



**LIC NOMURA**  
MUTUAL FUND

**STATEMENT OF ADDITIONAL INFORMATION (SAI)  
OF  
LIC NOMURA MUTUAL FUND ASSET MANAGEMENT  
COMPANY LTD.**

**Sponsors:**

Life Insurance Corporation of  
India (LIC)

Registered Office:  
Yogakshema Building,  
Jeevan Beema Marg,  
Nariman Point, Mumbai 400 021.

**Trustee:**

LIC Nomura Mutual Fund Trustees  
Company Private Limited

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

**Investment Manager:**

LIC Nomura Mutual Fund Asset  
Management Company Limited

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

**Toll Free No: 1800-258-5678**

**E-mail: [service@licnomuramf.com](mailto:service@licnomuramf.com)**

**Website: [www.licnomuramf.com](http://www.licnomuramf.com)**

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## STATEMENT OF ADDITIONAL INFORMATION (SAI)

This Statement of Additional Information (SAI) contains details of LIC Nomura Mutual Fund AMC Ltd, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document).

This SAI is dated 30/06/2014.

### I. INFORMATION ABOUT THE SPONSOR, AMC AND TRUSTEE COMPANY

#### A. CONSTITUTION OF THE MUTUAL FUND

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

#### B. SPONSOR

LIC Nomura Mutual Fund AMC Ltd is sponsored by LIC of India. The Sponsor is the Settler of the Mutual Fund. The Sponsor has entrusted a sum of Rs.2 Cr to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

#### Activities of the sponsor and its financial performance for the last three fiscal years **2-**

LIC of India, incorporated in 1956 under the LIC Act is in the principal business of providing life insurance. The brief financial position of LIC, is as under:

Particulars	For financial years (Rs. in crore)		
	2011-2012	2012-13	2013-14
<b>TOTAL INCOME</b>	<b>287315.38</b>	<b>326341.88</b>	<b>380042.44</b>
<b>TOTAL OUTGO (INCLUDING TAXES, TRANSFER TO RESERVES &amp; 5% OF VALUATION SURPLUS PAID TO CENTRAL GOVT)</b>	<b>154548.38</b>	<b>177229.47</b>	<b>206120.60</b>
<b>EXCESS OF INCOME OVER OUTGO ADDED TO FUND</b>	<b>132767.00</b>	<b>149112.41</b>	<b>173921.84</b>
<b>LIFE FUND AT THE END OF THE YEAR</b>	<b>1283990.72</b>	<b>1433103.14</b>	<b>1607024.98</b>
<b>CAPITAL PROVIDED BY CENTRAL GOVT.</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

#### C. THE TRUSTEE

LIC NOMURA Mutual Fund Trustee Company Private Ltd (the "Trustee"), through its Board of Directors, shall discharge its obligations as trustee of the LIC NOMURA Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.

Details of Trustee Directors:

NAME	Age	Qualification	Brief Experience
Shri S.B. Mainak(Associate)	58	Chartered Accountant	A Chartered Accountant, Mr Mainak, in an illustrious career in LIC, has occupied several pivotal positions in the Corporation .Prior to taking charge as Managing Director, Shri Mainak was posted as Executive Director as Head of investment operations. As New Pension System (NPS) chief, he set up the LIC Pension Fund Ltd. and was also Govt appointed Director in Satyam Computers Services Ltd in 2009, besides heading Finance Department at National Insurance Academy, Pune. <b>Currently he is the Managing Director of Life Insurance Corporation Of India and Director in</b>

