

LIC MUTUAL FUND ASSET  
MANAGEMENT LIMITED

ANNUAL REPORT  
2021 - 2022



### **NOTICE OF ANNUAL GENERAL MEETING TO MEMBERS**

**NOTICE** is hereby given that the Twenty-Eighth Annual General Meeting of the Members of LIC Mutual Fund Asset Management Limited will be held on Thursday, 28<sup>th</sup> July 2022 at 11:00 a.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, 2022 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 Mrs. Sobha Reddy (DIN: 09133433), Nominee Director who retires by rotation and being eligible, offer herself for re-appointment.
3. To declare final dividend of Rs. 1000/- per equity share of the Company for the Financial Year ended 31<sup>st</sup> March 2022.

#### **SPECIAL BUSINESS:**

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

**Change in designation of Mr. Vijay Sharma (DIN: 07028178) from Additional Director (Independent Category) to Director (Independent Category) and to Re-appoint him for a second term of 5 year.**

**“RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV along with Regulation 21 (1) (d) of SEBI (Mutual Funds) Regulations, 1996 and SEBI Circular SEBI/ HO/ IMD/DF2/CIR/P/2017/125 dated 30<sup>th</sup> November 2017, the appointment of Mr. Vijay Sharma, Additional Director (DIN: 07028178) is regularized and he is re-appointed as an Independent Director of the Company to hold the office for a second term of 5 years upto 28<sup>th</sup> February 2027 and who meets the criteria for Independence as provided in Section 149 (6) of the Act and the rules frame thereunder and Regulation 21 (1) (d) of SEBI (Mutual Funds) Regulations, 1996.

**RESOLVED FURTHER THAT** any Director of the Company and/or the Company Secretary of the Company be and are hereby authorized to sign such forms/returns, and various documents as may be required to be submitted to the Registrar of Companies, Mumbai, Maharashtra or such other authorities and to do all the acts, deeds and things which may be necessary to give effect to the above resolution.”

**LIC Mutual Fund Asset Management Ltd.**

Investment Managers to LIC Mutual Fund

Industrial Assurance Building, 4<sup>th</sup> Floor,  
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**Board :** +91 22 6601 6000

**Fax :** +91 22 2288 0633 / 2204

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**CIN :** U67190MH1994PLC077858



5. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

**Appointment of Mr. Tritala Subramanian Ramakrishnan (DIN: 09515616) as Managing Director of the Company.**

“**RESOLVED THAT** pursuant to provisions Section 196, 197, 203 read with Schedule V and all other applicable provisions along with rules made there under, if any, of the Companies Act, 2013 (including any statutory modification or reenactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Tritala Subramanian Ramakrishnan as Managing Director of the Company for a period of five years w.e.f. 1<sup>st</sup> March 2022 to 28<sup>th</sup> February 2027 or upon attaining the age of superannuation from LIC of India whichever is earlier on a remuneration not exceeding a period of three years from the date of his appointment as per the entitlement in his cadre at LIC of India, Special incentive to the extent of 20% of net salary in lieu of deduction on account of SEBI circular on Alignment of Interest, Performance Linked Incentive (PLI) as recommended by Nomination & Remuneration Committee and approved by the Board, Car for official purposes. The remuneration payable will be as per the maximum permissible limit as per Schedule V of the Companies Act, 2013 with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents, writings and filing of requisites forms that may be required on behalf of the Company, and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

**Place: Mumbai**

**Date: 29<sup>th</sup> June 2022**

By Order of the Board of Directors

Sd/-

**Mayank Arora**

**Chief Compliance, Financial Officer & Company Secretary**

**Registered Office:**

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**NOTES:**

1. Members/Authorized Representative are requested to bring their copies of the Annual Report for the meeting.
2. 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.
3. 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, 4<sup>th</sup> Floor, Opp. Churchgate Station, Mumbai – 400 020 or send an email at [cs.co@licmf.com](mailto:cs.co@licmf.com).
4. 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](mailto:cs.co@licmf.com).
5. The Ministry of Corporate Affairs (MCA) vide its General Circular No. 2/2022 dated 5<sup>th</sup> May 2022 read with General Circular No. 20/2020 dated 5<sup>th</sup> May 2020, General Circular No. 14/2020 dated 8<sup>th</sup> April 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April 2020 has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for this year.
6. 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.
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.
10. Attendance of members is allowed at the meeting through Video Conferencing and the same shall be counted for quorum. Proxy shall not be allowed to attend and vote at the meeting.

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11. 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.
12. 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.

**Place: Mumbai**

**Date: 29<sup>th</sup> June 2022**

By Order of the Board of Directors

**Sd/-**

**Mayank Arora**

**Chief Compliance, Financial Officer & Company Secretary**

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO AND FORMING PART OF THIS NOTICE:**

**Item No. 4**

As per the provisions of Sections 149(10) and 152 of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the members by a Special Resolution, reappoint Independent Directors of the Company on expiry of their term.

Keeping in view the provisions of the Companies Act, 2013, the Company has received necessary declaration from Mr. Vijay Sharma, Additional Director (Independent Category) of the Company under Section 149 (7) of the Companies Act, 2013 stating that he meets the criteria of Independence laid down in Section 149 (6).

Also, as per SEBI Circular SEBI/HO/IMD/DF2/CIR/P/2017/125 dated 30<sup>th</sup> November 2017, Independent Director shall hold office for a maximum of 2 terms with each term not exceeding a period of 5 consecutive years. Accordingly, if the appointment is approved by the members in the Annual General Meeting, the term of Mr. Vijay Sharma will be up to 28<sup>th</sup> February 2027.

The Company shall disclose full particulars of the Independent Directors, whose appointment is being regularized, on expiry of their term in the Board's report to be laid along with the financial statements as per section 134(3) of Companies Act, 2013.

The members are requested to approve Item No. 4 by way of passing Special Resolution.

Save and except Mr. Vijay Sharma, none of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said resolution.

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#### **Item No. 5**

The Board of Directors of the Company have appointed Mr. Tritala Subramanian Ramakrishnan as Managing Director of the Company for a term of 5 (five) years commencing from 1<sup>st</sup> March 2022.

The Particulars of the information, pursuant to the provisions of Schedule V, Part II, Section II, clause (A) of the Companies Act, 2013 are as under:

#### **a) General information:**

- a) Nature of Industry: Mutual Fund Industry
- b) Date or expected date of commencement of Commercial Production: The Company is already in existence since 1994 and operations are in place.
- c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
- d) Financial performance based on given indicators for the financial year

(Rs. in lakhs)	
PARTICULARS	2021-22
Profit / (Loss) Before Income Tax	229.80
Less: Tax expense	-
Net Profit/ (loss) after Tax	229.80

- e) Foreign investments or collaborations, if any: NA

#### **b) Information about Mr. Tritala Subramanian Ramakrishnan:**

- **Background details:**
- **Past remuneration** Paid during Financial year 2021-22 including Reimbursement and other benefits

Sr. No.	Particulars of Remuneration	Amount
1.	Gross Salary	Rs.3,61,751/-
2.	Perquisite	Rs.58,830/-
3.	Performance Linked Incentive	Rs.2,21,525/-
	<b>Total</b>	<b>Rs.6,42,106/-</b>

- **Recognition or awards:** NA

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- **Job profile and his suitability:** Mr. Tritala Subramanian Ramakrishnan had a long and a distinguished career at LIC of India wherein he served LIC of India in different capacities. In his last assignment, he was handling Business Growth, Recovery, etc. at LIC Housing Finance Limited. He joined LIC Mutual Fund Asset Management Limited in April 2021 as Officer on Special Duty. He has been appointed as the Managing Director & CEO from 1<sup>st</sup> March 2022.

Considering his vast experience in the Finance Industry in different roles, Mr. Tritala Subramanian Ramakrishnan is suitable for the current role of Managing Director & CEO at LIC Mutual Fund Asset Management Limited.

