEX

## ABRIDGED BALANCE SHEET AS AT 31 MARCH 2017

(Rs in Lakhs)

|                                                                | 2016-17          | 2015-16          |
|----------------------------------------------------------------|------------------|------------------|
| <b>LIABILITIES</b>                                             |                  |                  |
| 1 <b>Unit Capital</b>                                          | 963.65           | 963.65           |
| 2 <b>Reserves &amp; Surplus</b>                                |                  |                  |
| 2.1 Unit Premium Reserve                                       | 24,230.71        | 24,230.71        |
| 2.2 Unrealised Appreciation Reserve                            | 3,394.83         | -                |
| 2.3 Other Reserves                                             | 416.07           | (676.58)         |
| 3 <b>Loans &amp; Borrowings</b>                                | -                | -                |
| 4 <b>Current Liabilities &amp; Provisions</b>                  |                  |                  |
| 4.1 Provision for doubtful Income/ Deposits                    | -                | -                |
| 4.2 Other Current Liabilities & Provisions                     | 4.43             | 3.82             |
| <b>TOTAL</b>                                                   | <b>29,009.69</b> | <b>24,521.60</b> |
| <b>ASSETS</b>                                                  |                  |                  |
| 1 <b>Investments</b>                                           |                  |                  |
| 1.1 <b>Listed Securities :</b>                                 |                  |                  |
| 1.1.1 Equity shares                                            | 28,928.99        | 24,429.06        |
| 1.1.2 Preference Shares                                        | -                | -                |
| 1.1.3 Equity Linked Debentures                                 | -                | -                |
| 1.1.4 Other Debentures & Bonds                                 | -                | -                |
| 1.1.5 Securitised Debt securities                              | -                | -                |
| 1.2 <b>Securities Awaited Listing :</b>                        |                  |                  |
| 1.2.1 Equity shares                                            | -                | -                |
| 1.2.2 Preference Shares                                        | -                | -                |
| 1.2.3 Equity Linked Debentures                                 | -                | -                |
| 1.2.4 Other Debentures & Bonds                                 | -                | -                |
| 1.2.5 Securitised Debt securities                              | -                | -                |
| 1.3 <b>Unlisted Securities</b>                                 |                  |                  |
| 1.3.1 Equity shares                                            | -                | -                |
| 1.3.2 Preference Shares                                        | -                | -                |
| 1.3.3 Equity Linked Debentures                                 | -                | -                |
| 1.3.4 Other Debentures & Bonds                                 | -                | -                |
| 1.3.5 Securitised Debt securities                              | -                | -                |
| 1.4 Government Securities                                      | -                | -                |
| 1.5 Treasury Bills                                             | -                | -                |
| 1.6 <b>Commercial Paper / Certificate of Deposit</b>           |                  |                  |
| 1.6.1 Commercial Paper                                         | -                | -                |
| 1.6.2 Certificate of Deposit                                   | -                | -                |
| 1.7 Bill Rediscounting                                         | -                | -                |
| 1.8 Units of Domestic Mutual Fund                              | -                | -                |
| 1.9 Foreign Securities                                         | -                | -                |
| <b>Total Investments</b>                                       | <b>28,928.99</b> | <b>24,429.06</b> |
| 2 <b>Deposits</b>                                              |                  |                  |
| 3 <b>Other Current Assets</b>                                  |                  |                  |
| 3.1 Cash & bank Balance                                        | 1.59             | 0.07             |
| 3.2 CBLO/reverse Repo Lending                                  | 79.11            | 87.40            |
| 3.3 Others                                                     | -                | 5.07             |
| 4 Deferred Revenue Expenditure (to the extent not written off) | -                | -                |
| <b>TOTAL</b>                                                   | <b>29,009.69</b> | <b>24,521.60</b> |

## ABRIDGED REVENUE ACCOUNT FOR THE YEAR/PERIOD ENDED 31 MARCH 2017

(Rs in Lakhs)