			<b>associate companies of LIC. He is Chairman of LIC Nomura Mutual Fund Trustee Company Pvt. Ltd.</b>
Shri M Raghavendra (Independent)	70	B.Com., LLB	He holds Bachelor Degree in Commerce and Law from Mumbai University. He was General Manager in GIC wherein he was in charge of Finance and Accounts, Personnel, HRD and Office Services, Crop Insurance and Foreign Operations and Information Technology Departments. He has also worked in various capacities in Reinsurance Accounts, Reinsurance Underwriting, Investment Operations and Accounts and Financial Advisor's Department of GIC. He was an ex-officio director on the Board of United India Insurance Company Ltd., and also represented GIC as its Nominee Director on the Boards of reputed corporate bodies. He was a Director and first Chief Executive of Agriculture Insurance Co. Ltd., New Delhi. He has participated as a member in various committees in the industry from time to time.
Shri T C Venkat Subramanian (Independent)	71	B.E.,CAIIB	<ul style="list-style-type: none"> <li>• Executive Director/COO in Export –Import Bank of India (EXIM Bank) from June 1996 to April 2001.</li> <li>• Managing Director/CEO of EXIM Bank from May 2001 to Dec. 2003.</li> <li>• Chairman &amp; Managing Director/CEO of Exim Bank from Dec 2003 to Oct 2009.</li> </ul>
Shri Kasthuri Rangan Raghavachary (Associate)	52	B.Com.	<ul style="list-style-type: none"> <li>• AXA Business Services Private Ltd. – Overall responsibility to provide strategic leadership, identify business opportunities from Nov. 2000 to Dec. 2000.</li> <li>• Prudential Process Management Services Limited – Overall responsibility to provide direction, management and development, including formulation of business strategy and planning – From Jan 2003 to June 2005.</li> </ul>
Shri Homi R Khusrokhani (Independent)	71	B.Com (Hons.), F.C.A, M.Sc (Econ.)	<ul style="list-style-type: none"> <li>• Glaxo India Ltd. – MD, General Management from 1995 to 2000.</li> <li>• Tata Tea Ltd. –General Management – MD, General Management from 2001 to 2004.</li> <li>• Tata Chemicals Ltd. – General Management from 2004 to 2008.</li> <li>• Appointment as the President of Bombay Natural History Society (BNHS) w.e.f. 07/01/2012.</li> </ul>
Shri Nityanath Ghanekar (Independent)	68	B.Com., LLB., Chartered Accountant	<ul style="list-style-type: none"> <li>• Pricewaterhouse Coopers – Executive Director from 2000 – 2004.</li> <li>• Ernst &amp; Young – Director from 2004 – 2007</li> <li>• J M Financial Asset Mgt Pvt. Ltd. – Managing Director from 2007 – 2009.</li> </ul>
Shri H N Motiwala (Independent)	70	B.Com, LLB, F.C.A, D.I.S.A (ICAI)	<ul style="list-style-type: none"> <li>• Sr. Partner in M/s. H N Motiwala &amp; Co. from 1970 onwards.</li> </ul>

## **Substantiative Provisions of Trust Deed**

Substantiative Provisions of Trust Deed are as under-

- a. A Director of Trustee Co. in carrying out his responsibilities as Member of the Board of Trustee Co. shall maintain an arm's length relationship with other companies, or institutions or financial intermediaries or any Body Corporate with which he may be associated.
- b. A member of the Board of Trustee Co. shall not participate in the meetings of the Board or in any decision making process for any investment in which he may be interested.
- c. All members of the Board of Trustee Co. shall furnish to the SEBI, the interest which they may have in any other company or institution or financial intermediary or any corporate by virtue of their position as Directors, Partners or with which they may be associated in any other capacity.
- d. The Trustee Co. shall take into their custody or under their control all the capital property of the various schemes of LIC Nomura Mutual Fund AMC Ltd and shall hold it in trust for the Unit holders.
- e. It shall be the duty of the Trustee Co. to act in the best interest of the unit holders and shall provide or cause to provide information to Unit holders and SEBI as may be specified by SEBI.
- f. All Unit holders will have beneficial interest in the trust property to the extent of individual holding in respective schemes only.
- g. The Trustee Co. shall appoint an AMC with SEBI approval to float schemes and manage the funds mobilized under various schemes. The Trustee Co. shall enter into an investment management agreement with the AMC for this purpose.
- h. The Trustee Co. shall appoint a custodian and be responsible for the supervision of its activities in relation to the mutual fund and shall enter into a custodian agreement for this purpose.
- i. The Trustee Co. shall explicitly forbid the acquisition of any asset out of the trust property, which involves the assumption of any liability, which is unlimited or results in encumbrance of the trust property in any way.
- j. The trustee Co. shall have the power to dismiss the AMC under the specific events only with the approval of SEBI in accordance with the Regulations.
- k. The Trustee Co. shall take reasonable care to ensure that the funds under the various schemes floated and managed by the Asset Management Company are in accordance with the Trust Deed and the guidelines issued by SEBI.
- l. The Trustee Co. shall supervise the collection of any income due to be paid to the scheme and claiming of any repayment of tax and holding of any income received in trust for the holders in accordance with the Trust Deed and guidelines issued by SEBI.
- m. The Trustee Co. Board shall meet at-least once in every 2 months and at-least 6 such meetings shall be held every year.
- n. No amendment to the Trust Deed shall be carried out without the prior approval of Unit holders and the Board, provided however, that in case a Board of Trustees is converted into a Trustee Company such a conversion shall not require the approval of Unit holders. -6

## **Functions and responsibilities of the Trustee: -5**

The Board of Trustee Co. shall discharge the functions and responsibilities as per the Trust Deed and Deed of Modification as mentioned in Schedule III of SEBI (MF) Regulations, 1996 and as per SEBI (Mutual Funds) Regulations 1996 as may be amended from time to time.