**The maximum proposed Remuneration including Bonus, Perquisite & Reimbursements are as follows:**

- A. Gross Salary: Rs.51,89,952/-
- B. Perquisites: Rs.7,00,000/-
- C. Performance Linked Incentive: As recommended by Nomination & Remuneration Committee and approved by the Board.
- D. Special incentive to the extent of 20% of net salary in lieu of deduction on account of SEBI circular on Alignment of Interest
- E. LTC: Rs.1,50,000/-
- F. Reimbursement of Mobile & Landline: Rs.25,000/-
- G. Contribution to Provident Fund & Other Fund: Rs.4,50,000/-
- H. Reimbursement of Fuel Expenses (Mileage): Rs.1,00,000/-
- I. Reimbursement of Car Maintenance Expenses (Major Repair): Rs.80,000/-
- J. Rental Car for CEO: Rs.7,80,000/-
- K. Internet Charges for Residence: Rs.18,000/-

Total: Rs.74,92,952/-

**Note: The maximum proposed Remuneration may change based on revision in Dearness allowance and other variable components.**

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**Benefits and Amenities:**

- A. Gratuity: Benefits in accordance with the rules and regulations in force in LIC of India from time to time.
- B. Leave as per the practices, rules and regulations in force from time to time subject to applicable laws.
- C. Loan and Other Schemes: Benefits under loan and other schemes in accordance with the practices, rules and regulations in force from time to time subject to applicable laws.
- D. Other benefits and amenities: Such other benefits and amenities as may be provided by the Company to other employees.
- E. Reimbursement of costs, charges and expenses: The Company shall pay or reimburse and he shall be entitled to be paid and/or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

The remuneration paid to Mr. Tritala Subramanian Ramakrishnan is commensurate with the size of the Company and the profile of the persons with respect to the industry the Company operates in.

**Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any:** Mr. Tritala Subramanian Ramakrishnan is not directly or indirectly related with any managerial personnel or Director of the Company.

**c) Other information:**

- **Reasons of loss or inadequate profits:**

LIC Mutual Fund Asset Management Limited (“AMC”) operates its business in highly competitive and regulated Industry. AMC is the Investment Managers to LIC Mutual Fund. LIC Mutual Fund historically is perceived to be a Debt schemes focused fund house wherein the majority of the Asset under Management (“AUM”) is skewed towards Debt Funds wherein the Management Fees which is the revenue for AMC is comparatively lesser in comparison to Equity Funds.

- **Steps taken or proposed to be taken for improvement & Expected increase in productivity and profits in measurable terms**

Continuous efforts are being undertaken to improve the Equity schemes AUM and focus is to attract Equity AUM through Systematic Investment Plans (SIPs). Equity AUM accounts for higher Management fees for the AMC. The Company has launched new scheme LIC MF Balanced Advantage Fund in Financial Year 2021-22 and intend to launch more New Fund Offers in the current Financial Year.

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- **Expected increase in productivity and profits in measurable terms**

The Company expects to increase its productivity and profits in the future. The Profit and Loss Statement would show better numbers in the upcoming financial years.

The Board of Directors are of the opinion that the remuneration of Mr. Tritala Subramanian Ramakrishnan is in the best interest of the Company, the Board recommends the resolution set out in Item No. 5 for approval of the members.

Other than Mr. Tritala Subramanian Ramakrishnan and his relatives, none of the other Directors, Key Managerial Personnel or their relatives is interested or concerned in the proposed Resolution at Item No. 5 of this Notice.

**Place: Mumbai**

**Date: 29<sup>th</sup> June 2022**

By Order of the Board of Directors

**Sd/-**

**Mayank Arora**

**Chief Compliance, Financial Officer & Company Secretary**

**Registered Office:**

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## **Directors' Report**

To,  
The Members,

The Directors of the Company hereby present their 28<sup>th</sup> Annual Report on the business and operations of LIC Mutual Fund Asset Management Limited together with audited financial statements for the financial year ended March 31, 2022.

### **1. Financial Performance:**

The financial statements of the Company for the year ended 31<sup>st</sup> March 2022 have been prepared in accordance with Indian Accounting Standards and the provisions of The Companies Act, 2013. The financial highlights of the Company for the year ended 31<sup>st</sup> March 2022 are as follows:

(Amount in Rs. crore)

Particulars	Year ended	
	Mar-22	Mar-21
Revenue from Operation	56.79	42.96
Net gain on fair value changes	3.89	6.73
Other income	3.12	2.91
<b>Total Revenue</b>	<b>63.81</b>	<b>52.60</b>
<b>Less: Total Expenditure</b>	<b>61.66</b>	<b>46.66</b>
<b>Profit / (Loss) before exceptional item, prior period item and tax</b>	<b>2.15</b>	<b>5.94</b>
Add: Exceptional item	-	-
Less: Prior period item	-	-
<b>Profit / (Loss) before tax</b>	<b>2.15</b>	<b>5.94</b>
Less: Tax Expenses	-	-
Add: Tax provision write back pertaining to prior year	-	-
<b>Profit / (Loss) After Tax</b>	<b>2.15</b>	<b>5.94</b>
Re-measurement gain/ (loss) on defined benefit plans	0.12	(0.07)
Effect of measuring investment at fair value	0.03	0.09
<b>Total Comprehensive Income for the year</b>	<b>2.30</b>	<b>5.96</b>
Add: Surplus/ (Deficit) brought forward	(20.12)	(26.08)

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Add / (Less) impact of Ind AS	-	-
Less: Dividend paid during the year	(1.10)	-
Balance carried forward	(18.92)	(20.12)

Our Company had reported total revenue from operations of Rs.56.79 Cr for the current financial year against Rs.42.96 Cr earned in previous year. The revenue from operation includes Investment Management fees of Rs.55.87 Cr and Portfolio Management Fees of Rs.0.92 Cr. Other income including investment income amounted to Rs.7.01 Cr (previous year Rs. 9.64 Cr).

The Company had incurred total expense of Rs.61.66 Cr in current year compared to Rs. 46.66 Cr in the previous year. The profit / (loss) after tax for the current year is Rs.2.30 Cr vis-à-vis Rs.5.96 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 2021-22 (AAUM)	Financial Year 2020-21 (AAUM)	Rs.in Crores
			Growth (%)
Equity	5,946.86	3,998.09	48.74
Debt	12,270.16	12,441.40	-1.38
Total AAUM	18,217.02	16,439.50	10.81

The total number of folios as at the end of the financial year March 31, 2022 stood at 5,49,971 as against 4,38,057 at the end of the last financial year.

## 3. Portfolio Management:

Your Company has been rendering portfolio management services ('PMS') since 2006. As on year end, the total AUM of the portfolio management business stood at Rs. 1603 Cr. as on 31<sup>st</sup> March 2022 as against Rs.1688.18 Cr. as on 31<sup>st</sup> March 2021.

## 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 2020 –

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2021, 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 2021-2022. During the year ended March 31, 2022, the Company made a profit of Rs. 2.30 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:**

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 2021-2022, 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 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.

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

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

#### **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 Director or Directors relatives.

#### **13. Auditors of the Company - Statutory:**

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

#### **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 Annual General Meeting to be held in the year 2025.

#### **15. Observations of Statutory Auditors on Accounts for the year ended 31<sup>st</sup> March 2022:**

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 31<sup>st</sup> March 2022 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.

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#### **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. However, there was an instance of fraudulent encashment of units held by the investor family under 4 folios of LIC Mutual Fund to the tune of Rs.1,16,62,883. The matter is under police investigation. LIC Mutual Fund Asset Management Limited is the Investment Managers to LIC Mutual Fund. Keeping in mind the fiduciary responsibility, the Company has settled the matter with the impacted investor by way of insurance claim under Investment Management Insurance Policy/recovery from RTA. The residual amount over insurance claim settlement/recovery from RTA i.e. Rs.17,50,000 paid by the Company is shown as recoverable in books, pending legal proceedings.

#### **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 31<sup>st</sup> March 2022 is available on Company's website on [www.licmf.com](http://www.licmf.com)

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

##### **Foreign Exchange Earnings and Outgo**

Foreign Exchange Earnings and Outgo for the financial year ended March 31, 2022 is Nil.

#### **19. Risk Management:**

The Audit Committee of the Board of Directors ensures seamless functioning of the Company and the Mutual Fund activity. The Asset Management Company has constituted various committees to which specific functions have been delegated including Risk Management. The Management of the Asset Management 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 Company has

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Industrial Assurance Building, 4<sup>th</sup> Floor,  
Opp. Churchgate Station, Mumbai-400 020.