|                                                                          | 2016-17         | 2015-16         |
|--------------------------------------------------------------------------|-----------------|-----------------|
| <b>1 INCOME</b>                                                          |                 |                 |
| 1.1 Dividend                                                             | 371.70          | 86.83           |
| 1.2 Interest                                                             | 3.75            | 6.39            |
| 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 | (45.63)         | 29.02           |
| 1.6 Realised Gains/(Losses) on Derivative Transactions                   | -               | -               |
| 1.7 Other Income                                                         | -               | -               |
| <b>(A)</b>                                                               | <b>329.82</b>   | <b>122.24</b>   |
| <b>2 EXPENSES</b>                                                        |                 |                 |
| 2.1 Management fees (incl Service Tax)                                   | 9.89            | 2.53            |
| 2.3 Transfer agents fees and expenses                                    | 6.04            | 1.90            |
| 2.4 Custodian fees                                                       | 3.70            | 1.13            |
| 2.5 Trusteeship fees                                                     | 0.31            | 0.07            |
| 2.6 Commission to Agents                                                 | 0.01            | -               |
| 2.7 Marketing & Distribution expenses                                    | -               | -               |
| 2.8 Audit Fees                                                           | 0.17            | 0.27            |
| 2.9 Other operating expenses                                             | 6.53            | 2.21            |
| <b>Total Expense</b>                                                     | <b>26.65</b>    | <b>8.11</b>     |
| Less: Expenses to be Reimbursed by the Investment Manager                | 0.01            | -               |
| <b>(B)</b>                                                               | <b>26.64</b>    | <b>8.11</b>     |
| <b>3 NET REALISED GAINS/(LOSSES) FOR THE YEAR (A-B = C)</b>              | <b>303.18</b>   | <b>114.13</b>   |
| 4 Change in Unrealised Depreciation in value of Investments (D)          | (789.47)        | 789.46          |
| <b>5 NET GAINS/(LOSSES) FOR THE YEAR (E= (C-D))</b>                      | <b>1,092.65</b> | <b>(675.33)</b> |
| 6 Change in unrealised appreciation in the value of investments (F)      | 3,394.83        | -               |
| <b>7 NET SURPLUS/(DEFICIT) FOR THE YEAR ( E+F = G)</b>                   | <b>4,487.48</b> | <b>(675.33)</b> |
| 7.1 Add : Balance transfer from unrealised appreciation reserve & Others | -               | -               |
| 7.2 Less : Balance transfer to unrealised appreciation reserve & Others  | 3,394.83        | -               |
| 7.3 Add / (Less) : Equalisation                                          | -               | (1.25)          |
| <b>8 Total</b>                                                           | <b>1,092.65</b> | <b>(676.58)</b> |
| <b>9 Dividend Appropriation</b>                                          |                 |                 |
| 9.1 Income Distributed during the year                                   | -               | -               |
| 9.2 Tax on Income distributed during the year                            | -               | -               |
| <b>10 Retained Surplus/(Deficit) carried forward to Balance Sheet</b>    | <b>1,092.65</b> | <b>(676.58)</b> |

**NOTES TO ACCOUNT - ANNEXURE 1 TO THE ABRIDGED BALANCE SHEET AND REVENUE ACCOUNT  
FOR THE YEAR/ PERIOD ENDED 31ST MARCH 2017**

(All amounts are in Rs. Lakhs unless otherwise stated)

**1 Investments:-**

- 1.1 All the Investments are held in the name of the scheme (except for Government Securities and Treasury Bills which are held in an SGL account in the name of "LIC Mutual Fund").
- 1.2 Open Position of derivatives(outstanding market value & % to Net Assets as of the Year end): NIL ( Previous Year : NIL )
- 1.3 Investment in Sponsors /associates and Group Companies: NIL ( Previous Year : NIL )
- 1.4 Open position of Securities Borrowed and / Lend by the scheme : NIL ( Previous Year : NIL )
- 1.5 Details of NPA: Aggregate market value and provision thereof: NIL ( Previous Year : NIL )
- 1.6 Aggregate Unrealised Gain/loss as at the end of the Financial Year/ Period and percentage to net assets

| Asset Class   | FY 2016-2017 |          |              |          |             |          | FY 2015-2016 |          |              |          |             |          |
|---------------|--------------|----------|--------------|----------|-------------|----------|--------------|----------|--------------|----------|-------------|----------|
|               | Appreciation |          | Depreciation |          | Net Amount  |          | Appreciation |          | Depreciation |          | Net Amount  |          |
|               | Rs.in lakhs  | % to net | Rs.in lakhs  | % to net | Rs.in lakhs | % to net | Rs.in lakhs  | % to net | Rs.in lakhs  | % to net | Rs.in lakhs | % to net |
| Equity shares | 3,886.61     | 13.40    | (491.78)     | (1.70)   | 3,394.83    | 11.70    | 776.24       | 3.17     | (1,565.70)   | (6.39)   | (789.46)    | (3.22)   |

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

| FY 2016-2017         |      |                      |      | FY 2015-2016         |        |                      |        |
|----------------------|------|----------------------|------|----------------------|--------|----------------------|--------|
| Purchase             |      | Sale                 |      | Purchase             |        | Sale                 |        |
| Amount (Rs.in lakhs) | %    | Amount (Rs.in lakhs) | %    | Amount (Rs.in lakhs) | %      | Amount (Rs.in lakhs) | %      |
| 788.92               | 2.96 | 427.65               | 1.61 | 70,332.97            | 294.30 | 45,143.47            | 188.90 |