### **Under SEBI (Mutual Fund) Regulations, 1996, the Trustees/Trustee Co. have the following duties and obligations:**

- A. To enter into an investment management agreement with the asset management company with prior approval of the SEBI.
- B. To ensure that the investment management agreement contains such clauses as are mentioned in the Fourth Schedule of SEBI (Mutual Fund) Regulations, 1996 and such other clauses as are necessary for the purpose of making investment.
- C. To ensure before the launch of any scheme that the asset management company has: -
  - Systems in place for its back office, dealing room and accounting;
  - Appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market with the trustee, within 15 days of their appointment;
  - Appointed auditors to audit its accounts, and ensured that the auditor for the Mutual Fund is different from the auditor of the AMC;
  - Appointed compliance officer to comply with regulatory requirements and to redress investor grievances;

- Appointed registrars and laid down parameters for their supervision;
- Appointed Custodians and laid down the parameters for supervision of their activities;
- Prepared compliance manual and designed internal control mechanisms including internal audit systems;
- Specified norms for empanelment of brokers and marketing agents.

D.To ensure that the Asset Management Company has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.

E.To ensure that the asset management company has not given any undue or unfair advantage to any associates or dealt with any of the associates of the asset management company in any manner detrimental to interest of the Unit holders.

F.To ensure that the transactions entered into by the Asset Management Company are in accordance with SEBI (Mutual Fund) Regulations, 1996 and the scheme.

G.To ensure that the asset management company has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme is not being compromised with those of any other scheme or of other activities of the asset management company.

H.To ensure that all the activities of the asset management company are in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

I. Where the trustee have reason to believe that the conduct of business of the mutual fund is not in accordance with SEBI (Mutual Fund) Regulations, 1996 and the scheme they shall forthwith take such remedial steps as are necessary by them and shall immediately inform the SEBI of the violation and the action taken by them.

J. To file the details of his/her holdings in securities on a quarterly basis with the trust.

K.To be accountable for, and be the custodian of, the funds and property of the respective schemes and to hold the same in trust for the benefit of the unit holders in accordance with SEBI (Mutual Fund) Regulations, 1996 and the provisions of trust deed.

L.To take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the trust deed.

M.To be responsible for the calculation of any income due to be paid to the mutual fund and also of any income received in the mutual fund for the holders of the units of any scheme in accordance with SEBI (Mutual Fund) Regulations, 1996 and the trust deed.

N.To obtain the consent of the Unit holders: -12

- Whenever required to do so by the SEBI in the interest of the Unit holders; or
- Whenever required to do so on the requisition made by three-fourths of the Unit holders of any scheme; OR
- When the majority of the trustee decide to wind up or prematurely redeem the units; or
- Whenever any modification of the fundamental attributes of the scheme, or the trust or the fees and expenses payable or any other modification by the Trustee is proposed it shall be made bearing in mind that the interest of the Unit holders is not affected and no change in any of the above shall be carried out unless –

- A written communication about the change is sent to each unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head office of the Mutual Fund is situated; and

- The unit holders are given an option to exit at prevailing NAV without any exit load.

**Explanation:** For the purposes of this clause “fundamental attributes” mean the type of a scheme, the investment objectives and terms of issue.

O.To call for the details of the transactions in securities by the key personnel of the asset management companies in their own name or on behalf of the asset management company and shall report to the SEBI, as and when required.

P.To make a quarterly review of all transactions carried out between the mutual fund, asset Management Company and its associates.

Q.To quarterly review the net worth of the asset management company and in case of any shortfall, ensure that the asset management company make up for the shortfall as per clause (f) of sub-regulation (1) of regulation 21 of SEBI (Mutual Fund) Regulations, 1996.

R.To periodically review all service contracts, such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the Unit holders.

S. To ensure that there is no conflict of interest between the manner of deployment of its net worth by the asset management company and the interest of the Unit holders.

T. To periodically review the investor complaints received and the redressal of the same by the asset management company.