**Board :** +91 22 6601 6000  
**Fax :** +91 22 2288 0633 / 2204

**Web :** [www.licmf.com](http://www.licmf.com)  
**CIN :** U67190MH1994PLC077858





implemented the requirements of latest SEBI Circular on Risk Management Framework (RMF) for Mutual Funds. In addition to the same, the Company has also appointed Internal Auditors for review of RMF. During the year, (Four) 4 meetings of the Board level Risk Management Committee were held. The current composition of the Committee is as under:

Mr. Sanjay Muthal  
Mr. Satish K. Kamat  
Mr. T. S. Ramakrishnan

## **20. 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.

## **21. Corporate Social Responsibility (CSR):**

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

## **22. 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 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. 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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### 23. Directors:

#### 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
Mr. Mayank Arora	CFO	28/06/2021	-
Mr. Dinesh Pangtey	Whole Time Director and CEO	02/05/2019	28/02/2022
Mr. Tritala Subramanian Ramakrishnan	Managing Director and CEO	01/03/2022	-

#### Retirement by rotation

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013, Mrs. Sobha Reddy (DIN: 09133433) retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

#### 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).

#### Re-appointment of Independent Directors

The term of Mr. Vijay Sharma as an Independent Director had expired and accordingly, he was re-appointed for a second term of 5 years.

### 24. Board & Audit Committee:

#### Board Meeting:

During the year under review, (Five) 5 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: -

<b>Sr. No</b>	<b>Date of meeting</b>	<b>Names of Directors as on the date of meeting</b>	<b>Directors Present</b>	<b>Leave of Absence</b>
1	20/04/2021	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Mr. Dinesh Pangtey Mr. Raghunandan Maluste	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Mr. Dinesh Pangtey Mr. Raghunandan Maluste	Mr. Y. Viswanatha Gowd
2	28/06/2021	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Mr. Dinesh Pangtey Mr. Raghunandan Maluste Mrs. Shobha Reddy	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Mr. Dinesh Pangtey Mr. Raghunandan Maluste	Mrs. Shobha Reddy
3	20/10/2021	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Mr. Dinesh Pangtey Mr. Raghunandan Maluste Mrs. Shobha Reddy	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Mr. Dinesh Pangtey Mr. Raghunandan Maluste	Mrs. Shobha Reddy Mr. Y. Viswanatha Gowd

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4	19/01/2022	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Mr. Dinesh Pangtey Mr. Raghunandan Maluste Mrs. Shobha Reddy	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Mr. Dinesh Pangtey Mr. Raghunandan Maluste Mrs. Shobha Reddy	None
5	08/02/2022	Mr. M. R. Kumar Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. K.K. Bang Mr. Vijay Sharma Mr. Dinesh Pangtey Mr. Raghunandan Maluste Mrs. Shobha Reddy	Mr. Sanjay Muthal Mr. Y. Viswanatha Gowd Mr. Satish K. Kamat Mr. Vijay Sharma Mr. Dinesh Pangtey Mr. Raghunandan Maluste Mrs. Shobha Reddy	Mr. M. R. Kumar Mr. K.K. Bang

**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. The Audit Committee comprises of:

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

During the year, (Five) 5 meetings of Audit committee were held.

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## 25. Related Party Transaction:

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

## 26. Particulars of loans, guarantees or investments made by the Company:

No loans or guarantees were given by the Company during the financial year ended March 31, 2022.

The details of Investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the Financial Statements.

## 27. Nomination and Remuneration Committee:

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

1. Mr. Sanjay Muthal, Independent Director - Chairman
2. Mr. Satish K Kamat, Independent Director - Member
3. Mr. Kailash Kumar Bang, Independent Director - Member

During the year, (Four) 4 meetings of Nomination and Remuneration Committee were held.

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

## 28. Executive Committee:

The Executive Committee was constituted by the Board of Directors of the Company.

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The composition of the Committee as on 31<sup>st</sup> March 2022 is as under:

1. Mr. T.S. Ramakrishnan, Managing Director & CEO - Chairman
2. Mr. Satish K. Kamat, Independent Director – Member
3. Mr. Vishwanath Yerur Gowd, Nominee Director – Member

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

## **29. Remuneration Details:**

The details of 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.

## **30. Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2021-2022:

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

## **31. 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, 2022 the applicable accounting standards had been followed and that there are no material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit and loss of the Company for the year under review;

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- (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.

### **32. Corporate Governance:**

During the financial year 2021-22 (April 2021 to February 2022), the Company has paid remuneration to Mr. Dinesh Pangtey of Rs. 92,20,067/- including Performance Linked Incentive (PLI), Arrears (3 years & 8 Months) for FY 2020-21. The Company has also paid perquisites worth Rs. 14,95,686/- to Mr. Dinesh Pangtey. During the financial year 2021-22 (For March 2022), the Company has paid remuneration to Mr. T. S. Ramakrishnan of Rs.3,61,751/- The Company has also paid perquisites worth Rs. 58,830/- to Mr. T S Ramkrishnan. The Company has not executed Service Agreement with the Managing Director. There is neither any notice period on both the sides nor severance fees chargeable.

### **33. 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.

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

Not Applicable

**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 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.

**34. Acknowledgements:**

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

**For and on behalf of Board of Directors**

**Sd/-  
Mr. M R Kumar  
(DIN: 03628755)  
Director**

**Sd/-  
Mr. Tritala Subramanian Ramakrishnan  
(DIN: 09515616)  
Managing Director**

**Place: Mumbai**

**Date: 29<sup>th</sup> June 2022**

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**ANNEXURE A**  
**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1.	Details of contracts or arrangements or transactions not at Arm's length basis.	NIL
a)	Name(s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL
2.	Details of contracts or arrangements or transactions at Arm's length basis.	
a)	Name(s) of the related party & nature of relationship	Please refer - Note 1
b)	Nature of contracts/arrangements/transaction	Leasing of property, other business expenses and availing of other services in the normal course of business, remuneration, sitting fees at arm's length basis
c)	Duration of the contracts/arrangements/transaction	Regular and normal course of business and at arm length basis
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Please refer - Note 2
e)	Date of approval by the Board	20th April, 2021
f)	Amount paid as advances, if any	NIL

**Note - 1**

Related parties during the year

<b>Particulars</b>	<b>Relationship</b>
Life Insurance Corporation of India (LIC)	Associate
LIC Housing Finance Limited*	Associate
T. S. Ramakrishnan, Chief Executive Officer (From 1st March 2022)	Key Management Personnel (KMP)
Mayank Arora, Chief Compliance, Financial Officer & Company Secretary	Key Management Personnel (KMP)
M. Govindaraju, Chief Financial Officer (up to 27th April 2021)	Key Management Personnel (KMP)
Dinesh Pangtey, Chief Executive Officer (up to 28th February 2022)	Key Management Personnel (KMP)
Kailash Bang, Independent Director	Independent Director
Raghunandan Maluste, Independent Director	Independent Director
Sanjay Muthal, Independent Director	Independent Director
Satish K Kamat, Independent Director	Independent Director
Vijay Sharma, Independent Director	Independent Director

\* No transactions during the year

<b>Note - 2</b>	
The related party transaction are as under :	
	<b>(₹ in '000)</b>
<b>Particulars</b>	<b>2021-22</b>
<b>Life Insurance Corporation of India (LIC)</b>	
Transactions:	
Rent, rates and taxes & other operating expenses	24,270.07
Contribution to provident and other funds	1,626.25
Gratuity	413.45
Insurance expenses	1,573.17
Contribution to Gratuity Fund	10,000.00
Receivables and deposits:	
Advances recoverable in cash or kind	8,594.73
<b>Key Management Personnel (KMP)</b>	
Transactions:	
Remuneration <sup>#</sup>	16,571.18
<b>Independent Directors of AMC</b>	
Sitting fees to Independent Directors	1,150.00
<sup>#</sup> 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.	

## **ANNEXURE B**

### **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 has been constituted at the Board Meeting dated February 07, 2020 with the following members:-

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 and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the formulation of criteria for evaluation of Independent Director and the Board.
- To 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, removal and retirement of Director, KMP and Senior Management**

#### **Appointment criteria and qualifications**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board for his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

#### **Term / Tenure**

Managing Director/Whole-time Director:

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

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

Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

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

#### 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, 2022, 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, 2022 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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, 2021 refer Note-..... 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

Sd/-  
**Viral J. Shah**  
Partner  
Membership No.: 110120  
Place: Mumbai  
Date: June 29, 2022  
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, 2022)**

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, 2022 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 an instance of fraud on the mutual fund scheme managed by the company reported (Refer note on ..... ) during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.