**1.8 Non traded Securities in the portfolio:**

| 31st March 2017            |                 | 31st March 2016            |                 |
|----------------------------|-----------------|----------------------------|-----------------|
| Market Value (Rs in Lakhs) | % to Net Assets | Market Value (Rs in Lakhs) | % to Net Assets |
| -                          | -               | -                          | -               |

**2 Details of Payment made to Associates under regulations 25(8): NIL ( Previous Year : NIL )**

**3 Large Holdings in the scheme (i.e. in excess of 25% of the net assets): NIL ( Previous Year : 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 01.04.2016  | Addition during the year | Deletion during the year | Closing Balance as on 31.03.2017 | Opening balance as on 01.04.2015   | Addition during the year | Deletion during the year | Closing Balance as on 31.03.2016 |
| GR             | 10         | 96.37                             | -                        | -                        | 96.37                            | -                                  | 96.37                    | -                        | 96.37                            |

## LIC MF ETF-SENSEX

- 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 ( Previous Year : NIL )
- 8 These Abridged Financials have been prepared based on the audited financials of the scheme.
- 9 Movement in IEAI balances for LIC Mutual fund during the financial year ended 31 March, 2017 and 31 March, 2016 is given below

| Particulars                                | Amount (Rs. in '000) |              |
|--------------------------------------------|----------------------|--------------|
|                                            | FY 2016-17           | FY 2015-16   |
| Opening balance                            | 27.00                | 4,599.00     |
| Additions during the current year **       | 39,745.00            | 24,417.00    |
| Less : Utilisation during the current year | 39,772.00            | 28,989.00    |
| Closing balance                            | -                    | <b>27.00</b> |

\*\* Amount includes Income earned on Mutual Fund units.

# LIC MF ETF-SENSEX

## KEY STATISTICS FOR THE YEAR / PERIOD ENDED 31 MAR 2017

|                        | Current<br>Year<br>ended 31<br>Mar 17 | Previous<br>Year<br>ended 31<br>Mar 16 |                                                                             |           |           |
|------------------------|---------------------------------------|----------------------------------------|-----------------------------------------------------------------------------|-----------|-----------|
| 1. NAV per unit (Rs.): |                                       |                                        | Weekly                                                                      | -         | -         |
| <b>Open</b>            |                                       |                                        | Monthly                                                                     | -         | -         |
| Dividend               | -                                     | -                                      | Quarterly                                                                   | -         | -         |
| Growth                 | 254.4259                              | -                                      | Yearly                                                                      | -         | -         |
| Weekly                 | -                                     | -                                      | PF Dividend                                                                 | -         | -         |
| Monthly                | -                                     | -                                      | PF Growth                                                                   | -         | -         |
| Quarterly              | -                                     | -                                      | Direct Dividend                                                             | -         | -         |
| Yearly                 | -                                     | -                                      | Direct Growth                                                               | -         | -         |
| PF Dividend            | -                                     | -                                      | Direct Weekly                                                               | -         | -         |
| PF Growth              | -                                     | -                                      | Direct Monthly                                                              | -         | -         |
| Direct Dividend        | -                                     | -                                      | Direct Quarterly                                                            | -         | -         |
| Direct Growth          | -                                     | -                                      | Direct Yearly                                                               | -         | -         |
| Direct Weekly          | -                                     | -                                      | 2. Closing Assets Under Management                                          |           |           |
| Direct Monthly         | -                                     | -                                      | (Rs. in Lakhs)                                                              |           |           |
| Direct Quarterly       | -                                     | -                                      | End <sup>1</sup>                                                            | 29,005.26 | 24,517.78 |
| Direct Yearly          | -                                     | -                                      | Average (AAuM) <sup>2</sup>                                                 | 26,638.12 | 23,898.44 |
| <b>High</b>            |                                       |                                        | 3. Gross income as % of AAuM <sup>3</sup>                                   | 1.24      | 1.52      |
| Dividend               | -                                     | -                                      | 4. Expense Ratio:                                                           |           |           |
| Growth                 | 301.2802                              | 261.8551                               | <b>a. Total Expense as % of AAuM (No Class)</b>                             | 0.10      | 0.10      |
| Weekly                 | -                                     | -                                      | <b>b. Management Fee as % of AAuM (inclusive service tax)(No Class)</b>     | 0.04      | 0.03      |
| Monthly                | -                                     | -                                      | 5. Net Income as a percentage of AAuM <sup>4</sup>                          | 1.14      | 1.42      |
| Quarterly              | -                                     | -                                      | 6. Portfolio turnover ratio <sup>5</sup>                                    | 0.02      | 0.03      |
| Yearly                 | -                                     | -                                      | 7. Total Dividend per unit distributed during the year / period (plan wise) |           |           |
| PF Dividend            | -                                     | -                                      | Dividend                                                                    | -         | -         |
| PF Growth              | -                                     | -                                      | Daily                                                                       | -         | -         |
| Direct Dividend        | -                                     | -                                      | Weekly                                                                      | -         | -         |
| Direct Growth          | -                                     | -                                      | Monthly                                                                     | -         | -         |
| Direct Weekly          | -                                     | -                                      | Quarterly                                                                   | -         | -         |
| Direct Monthly         | -                                     | -                                      | Yearly                                                                      | -         | -         |
| Direct Quarterly       | -                                     | -                                      | PF Dividend                                                                 | -         | -         |
| Direct Yearly          | -                                     | -                                      | Direct Dividend                                                             | -         | -         |
| <b>Low</b>             |                                       |                                        | Direct Daily                                                                | -         | -         |
| Dividend               | -                                     | -                                      | Direct Weekly                                                               | -         | -         |
| Growth                 | 247.7383                              | 229.7644                               | Direct Monthly                                                              | -         | -         |
| Weekly                 | -                                     | -                                      | Direct Quarterly                                                            | -         | -         |
| Monthly                | -                                     | -                                      | Direct Yearly                                                               | -         | -         |
| Quarterly              | -                                     | -                                      | 8. Returns <sup>^</sup> :                                                   |           |           |
| Yearly                 | -                                     | -                                      | <b>a. Last One Year</b>                                                     |           |           |
| PF Dividend            | -                                     | -                                      | Regular                                                                     | 18.30     | NA        |
| PF Growth              | -                                     | -                                      | Direct                                                                      | NA        | NA        |
| Direct Dividend        | -                                     | -                                      | <b>Benchmark</b>                                                            |           |           |
| Direct Growth          | -                                     | -                                      | Regular                                                                     | 16.88     | NA        |
| Direct Weekly          | -                                     | -                                      | Direct                                                                      | NA        | NA        |
| Direct Monthly         | -                                     | -                                      | <b>b. Since Inception</b>                                                   |           |           |
| Direct Quarterly       | -                                     | -                                      | Regular                                                                     | 11.11     | (2.69)    |
| Direct Yearly          | -                                     | -                                      | Direct                                                                      | NA        | NA        |
| <b>End<sup>1</sup></b> |                                       |                                        | <b>Benchmark</b>                                                            |           |           |
| Dividend               | -                                     | -                                      | Regular                                                                     | 9.78      | (3.07)    |
| Growth                 | 300.9934                              | 254.4259                               | Direct                                                                      | NA        | NA        |