U. To abide by the Code of Conduct as specified in the Fifth Schedule of SEBI (Mutual Fund) Regulations, 1996.

V. To furnish to the SEBI on half yearly basis, -

- a) A report on the activities of the mutual fund;
- b) A certificate stating that the trustee has satisfied itself that there have been no instances of self dealing or front running by any of the member of the trustee, directors and key personnel of the asset management company;
- c) A certificate to the effect that the asset management company has been managing the schemes independently of any other activities and in case any activities of the nature referred to in sub-regulation (2) of the regulation 24 of SEBI (Mutual Fund) Regulations, 1996 have been undertaken by the asset management company, it has taken adequate steps to ensure that the interest of the Unit holders are protected.

The independent Directors of Trustee Co. shall give their comment on the report received from the AMC regarding the investment by Mutual Fund in the securities of group Company(s) of the sponsor.

### The Trustee fees

In accordance with the Trust Deed constituting the Mutual Fund and the Deed of Modification, the Trustee Co. is entitled to receive a sum of Rs.7.5 lakhs per annum.

### Certificate of registration

In accordance with the Regulation 9 of the Securities & Exchange Board of India Regulations, the LIC Nomura Mutual Fund AMC Ltd has obtained a Certificate of Registration from SEBI on 9/5/94 vide Registration Code No.MF/012/94/5, which was issued afresh by SEBI in the name of LIC NOMURA Mutual Fund AMC Ltd on 6/4/2011 with the same registration no. i.e. MF/012/94/5.

## D. ASSET MANAGEMENT COMPANY

LIC NOMURA Mutual Fund Asset Management Company Ltd. (AMC) is a public limited company incorporated under the Companies Act, 1956 in 20th April, 1994, having its Registered Office at Industrial Assurance Building, 4th Floor, Opp. Churchgate Station, Mumbai - 400 020. LIC NOMURA Mutual Fund Asset Management Company Ltd. has been appointed as the Asset Management Company of the LIC NOMURA Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated 22/04/1994 and executed between LIC NOMURA Mutual Fund Trustee Company Private Ltd. and LIC NOMURA Mutual Fund Asset Management Company Ltd.

### AMC SHAREHOLDING PATTERN-7:-

- Life Insurance Corporation of India (including 7 nominee shareholders) : 45%
- Nomura Asset Management Strategic Investments Pvt. Ltd. : 35%
- LIC Housing Finance Ltd. : 20%

### Details of AMC Directors:

NAME	Age	Qualification	Brief Experience
Shri Surya Kumar Roy	56	MA, LLM, PHD	<ul style="list-style-type: none"> <li>• Post Graduate and doctorate, Mr Roy, in an illustrious career in LIC, has occupied several pivotal positions in the Corporation .Prior to taking charge as Managing Director, Shri Roy was posted as Executive Director (International Operations) at Mumbai to lead the Corporation's Overseas Thrust. Currently, <b>Chairman of Life Insurance Corporation of India and Director</b> in associate Companies of LIC including <b>LIC Nomura Mutual Fund Asset Management Co. Ltd.</b></li> </ul>
Shri T S Vishwanath (Independent)	66	B.Com, [Hons.] FCA	<ul style="list-style-type: none"> <li>• Past President, ICAI and South Asian Federation of Accountants. Past Chairman of Northern India Regional Council of the Institute of Chartered</li> </ul>

			Accountants of India, Indo-UK Accountancy Task Force-India side, India Member -International Accounting Standard Board of International Accounting Standards Committee. Participated in various seminars, workshops and conferences organized by the ICAI. Member of various committees constituted by ICAI, IRDA, Govt. of India, RBI and SEBI. Director (past and present) on the boards of large public company including listed companies. Practising Chartered Accountant for the last 36 years.
Shri S K Mitra (Independent)	66	M.Sc (Mathematics ) , Master of Management Science, USA	<ul style="list-style-type: none"> <li>• Bank Of India – Set up the Merchant Banking Department in 1977. Dealt with Capital Market, Banking and Institutional lenders.</li> <li>• Standard Chartered Bank - Set up the Merchant Banking Department in 1978. Dealt with Capital Market, Banking and Institutional lenders, including overseas players.</li> <li>• 3. American Express Bank - (1985 – 88) As Country Head, Investment &amp; Corporate Banking dealt extensively with wide range of banking and capital market activities.</li> <li>• As Managing Director, GIC Asset Management Company was one of the early successful players in the asset management industry. Was pioneer in tying up joint venture and setting up offshore fund.</li> <li>• 5. As the Group Director, Financial Services, Aditya Birla Group, (1990- 2007), set up the very successful asset management company, ran it personally at various stages.</li> </ul>
Shri Takashi Saruta (Associate)	52	B.Com from Keio University	<ul style="list-style-type: none"> <li>• The Sumitomo Trust and Banking Co. Ltd.- Chief Investment Officer of Asset Management Dep. From Oct 2000-May 2003.</li> <li>• The Sumitomo Trust and Banking Co. Ltd.- Deputy General Manager of Asset Management Dep. From June 2003-May 2004.</li> <li>• The Sumitomo Trust and Banking Co. Ltd.- Deputy General Manager of Asset Management Planning Dep. From June 2004-Oct 2004.</li> <li>• Nomura Asset Management Co. Ltd. (Tokyo) – Senior Manager of Institutional Client Service Dep. From Nov 2004- Mar 2005.</li> <li>• Nomura Asset Management Co. Ltd. (Tokyo) – Managing Director of Institutional Business Planning</li> </ul>