- (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

Sd/-  
Viral J. Shah  
Partner  
Membership No.: 110120  
Place: Mumbai  
Date: June 29, 2022  
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, 2022)**

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, 2022 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, 2022, 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

Sd/-  
Viral J. Shah  
Partner  
Membership No.: 110120  
Place: Mumbai  
Date: June 29, 2022  
UDIN:

**LIC Mutual Fund Asset Management Limited**

(₹ in '000)

**Balance Sheet**

Particulars	Note	As at Mar 31, 2022	As at Mar 31, 2021
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash & Cash Equivalents	3	2,972.54	32,020.12
Bank balance other than Cash and cash equivalents	4	439,300.00	429,500.00
Receivables			
Trade Receivables	5	60,110.03	53,755.15
Investments	6	609,107.04	602,005.73
Other financial assets	7	18,089.82	15,080.22
		1,129,579.43	1,132,361.22
<b>Non-Financial Assets</b>			
Current Tax Assets (net)	8	99,524.11	92,168.91
Property, Plant & Equipment	9	13,202.31	17,043.82
Other Intangible Assets	10	3,426.81	3,322.73
Right of Use Assets	11	117,913.71	50,016.49
Other Non Financial assets	12	65,646.68	43,148.35
		299,713.62	205,700.30
<b>Total Assets</b>		<b>1,429,293.05</b>	<b>1,338,061.52</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Financial liabilities</b>			
Payables	13		
Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,480.44	25,105.83
Lease Liabilities	14	123,026.29	57,527.99
Other Financial liabilities	15	1,179.24	-
		125,685.97	82,633.82
<b>Non-Financial liabilities</b>			
Provisions	16	70,206.44	34,445.93
Other Non-Financial liabilities	17	3,011.71	2,572.92
		73,218.15	37,018.85
<b>Equity</b>			
Equity Share Capital	18	110,000.00	110,000.00
Other Equity	19	1,120,388.93	1,108,408.85
		1,230,388.93	1,218,408.85
<b>Total Liabilities and Equity</b>		<b>1,429,293.05</b>	<b>1,338,061.52</b>

**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

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

For and on behalf of Board of Directors

Sd/-  
M R Kumar  
Director  
DIN: 03628755

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

Place : Mumbai  
Date : 29th June, 2022

Sd/-  
Mayank Arora  
Chief Financial Officer and Company Secretary

**LIC Mutual Fund Asset Management Limited**

(₹ in '000)

**Statement of Profit and Loss**

Particulars	Note	Year ended Mar-22	Year ended Mar-21
<b>Revenue from operations</b>			
Fees and commission income	20	567,948.49	429,597.61
Net gain on fair value changes	21	38,915.09	67,262.36
Other income	22	31,230.43	29,144.93
<b>Total income</b>		<b>638,094.01</b>	<b>526,004.90</b>
<b>EXPENSES</b>			
Finance cost	23	8,677.10	7,066.77
Employee benefits expense	24	302,435.85	260,348.60
Depreciation, amortisation & impairment expenses	25	29,681.43	27,808.86
Other expenses	26	275,751.98	171,392.11
<b>Total Expenses</b>		<b>616,546.36</b>	<b>466,616.34</b>
<b>PROFIT BEFORE TAX</b>		<b>21,547.65</b>	<b>59,388.56</b>
Tax expenses			
Current tax		-	-
(Short)/Excess provision of tax of earlier years		-	-
MAT credit entitlement		-	-
Deferred tax		-	-
<b>PROFIT FOR THE YEAR</b>		<b>21,547.65</b>	<b>59,388.56</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plans		1,151.46	(691.42)
Income tax on above			
Effect of measuring investment at fair value		280.98	932.60
Other Comprehensive Income for the year (net of tax)		1,432.44	241.18
Total Comprehensive Income for the year		22,980.09	59,629.74
<b>EARNINGS PER EQUITY SHARE</b>			
Weighted average number of equity shares (Nos.)		11,000	11,000
Basic and Diluted EPS (Rs.)		2.09	5.42
Face Value per share (Rs.)		10,000	10,000

**SIGNIFICANT ACCOUNTING POLICIES**

1 &amp; 2

The accompanying notes are an integral part of the financial statements

This is the Statement of Profit &amp; 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/-  
M R Kumar  
Director  
DIN: 03628755

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

Place : Mumbai  
Date : 29th June, 2022

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, 2022	Mar 31, 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	22,980.09	59,629.74
Add/(Less) adjustments for:		
Depreciation and amortization expenses	29,681.43	27,808.86
Loss/(Profit) on sale of investments (net)	(3,273.05)	(35,263.49)
Fair value gain (Unrealised gain)	(35,923.02)	(32,931.47)
Loss/(Profit) on sale of fixed assets (net)	(37.49)	-
Interest on Bank deposits	(22,634.45)	(25,434.76)
Interest on lease liability	8,677.10	7,066.77
Provision/(write back) for gratuity	(5,405.04)	(7,347.21)
Operating profit before working capital changes	(5,934.42)	(6,471.56)
Change in assets and liabilities		
(Increase)/decrease in trade receivables	(6,354.88)	(5,356.74)
(Increase)/decrease in other financial and non-financial assets	(26,785.06)	8,134.10
(Increase)/Decrease in right of use assets	(87,971.44)	19,122.93
Increase/(Decrease) in Trade Payable	(23,625.39)	(18,452.47)
Increase/(Decrease) in lease liabilities	56,821.20	(23,517.14)
Increase/(Decrease) in other financial liabilities	1,179.24	-
Increase/(Decrease) in other non-financial liabilities	438.78	(1,850.21)
Increase /(decrease) in provisions	41,165.55	25,924.33
<b>Cash generated from operations</b>	(51,066.44)	(2,466.77)
Direct taxes (paid)/Refund (Net)	(7,355.21)	46,346.52
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(58,421.64)</b>	<b>43,879.75</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment/Proceeds towards capital expenditure	(5,869.76)	(37,320.48)
Profit/(loss) on sale of fixed assets	37.49	-
Interest on Investment in fixed deposits	23,911.58	12,000.73
Maturity/ (Investment) made in bank deposits	(9,800.00)	42,500.00
Investment in seed capital	(5,000.00)	-
Investment in Equity shares in AMC Repo Clearing Limited	(14,217.96)	-
Investment in mutual fund units	(441,587.29)	(726,780.66)
Disposal of mutual fund units	492,900.00	682,173.61
<b>NET CASH GENERATED BY INVESTING ACTIVITIES</b>	<b>40,374.06</b>	<b>(27,426.81)</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Payment of dividend	(10,395.00)	-
Payment of TDS on dividend	(605.00)	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(11,000.00)</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(29,047.58)</b>	<b>16,452.94</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>32,020.12</b>	<b>15,567.18</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>2,972.54</b>	<b>32,020.12</b>

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/-  
M R Kumar  
Director  
DIN: 03628755

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

Place : Mumbai  
Date : 29th June, 2022

Sd/-  
Mayank Arora  
Chief Financial Officer and Company Secretary

**LTC Mutual Fund Asset Management Limited**

**Statement of changes in equity**

**a) Equity Share Capital**

	<b>Particulars</b>	<b>Amount</b> (₹ in '000)
	Balance as at 31 March, 2020	110,000.00
	Changes due to prior period errors	-
	Restated balance as at 31 March, 2020	110,000.00
	Add / (Less): Changes in equity share capital during the year	-
	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

**b) Other equity**

	<b>Reserves &amp; Surplus</b>			<b>Other Comprehensive Income</b>	<b>Total</b>
	<b>Securities Premium</b>	<b>General Reserve</b>	<b>Retained Earnings</b>		
	790,000.00	519,640.00	(269,308.58)	8,447.68	1,048,779.11
	-	-	-	-	-
	790,000.00	519,640.00	(269,308.58)	8,447.68	1,048,779.11
	-	-	59,388.56	-	59,388.56
	-	-	-	241.18	241.18
	-	-	59,388.56	241.18	59,629.74
	-	-	-	-	-
	-	-	-	-	-
	790,000.00	519,640.00	(209,920.02)	8,688.86	1,108,408.85
	-	-	-	-	-
	790,000.00	519,640.00	(209,920.02)	8,688.86	1,108,408.84
	-	-	21,547.65	-	21,547.65
	-	-	-	1,432.44	1,432.44
	-	-	21,547.65	1,432.44	22,980.09
	-	-	(10,395.00)	-	(10,395.00)
	-	-	(605.00)	-	(605.00)
	790,000.00	519,640.00	(199,372.37)	10,121.30	1,120,388.93

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

Sd/-  
M R Kumar  
Director  
DIN : 03628755

Place : Mumbai  
Date : 29th June, 2022

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, 2022**

**1. Company Information and Basis of preparation of financial statements**

**1.1. Company Information**

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

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

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

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

**1.2. Basis of preparation of financial statements**

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

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

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

**1.3. Presentation of financial statements**

The company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to The Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 33.