<sup>^</sup>Past performance may or may not be sustained in the future

1. The net asset value disclosed above represents the computed NAV as on balance sheet date, and not the last declared NAV.

2. AAuM=Average daily net assets

3. Gross income = amount against (A) in the Revenue account i.e. Income.

4. Net income = amount against (C) in the Revenue account i.e. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD

5. Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year/period.

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Registered Office: 4th Floor, Industrial Assurance Building, Opp. Churchgate Station, Mumbai 400 020.

Tel.: 1800-258-5678 Email: service@licmf.com, Website: [www.licmf.com](http://www.licmf.com)

## EMAIL ID, MOBILE NO & PAN NO. UPDATION FORM (TO BE FILLED IN BLOCK CAPITAL LETTERS IN BLACK / BLUE ONLY)

|                              |           |       |
|------------------------------|-----------|-------|
| Name of the<br>First Holder: | Folio No. | Date: |
|------------------------------|-----------|-------|

Request for updation of Email ID / Mobile No / PAN NO.

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Contact No.: Mobile: +91

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\* I request you to update my email id / mobile number / pan card details in the folio no mentioned above. Investors providing Email Id would receive Statement of Account on email in lieu of physical statement of Accounts.  
To receive SMS alerts on your mobile for transactions done in your account, please update your mobile number.

Signature (s) \_\_\_\_\_  
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|                                                                                                                          |                                                                                                              |
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| Folio No _____<br><u>Received from Mr. / Ms. for</u><br>Updation of Email ID _____<br>Mobile. No. _____<br>Pan No. _____ | For office use<br>Signature of Receiving authority _____<br>Date of receipt: _____<br>Time of receipt: _____ |
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### Guidelines

- 1) Please fill the form in BLOCK CAPITAL LETTERS IN BLACK /BLUE INK ONLY and sign as per the mode of holding.
- 2) Updation form complete in all respects, should be submitted at any of the official points of Acceptance of LIC MUTUAL FUND (Karvy ISCs / AMC Offices).
- 3) Investors may contact any of the Investor Service Centres (ISCs) of the AMC for any queries / clarifications or at the telephone number 1800-258-5678 (toll free), Email: service@licmf.com or visit our website at [www.licmf.com](http://www.licmf.com)
- 4) Separate updation form should be submitted for each folio.
- 5) Updation will get done in all schemes under each folio. Investor can use the photocopy of an updation form if having an investment in more than one folio.

## BOOK-POST

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