			<p>Dep. From Apr 2005- Nov 2007.</p> <ul style="list-style-type: none"> <li>Nomura Asset Management Singapore Limited. (Singapore) – Managing Director From Dec 2007- Mar 2010.</li> <li>Nomura Asset Management Co. Ltd. (Tokyo) – Senior Managing Director From Apr 2010- Mar 2013</li> </ul>
Shri Satish K Kamath	57	B.Com, Chartered Accountant	<ul style="list-style-type: none"> <li>Corporate Treasurer, Glaxo India Limited – Mumbai from Oct 1988 to June 1995.</li> <li>Executive Vice President (Finance), Fujitsu ICIM Limited – Mumbai from June 1995 to Aug 1996</li> <li>Finance Director, Cargill India – New Delhi from Aug 1996 to Aug 1999.</li> <li><b>Presently Senior General Manager, Mahindra &amp; Mahindra – Mumbai from Sep 1999 till date.</b></li> </ul>
Prof. Marti Subrahmanyam (Independent)	67	B-Tech, Post Graduate Diploma in Business, Administration, Finance and Accounting Doctor of Philosophy, Finance and Economics.	<ul style="list-style-type: none"> <li>He has been a visiting Professor at leading academic Institutions in Australia, England, France, Germany, India, Italy and Singapore including ESSEC and INSEAD, in France the Indian Institute of Technology, Madras and the Indian Institute of Management, Ahmedabad University Guido Carli LUISS in Rome, Italy, University of Konstanz, Germany, Singapore Management University and Churchill College, Cambridge University.</li> </ul>
Shri Hajime Kurozu (Associate)	56	Bachelor of Business Administration, Meiji University, CMA (Chartered Member of the Securities Analysts Association of Japan)	<ul style="list-style-type: none"> <li>Head of Automobile &amp; Machinery Industry Investment Banking Dept 1, Nomura Securities Co. Ltd. Tokya, Japan from April 2000 – March 2003.</li> <li>Managing Director of Investment Banking Dept 1, Nomura Securities Co. Ltd., Tokyo, Japan – From April 2003 – July 2006.</li> <li>Managing Director of Osaka Investment Banking Dept. 1, Nomura Securities Co. Ltd. Osaka, Japan - From Aug 2006 to Sept 2007.</li> <li>Chief Account Manager of Investment Solution Dept., Nomura Asset Management Co., Ltd., Tokyo, Japan - From Oct 2007 – March 2009.</li> <li>Managing Director of Business Development Dept, Nomura Asset Management Co., Ltd., Tokyo, Japan - From April 2009 to Dec 2010.</li> <li>Managing Director of Executive Administration, Nomura Structured Finance Services Pvt. Ltd., Mumbai, India - From Jan 2011 – Jan 2012.</li> </ul>
Shri Kailash Kumar Bang (Independent)	48	B.Com., FCA, DISA (ICAI)	<ul style="list-style-type: none"> <li>Partner in Trivedi &amp; Bang, Chartered Accountants, Hyderabad for the last 23 years, in the field of Audit &amp; Taxation.</li> </ul>
Smt. Sunita Sharma	56	M.Sc	<p>Experience in LIC of India:-</p> <ul style="list-style-type: none"> <li>Secretary (P&amp;IR), Northern Zonal Office in LIC - From May 2002-May 2004.</li> <li>Regional Manager Northern Region in LIC Housing Finance Ltd - From May 2004 to May 2005.</li> <li>Chief (Personnel) in LIC - From May 2005 to</li> </ul>