**LIC Mutual Fund Asset Management Limited**  
**Notes to Financial Statements for the year ended March 31, 2022**

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

**LIC Mutual Fund Asset Management Limited**  
**Notes to Financial Statements for the year ended March 31, 2022**

**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:

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

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

**LIC Mutual Fund Asset Management Limited**  
**Notes to Financial Statements for the year ended March 31, 2022**

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:

<b>Intangible asset</b>	<b>Estimated Useful Life</b>
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.

Interest income is recognised using the time-proportion method, based on the rate implicit in the transaction.

**LIC Mutual Fund Asset Management Limited**  
**Notes to Financial Statements for the year ended March 31, 2022**

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 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

**LIC Mutual Fund Asset Management Limited**  
**Notes to Financial Statements for the year ended March 31, 2022**

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, 2022**

**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, 2022**

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 discounted 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, 2022**

**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, 2022	As at Mar 31, 2021
Balances with banks		
In current accounts	2,972.54	2,020.12
In Fixed Deposit	-	30,000.00
	<u>2,972.54</u>	<u>32,020.12</u>

Note: current account includes amount of Rs. 1179.23 lying with ICICI bank for the purpose of Portfolio Management Services, which is held by company in fiduciary capacity.

**4 Bank balance other than cash and cash equivalents**

Particulars	(₹ in '000)	
	As at Mar 31, 2022	As at Mar 31, 2021
Fixed deposits		
- within 12 month	439,300.00	429,500.00
- more than 12 month	-	-
	<u>439,300.00</u>	<u>429,500.00</u>

**5 Trade Receivables**

Particulars	(₹ in '000)	
	As at Mar 31, 2022	As at Mar 31, 2021
<b>Unsecured, considered good</b>		
Within 6 months	60,110.03	53,755.15
More than 6 months	-	-
	<u>60,110.03</u>	<u>53,755.15</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, 2022\***

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

**5.1.b Trade Receivable ageing schedule as at 31 March, 2021\***

Particulars	(i) Undisputed Trade receivables considered good	(ii) Undisputed Trade receivables which have significant increase in credit risk
Unbilled	-	-
Not due	-	-
<b>Outstanding for following periods from due date:</b>		
Less than 6 months	53,755.15	-
6 months-1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>53,755.15</u>	<u>-</u>

\* There are no Disputed and Credit impaired Trade receivables for 31st March, 2022 and 31st March, 2021

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, 2022**
**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,
	2022	2021	2022	2021
<b>Investments measured at FVTPL</b>				
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	8,984.00	8,702.44
Exchange Traded Fund - Nifty 50 - Growth Plan	63,641.000	63,641.000	11,873.44	9,885.01
Exchange Traded Fund - Sensex - Growth Plan	19,123.000	19,123.000	12,014.91	10,076.41
Exchange Traded Fund Nifty 100 - Growth Plan	65,774.000	65,774.000	12,263.85	10,194.90
Units of LIC Mutual Fund (Face value of Rs 10 each) - Unquoted				
Bond Fund - Direct Growth Plan	127,425.870	127,425.870	7,766.29	7,569.58
Banking & Financial Services Fund- Direct Growth Plan	400,944.113	400,944.113	5,733.62	5,259.67
Equity Hybrid Fund- Direct Plan- Growth	19,906.093	19,906.093	2,941.13	2,647.20
Children's Fund - Direct Plan	33,994.411	33,994.411	870.62	771.88
Flexi cap Fund - Direct Growth Plan*	123,307.907	123,307.907	8,552.94	7,499.36
Large Cap Fund - Direct Growth Plan	244,495.191	244,495.191	10,838.67	8,921.95
Govt. Securities Fund - Direct - Regular Growth Plan	131,986.687	131,986.687	6,995.80	6,762.73
Index Fund Sensex Plan -Direct Growth Option	34,694.470	34,694.470	3,951.66	3,322.11
Index Fund Nifty Plan -Direct Growth Option	42,450.858	42,450.858	4,275.85	3,572.36
Infrastructure Fund - Direct Growth Plan	412,752.398	412,752.398	10,298.05	7,737.08
Banking & PSU Debt Fund - Direct Growth Plan	273,179.260	273,179.260	8,204.72	7,897.50
Large & Midcap Fund - Direct Growth Plan	519,755.923	519,755.923	13,880.13	10,892.27
Debt Hybrid Fund - Direct Growth Plan	113,613.641	113,613.641	8,246.57	7,667.52
Savings Fund- Direct Growth Plan	228,006.494	228,006.494	7,851.86	7,552.60
Tax Plan - Direct Growth Plan	59,109.721	59,109.721	6,435.45	5,224.00
ULIS - Direct - Single Premium 10 Years	346,293.962	346,293.962	10,176.68	8,255.13
Arbitrage Fund	499,380.768	499,380.768	5,790.52	5,552.37
Short Term Debt Fund	496,386.308	496,386.308	6,194.16	5,946.66
Overnight Fund	4,994.187	4,994.187	5,502.86	5,326.58
Ultra Short Term fund	4,991.910	4,991.910	5,470.73	5,287.69
Balanced Advantage Fund Direct Plan-Growth	499,011.908	-	5,023.85	-
Savings Plus Fund-Direct - Growth Plan Option	9,938,337.488	9,938,337.488	342,246.53	329,202.46
Units of LIC Mutual Fund (Face value of Rs 1,000 each) - Unquoted				
Liquid Fund - Direct Growth Plan	1,959.043	1,959.043	7,575.23	7,320.70
Liquid Fund - Direct Growth Plan	13,509.969	26,907.482	52,240.38	100,549.97
<b>Investments measured at OCI</b>				
Equity Shares of MF Utilities (Face value of Rs 1 each) - Unquoted	500,000.000	500,000.000	2,802.08	2,407.60
Equity shares in AMC Repo Clearing Limited	1,421,796.000	-	14,104.46	-
			<b>609,107.04</b>	<b>602,005.73</b>

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

Aggregate amount of quoted investments (Market value)	45,136.20	38,858.76
Aggregate amount of unquoted investments (Market value)	563,970.84	563,146.98
Aggregate amount of impairment in value of investments	-	-

**7 Other financial assets**

Particulars	(₹ in '000)	
	As at Mar 31,	As at Mar 31,
	2022	2021
Security deposits	5,807.74	1,521.01
Other deposits	316.45	316.45
Interest accrued but not due on fixed deposit	11,965.63	13,242.76
	<b>18,089.82</b>	<b>15,080.22</b>

**8 Current Tax (net)**

Particulars	(₹ in '000)	
	As at Mar 31,	As at Mar 31,
	2022	2021
Advance income-tax (net of provision for tax)	99,524.11	92,168.91
	<b>99,524.11</b>	<b>92,168.91</b>

## Notes to Financial Statements for the year ended Mar 31, 2022

(₹ in '000)

9 Property, Plant and Equipment	Leasehold improvements	Office equipments	Computer	Furniture & Fittings	Total (A)
<b>Reconciliation of carrying amount</b>					
<b>Gross Block</b>					
Balance as at 1st April, 2020	32,107.21	14,470.12	69,130.62	5,791.11	121,499.06
Additions	318.37	294.52	12,943.20	510.04	14,066.13
Disposals	-	-	-	-	-
<b>Balance as at 31st March, 2021</b>	<b>32,425.58</b>	<b>14,764.64</b>	<b>82,073.82</b>	<b>6,301.15</b>	<b>135,565.19</b>
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)
<b>Balance as at 31st March, 2022</b>	<b>32,012.08</b>	<b>15,319.68</b>	<b>83,974.02</b>	<b>6,480.08</b>	<b>137,785.86</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance as at 1st April, 2020	28,694.11	9,729.77	67,834.12	4,977.49	111,235.49
Depreciation for the year	564.10	1,878.35	4,325.17	518.25	7,285.87
Disposals	-	-	-	-	-
<b>Balance as at 31st March, 2021</b>	<b>29,258.21</b>	<b>11,608.12</b>	<b>72,159.29</b>	<b>5,495.74</b>	<b>118,521.36</b>
Balance as at 1st April, 2021	29,258.21	11,608.12	72,159.29	5,495.74	118,521.36
Depreciation for the year	599.91	1,760.27	4,818.81	329.80	7,508.78
Disposals	(944.45)	(177.84)	(95.30)	(229.01)	(1,446.59)
<b>Balance as at 31st March, 2022</b>	<b>28,913.67</b>	<b>13,190.55</b>	<b>76,882.80</b>	<b>5,596.53</b>	<b>124,583.55</b>
<b>Carrying amounts (net)</b>					
<b>At 31st March, 2021</b>	<b>3,167.37</b>	<b>3,156.51</b>	<b>9,914.53</b>	<b>805.41</b>	<b>17,043.82</b>
<b>At 31st March 2022</b>	<b>3,098.41</b>	<b>2,129.13</b>	<b>7,091.22</b>	<b>883.55</b>	<b>13,202.31</b>

(₹ in '000)

10 Other Intangible Assets	Computer Software
<b>Reconciliation of carrying amount</b>	
<b>Gross Block</b>	
Balance as at 1st April, 2020	91,791.85
Additions	4,322.20
Disposals	-
<b>Balance as at 31st March, 2021</b>	<b>96,114.05</b>
Balance as at 1st April, 2021	96,114.05
Additions	2,202.50
Disposals	-
<b>Balance as at 31st March, 2022</b>	<b>98,316.55</b>
<b>Accumulated depreciation and impairment losses</b>	
Balance as at 1st April, 2020	91,200.50
Depreciation for the year	1,590.82
Impairment loss	-
Disposals	-
<b>Balance as at 31st March, 2021</b>	<b>92,791.32</b>
Balance as at 1st April, 2021	92,791.32
Depreciation for the year	2,098.42
Reversal of impairment loss	-
Disposals	-
<b>Balance as at 31st March, 2022</b>	<b>94,889.74</b>
<b>Carrying amounts (net)</b>	
<b>At 31st March, 2021</b>	<b>3,322.73</b>
<b>At 31st March 2022</b>	<b>3,426.81</b>

**LIC Mutual Fund Asset Management Limited**
**Notes to Financial Statements for the year ended March 31, 2022**
**11 Right of Use Assets**

(₹ in '000)		
Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Right of Use Assets	117,913.71	50,016.49
	<u>117,913.71</u>	<u>50,016.49</u>

**12 Other non financial assets**

(₹ in '000)		
Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Prepaid expenses	28,668.10	33,871.78
Advances recoverable	871.01	1,468.12
Statutory dues (Input tax credit)	34,408.55	7,808.45
Gratuity (Excess of plan assets)	1,699.02	-
	<u>65,646.68</u>	<u>43,148.35</u>

**13 Trade payables**

(₹ in '000)		
Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Total outstanding dues of micro and small enterprises#	-	-
Total outstanding dues of other than micro and small enterprises*	1,480.44	25,105.83
	<u>1,480.44</u>	<u>25,105.83</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.

**13.1 Trade payable ageing\***

Outstanding for following periods from due date of payment	Particulars	
	(i) MSME	(ii) Others
<b>As at 31 March, 2022</b>		
Unbilled		
Not due		
<b>Outstanding for following periods from due date:</b>		
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>
<b>As at 31 March, 2021</b>		
Unbilled		
Not due		
<b>Outstanding for following periods from due date:</b>		
Less than 1 year	-	24,996.98
1-2 years	-	108.86
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>25,105.83</u>

\* There are no Disputed Trade payables for 31st March, 2022 and 31st March, 2021

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, 2022****14 Lease Liabilities**

Particulars	(₹ in '000)	
	As at Mar 31, 2022	As at Mar 31, 2021
Opening balance of Lease liability	57,527.99	73,978.36
Add: Additions	106,639.34	6,653.59
Less: Deletions	(23,249.12)	(6,848.69)
Add: Interest on lease liability during the year	8,677.10	7,066.77
Less: Rent payment during the year	(26,569.02)	(23,322.04)
	<u>123,026.29</u>	<u>57,527.99</u>

**15 Other financial liabilities**

Particulars		
	As at Mar 31, 2022	As at Mar 31, 2021
Balance held on behalf of PMS clients	1,179.24	-
	<u>1,179.24</u>	<u>-</u>

**16 Provisions**

Particulars	(₹ in '000)	
	As at Mar 31, 2022	As at Mar 31, 2021
Provision for outstanding expenses	49,528.22	25,924.33
Provision for maturity bonus	17,561.66	-
Provision for gratuity	-	5,405.04
Provision for contingencies	3,116.56	3,116.57
	<u>70,206.44</u>	<u>34,445.93</u>

**17 Other non-financial liabilities**

Particulars	(₹ in '000)	
	As at Mar 31, 2022	As at Mar 31, 2021
Statutory dues	3,011.71	2,572.92
	<u>3,011.71</u>	<u>2,572.92</u>

## 18 Share capital

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
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,	
	2022	2021	2022	2021
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,	
	2022		2021	
	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,
2022	2021

- 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, 2022				% 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, 2021				% change during the year
S. No.	Promoter name	No. of shares	% of total shares	
1	LIC of India	4,950	45%	-

## 19 Other Equity

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
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	(201,231.16)	(260,860.89)
Add: Profit for the year	22,980.09	59,629.74
Less: Dividend	(10,395.00)	-
Less: Income tax on dividend	(605.00)	-
Balance as at the end of the year	<u>(189,251.07)</u>	<u>(201,231.15)</u>
	<u>1,120,388.93</u>	<u>1,108,408.85</u>



**LIC Mutual Fund Asset Management Limited****Notes to Financial Statements for the year ended March 31, 2022****20 Fees and commission income**

(₹ in '000)		
Particulars	Year ended	Year ended
	Mar-22	Mar-21
Management fees from mutual fund (Net)	558,737.69	420,981.11
Portfolio management fees (Net)	9,210.80	8,616.50
	<u>567,948.49</u>	<u>429,597.61</u>

**21 Net gain on fair value changes**

(₹ in '000)		
Particulars	Year ended	Year ended
	Mar-22	Mar-21
Unrealised gain on Investment	35,642.04	31,998.87
Realised gain on Investment	3,273.05	35,263.49
	<u>38,915.09</u>	<u>67,262.36</u>

**22 Other income**

(₹ in '000)		
Particulars	Year ended	Year ended
	Mar-22	Mar-21
Interest income on		
Fixed deposit with bank	22,634.45	25,434.76
Security deposit on lease asset	87.11	33.85
Profit on sale of Fixed Asset	37.49	-
Interest on income tax refund	3,388.82	3,660.14
Fair value change in lease accounting	4,654.99	-
Other non-operating income	427.57	16.17
	<u>31,230.43</u>	<u>29,144.93</u>

**23 Finance cost**

(₹ in '000)		
Particulars	Year ended	Year ended
	Mar-22	Mar-21
Interest on lease liability	8,677.10	7,066.77
	<u>8,677.10</u>	<u>7,066.77</u>

**24 Employees benefit expense**

(₹ in '000)		
Particulars	Year ended	Year ended
	Mar-22	Mar-21
Salaries, allowances and bonus	254,025.73	222,027.15
Deputation cost	22,315.22	11,608.97
Staff welfare expenses	6,047.62	6,672.53
Contribution to provident and other funds	15,277.29	11,962.44
Leave encashment	-	349.06
Gratuity	4,769.99	7,728.45
	<u>302,435.85</u>	<u>260,348.60</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	Year ended
	Mar-22	Mar-21
Company contribution to provident and pension fund		
Provident fund	13,651.04	11,383.97
Pension fund	1,626.25	578.46
	<u>15,277.29</u>	<u>11,962.44</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

**LIC Mutual Fund Asset Management Limited**
**Notes to Financial Statements for the year ended March 31, 2022**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>i) Reconciliation of change in present value of the defined benefit obligation</b>		
Balance at the beginning of the year	25,498.18	23,408.08
Interest cost	1,701.42	1,573.11
Current service cost	3,646.75	3,177.40
Past service cost (vested benefits)	-	-
Benefit paid	(795.96)	(3,701.82)
Actuarial (gain) / loss on obligation	(1,479.35)	1,041.41
Balance at the end of the year	<u>28,571.04</u>	<u>25,498.17</u>
Current	210.55	207.79
Non current	28,360.49	25,290.38
<b>ii) Reconciliation of change in fair value of the plan assets fund</b>		
Opening fair value of plan assets	20,093.14	10,655.84
Adjustment to opening fair value of plan assets	-	(3,092.24)
Return on plan assets excluding interest income	(327.89)	349.99
Interest income	1,461.45	607.99
Contribution by employer	9,839.32	15,273.39
Contribution by employee	-	-
Benefit paid	(795.96)	(3,701.82)
Fair value of plan assets at end	<u>30,270.06</u>	<u>20,093.14</u>
<b>iii) Past service cost recognised</b>		
Past service cost (non vested benefits)	-	-
Past service cost (vested benefits)	-	-
Recognised past service cost (vested benefits)	-	-
<b>iv) Amount to be recognized in the balance sheet</b>		
Present value of obligations at end of the year	28,571.04	25,498.17
Fair value of plan assets at the end of the year	<u>30,270.06</u>	<u>20,093.14</u>
Net (Liability)/Asset recognised in the balance sheet	<u>1,699.02</u>	<u>(5,405.03)</u>
<b>v) Expenses recognised in the statement of profit and loss account</b>		
Current service cost	3,646.75	3,177.40
Interest cost	239.97	965.12
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>3,886.72</u>	<u>4,142.52</u>
<b>vi) Expenses recognised in Other Comprehensive Income (OCI)</b>		
Actuarial (Gain)/Loss recognised for the period	(1,479.35)	1,041.41
Asset limit effect	-	-
Return on Plan Assets excluding net interest	327.89	(349.99)
Unrecognised actuarial (gain) / loss from previous period	-	-
Total actuarial (gain)/loss recognised in OCI	(1,151.46)	691.42
<b>vii) Actuarial Assumption Per Annum</b>		
Discount rate	7.35%	6.70%
Salary escalation	5.00%	5.00%
Retirement age	58 Years	58 Years
Attrition rate:		
Past service 0 to 5 years	10.00%	10.00%
<b>viii) Sensitivity analysis</b>		
Discount rate + 1%	25,334.26	22,399.78
Discount rate - 1%	32,362.48	29,156.95
Salary escalation increase rate +1 %	31,920.29	29,027.73
Salary escalation increase rate - 1 %	25,442.35	22,432.62
<b>ix) Expected payout</b>		
Expected outgo		
Year 1	210.55	207.79
Year 2	280.56	162.68
Year 3	283.36	224.02
Year 4	248.96	212.69
Year 5	1,091.22	203.23
Year 6-10	11,976.25	10,315.44

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, 2022****25 Depreciation, amortization & impairment expense**

Particulars	(₹ in '000)	
	Year ended Mar-22	Year ended Mar-21
Depreciation of tangible assets	7,508.77	7,285.88
Amortisation of intangible assets	2,098.43	1,590.82
Depreciation on Right of use assets	20,074.23	18,932.16
	<u>29,681.43</u>	<u>27,808.86</u>

**26 Other expenses**

Particulars	(₹ in '000)	
	Year ended Mar-22	Year ended Mar-21
Rent, rates and taxes and electricity	7,404.09	7,468.92
Repair and maintenance	1,817.64	1,447.66
Communication cost	19,598.81	15,503.99
Brokerage	237.62	36.31
Printing & stationery	4,404.10	4,109.65
Advertising and Publicity	44,862.61	9,019.02
Director's fees, allowances and expenses	1,166.80	642.45
Auditor's fees and expenses		
- Audit fees	550.00	550.00
- Other services	125.00	-
- Tax audit fees	50.00	50.00
- Reimbursement of expenses	12.90	5.36
Legal and Professional fees	35,219.85	24,942.27
Insurance	2,040.21	5,364.83
RTA expenses	11,473.49	8,611.35
Computer and software expenses	61,231.24	34,925.74
Fund accounting charges	7,766.96	6,713.18
Outsourced staff cost	38,092.50	37,156.78
Maturity Bonus expense	17,561.66	-
Travelling & conveyance	13,260.67	7,240.75
Registration Fees	1,363.27	1,016.03
Other operating expenses	7,512.58	6,587.85
	<u>275,751.98</u>	<u>171,392.11</u>

**27 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	(₹ in '000)	
	As at March 31,	
	2022	2021
<b>Lease Asset</b>		
<b>Gross Carrying amount</b>		
Opening gross carrying amount	88,801.33	88,992.11
Additions	106,639.34	6,657.92
Disposals & transfers	(18,667.90)	(6,848.69)
<b>Closing gross carrying amount</b>	<b>176,772.78</b>	<b>88,801.33</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	38,784.84	19,852.69
Depreciation charged	20,074.23	18,932.16
Disposals and transfers	-	-
<b>Closing accumulated depreciation</b>	<b>58,859.07</b>	<b>38,784.84</b>
<b>Net</b>	<b>117,913.71</b>	<b>50,016.49</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation in

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 12%.

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

Particulars	(₹ in '000)	
	As at March 31,	
	2022	2021
<b>Lease liabilities:</b>		
Balance as at beginning	57,527.99	73,978.36
Additions	106,639.34	6,653.59
Finance cost accrued during the period	8,677.10	7,066.77
Deletions	(23,249.12)	(6,848.69)
Less: Payment of lease liabilities	(26,569.02)	(23,322.04)
<b>Balance as at end</b>	<b>123,026.29</b>	<b>57,527.99</b>

Particulars	(₹ in '000)	
	As at March 31,	
	2022	2021
Less than one year	19,987.24	10,529.06
One to five years	89,302.24	41,883.26
More than five years	13,736.81	5,115.67
<b>Total</b>	<b>123,026.29</b>	<b>57,527.99</b>

**28 Related party disclosures**

i) Related parties:

**Associate 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  
M. Govindaraju, Chief Financial Officer (up to 27th April, 2021)  
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	2021-22	2020-21
<b>Life Insurance Corporation of India (LIC)</b>		
Transactions:		
Rent, rates and taxes & other operating expenses	24,270.07	20,942.89
Contribution to provident and other funds	1,626.25	787.52
Gratuity	413.45	496.84
Insurance expenses	1,573.17	1,151.65
Contribution to Gratuity Fund	10,000.00	15,000.00
Receivables and deposits:		
Advances recoverable in cash or kind	8,594.73	728.27
<b>Key Management Personnel (KMP)</b>		
Transactions:		
Remuneration <sup>#</sup>	16,571.18	11,623.44
<b>Independent Directors of AMC</b>		
Sitting fees to Independent Directors	1,150.00	600.00

<sup>#</sup> 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.

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

	(₹ in '000)	
Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Contingent liabilities		
Claims against the Company, not acknowledged as debts	*84,478.02	102,039.68
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.

\* In FY 2020-21, a contingent liability of Rs. 87,808.29 was disclosed on account of actuarial valuation of maturity bonus being offered under Scheme, LIC MF Unit Linked Insurance Scheme ( "LICMF ULIS"). Considering the nature of the scheme and historical trend of maturity bonus becoming due, as a matter of accounting prudence, a staggered provision shall be made over 5 years with equal amount. Accordingly, a provision against maturity bonus of Rs. 17,561.66 was made in the books in FY 2021-22, thus the stated contingent liability stands reduced to Rs. 70,246.63 as of March 31, 2022.

## 30 Fair Value measurements

(₹ in '000)

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	Amortised cost	OCI	FVTPL	Amortised cost	OCI
<b>Financial Assets</b>						
Cash & Cash Equivalents	-	2,972.54	-	-	32,020.12	-
Bank balance other than Cash and cash equivalents	-	439,300.00	-	-	429,500.00	-
Trade Receivables	-	60,110.03	-	-	53,755.15	-
Investments	592,200.50	-	16,906.54	599,598.13	-	2,407.60
Other financial assets	-	18,089.82	-	-	15,080.22	-
	<b>592,200.50</b>	<b>520,472.39</b>	<b>16,906.54</b>	<b>599,598.13</b>	<b>530,355.48</b>	<b>2,407.60</b>
<b>Financial liabilities</b>						
Trade payables	-	1,480.44	-	-	25,105.83	-
Lease liabilities	-	123,026.29	-	-	57,527.99	-
Other financial liabilities	-	1,179.24	-	-	-	-
	-	<b>125,685.97</b>	-	-	<b>82,633.82</b>	-

**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, 2022

**31 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	
	2022	2021
Upto 3 months	60,110.03	53,755.15
3-6 months	-	-
6-12 months	-	-
More than 12 months	-	-
<b>Total</b>	<b>60,110.03</b>	<b>53,755.15</b>
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 2022**

(₹ in '000)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Trade payable	1,480.44	-	-	1,480.44
Lease liabilities	19,987.24	89,302.24	13,736.82	123,026.29
<b>Total</b>	<b>21,467.68</b>	<b>89,302.24</b>	<b>13,736.82</b>	<b>124,506.73</b>

**As at 31 March 2021**

(₹ in '000)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Trade payable	25,105.83	-	-	25,105.83
Lease liabilities	10,529.06	41,883.26	5,115.67	57,527.99
<b>Total</b>	<b>35,634.89</b>	<b>41,883.26</b>	<b>5,115.67</b>	<b>82,633.82</b>

**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

(₹ in '000)

<b>Sensitivity to price risk</b>	<b>As at March 31</b>	
	<b>2022</b>	<b>2021</b>
Impact on profit before tax for 5% incre	30,455.35	30,100.29
Impact on profit before tax for 5% decre	(30,455.35)	(30,100.29)



**32 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	<b>558,737.69</b>	<b>9,210.80</b>
<b>Geographical Markets</b>		
India	558,737.69	9,210.80
Outside India	-	-
Total Revenue from contracts with customers	<b>558,737.69</b>	<b>9,210.80</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	-	-
Services transferred over time	558,737.69	9,210.80
Total Revenue from contracts with customers	<b>558,737.69</b>	<b>9,210.80</b>

**b. Contract balances**

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

(₹ in '000)

Balance	As at March 31	
	2022	2021
<b>Trade receivable</b>		
Investment management fees	53,935.38	49,309.12
Portfolio managements fees	6,174.65	4,352.59
Recoverable from IEAP	-	93.45

**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, 2022

#### 33 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, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	2,972.54	-	2,972.54	32,020.12	-	32,020.12
Bank balance other than cash and cash equivalents	439,300.00	-	439,300.00	429,500.00	-	429,500.00
Trade receivables	60,110.03	-	60,110.03	53,755.15	-	53,755.15
Investments	394,486.91	214,620.13	609,107.04	429,752.43	172,253.31	602,005.73
Other financial assets	11,965.63	6,124.19	18,089.82	13,242.76	1,837.45	15,080.22
<b>Non-Financial assets</b>						
Current tax assets (net)	-	99,524.11	99,524.11	-	92,168.91	92,168.91
Right of Use Assets	-	117,913.71	117,913.71	-	50,016.49	50,016.49
Property, plant and equipment	-	13,202.31	13,202.31	-	17,043.82	17,043.82
Intangible assets	-	3,426.81	3,426.81	-	3,322.73	3,322.73
Other non – financial assets	42,355.68	23,291.00	65,646.68	30,770.43	12,377.92	43,148.35
<b>Total Assets</b>	<b>951,190.79</b>	<b>478,102.26</b>	<b>1,429,293.05</b>	<b>989,040.89</b>	<b>349,020.63</b>	<b>1,338,061.52</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payable	1,480.44	-	1,480.44	25,105.83	-	25,105.83
Lease liabilities	19,987.24	103,039.05	123,026.29	10,529.06	46,998.93	57,527.99
Other financial liabilities	1,179.24	-	1,179.24	-	-	-
<b>Non Financial Liabilities</b>						
Provisions	49,528.22	20,678.22	70,206.44	26,132.11	8,313.83	34,445.93
Other non financial liabilities	3,011.71	-	3,011.71	2,572.92	-	2,572.92
<b>Total Liabilities</b>	<b>75,186.85</b>	<b>123,717.27</b>	<b>198,904.12</b>	<b>64,339.92</b>	<b>55,312.75</b>	<b>119,652.68</b>

**LIC Mutual Fund Asset Management Limited**
**Notes to Financial Statements for the year ended March 31, 2022**
**34 Ratios**

(₹ in '000)

<b>Ratios</b>	<b>Numerator</b>	<b>Denominator</b>	<b>31 March, 2022</b>	<b>% Variance</b>
(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.	908,835.11	75,186.85	12.09	-18.84%

<b>Ratios</b>	<b>Numerator</b>	<b>Denominator</b>	<b>31 March, 2021</b>	<b>% Variance</b>
(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.	958,270.46	64,339.92	14.89	-1.43%

\*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.

**LIC Mutual Fund Asset Management Limited****Notes to Financial Statements for the year ended March 31, 2022****35 Income tax****Tax components of income tax expense**

(₹ in '000)

Particulars	Year ended March 31,	
	2022	2021
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,	
	2022	2021
Profit before tax (including OCI)	22,980.09	59,629.74
Tax rate	25.17%	25.17%
Tax as per above rate	5,784.09	15,008.80
Effect of:		
Non deductible expenses	(448.79)	149.75
Income not subject to tax	(8,971.10)	(16,054.13)
Provisions for expenses write back	4,907.14	2,277.71
Brought forward unabsorbed depreciation	-	-
Current income tax of prior year	-	-
Current year profit as per income tax provisions	(1,271.34)	(1,382.14)
Tax charge for current year recorded in Profit & Loss Account	-	-

**Deferred tax assets / (liabilities)**

(₹ in '000)

Particulars	As at March 31,	
	2022	2021
Deferred tax assets attributable to		
Property, Plant & Equipment	4,312.11	4,302.67
Provision for gratuity	-	1,360.45
Provision for expenses	3,503.95	1,568.95
Lease accounting	1,286.84	1,890.64
<b>Deferred tax assets</b>	<b>9,102.90</b>	<b>9,122.71</b>
Deferred tax liability attributable to		
Financial assets measured at FVTPL	(8,971.10)	(8,054.11)
Financial assets measured at OCI	(70.72)	(234.74)
Provision for gratuity	-	-
<b>Deferred tax liability</b>	<b>(9,041.82)</b>	<b>(8,288.85)</b>
<b>Deferred tax asset / (liability)</b>	<b>61.08</b>	<b>833.87</b>
Less: Brought forward unabsorbed depreciation	-	-
<b>Total Deferred tax asset / (liability)</b>	<b>61.08</b>	<b>833.87</b>

**LIC Mutual Fund Asset Management Limited**

**Notes to Financial Statements for the year ended March 31, 2022**

**Movement in deferred tax assets / (liabilities)**

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)
<b>Total Deferred tax asset / (liability)</b>	<b>833.87</b>	<b>(702.07)</b>	<b>(70.72)</b>	<b>61.08</b>

Particulars	Opening	Movement for the period 2020-21		Closing
		Recognised in profit or loss	Recognised in OCI	
Property, Plant & Equipment	4,818.80	(516.12)	-	4,302.67
Provision for gratuity	3,209.74	(1,849.29)	-	1,360.45
Provision for expenses	-	1,568.95	-	1,568.95
Lease accounting	-	1,890.64	-	1,890.64
Financial assets measured at FVTPL	(3.12)	(8,050.99)	(234.74)	(8,288.85)
<b>Total Deferred tax asset / (liability)</b>	<b>8,025.41</b>	<b>(6,956.81)</b>	<b>(234.74)</b>	<b>833.87</b>

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.

**36 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	
	2022	2021
Total debt (A)	-	-
Total equity (B)	1,230,388.93	1,218,408.85

**C. Net debt reconciliation**

The company has not borrowed funds.

**37 Proposed dividend**

The Board of Directors propose dividend at the rate of 10% for the FY 2021-22.

**38 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.

**39 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.

- 40** 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.

- 41** 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.
- 42** 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.

**43** 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.

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

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/-  
M R Kumar  
Director  
DIN: 03628755

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

Place : Mumbai  
Date : 29th June, 2022

Sd/-  
Mayank Arora  
Chief Financial Officer and Company Secretary