			<p>May 2007.</p> <ul style="list-style-type: none"> <li>Regional Manager (Estates and Office Services) in LIC - From May 2007 to June 2009.</li> <li>Executive Director (P &amp; GS) in LIC - From June 2009 to April 2013.</li> <li>Adtl. Executive Director (Investment: RM &amp; R) in LIC - From April 2013 to November 2013.</li> <li>Managing Director &amp; CEO in LIC Housing Finance Ltd- From November 2013 onwards.</li> </ul>
Shri Nilesh B. Sathe (Associate)	57	M.Com, CAIIB (Finance & Accounts)	<ul style="list-style-type: none"> <li>Experience in LIC of India as Zonal Manager in Northern Zone and in charge of various Divisional Offices.</li> <li>Experience as Head of Marketing Channel, Business Group in LIC of India.</li> </ul>

### AMC Fees

In accordance with the Investment Management Agreement and the SEBI regulations the modification in Expense Ratio of LIC Nomura Mutual Fund AMC Ltd are as follows:

Maximum Recurring Expenses:

Daily net assets	As a % of daily net assets (per annum)	Additional Total Expense Ratio as per SEBI Regulations 52 (6A) (c) @	Additional Total Expense Ratio as per SEBI Regulations 52 (6A) (b) @
First Rs. 100 Crores	2.50%	0.20%	0.30%
Next Rs. 300 Crores	2.25%	0.20%	0.30%
Next Rs. 300 Crores	2.00%	0.20%	0.30%
Balance of assets over and above Rs. 700 Crores	1.75%	0.20%	0.30%

@- In addition to the limits specified in Regulation 52 (6) of SEBI Regulations, the following costs or expenses may be charged to the Scheme under Regulation 52 (6A) of SEBI Regulations:

I. The AMC may charge additional expenses not exceeding 0.20 % of daily net assets of the Scheme incurred towards different heads of fees and expenses.

II. Additional expenses may be charged up to 30 basis points on daily net assets of the Scheme as per Regulation 52 of SEBI Regulations, if the new inflows from beyond top 15 cities are at least (a) 30% of gross new inflows in the Scheme or (b) 15% of the average assets under management (year to date) of the Scheme, whichever is higher.

Provided that if inflows from such cities is less than the higher of (a) or (b) above, such additional expenses on daily net assets of the Scheme shall be charged on proportionate basis. Provided further that expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities. Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the Scheme in case the said inflows are redeemed within a period of one year from the date of investment.

III. Brokerage and transaction cost incurred for the purpose of execution of trade may be capitalized to the extent of 12bps and 5bps for cash market transactions and derivatives transactions respectively. Any payment towards brokerage and transaction cost, over and above the said 12 bps and 5bps for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any shall be borne by the AMC or by the trustee or sponsors).

In addition to expenses under Regulation 52 (6) and (6A) of SEBI Regulations, AMC may charge service tax on Investment Management and Advisory Fees, expenses other than Investment Management and Advisory Fees and brokerage and transaction cost as below:

a. Service Tax on Investment Management and Advisory Fees: AMC may charge service tax on Investment Management and Advisory Fees of the Scheme in addition to the maximum limit of TER as per the Regulation 52(6) and (6A) of SEBI Regulations.

b. Service Tax on expenses other than Investment Management and Advisory Fees: AMC may charge service tax on expenses other than Investment Management and Advisory Fees of the Scheme, if any within the maximum limit of TER as per the Regulation under 52(6) and (6A) of SEBI Regulations.

c. Service Tax on brokerage and transaction cost: The service tax on brokerage and transaction costs which are incurred for the purpose of execution of trade, will be within the limit of prescribed under Regulation 52 of SEBI Regulations.

d. Service Tax on Exit Load, if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the scheme with effect from October 1st 2012.

Any expenditure in excess of the SEBI regulatory limits shall be borne by the AMC or by the Trustee or the Sponsor.

The AMC shall make complete disclosures in the half yearly report of Trustees to SEBI regarding the efforts undertaken by them to increase geographical penetration of mutual funds and the details of opening of new branches, especially at locations beyond top 15 cities.

**Limitation on fees and expenses on issue of schemes:**

1. In view of substituted Regulation 52 (2), the Asset Management Company may charge the scheme with investment and advisory fees which shall be fully disclosed in the offer document.

2. In view of substituted Regulation 52 (6) (a), in case of a fund of funds scheme, the total expenses of the scheme including weighted average of charges levied by the underlying scheme shall not exceed 2.5% of the daily net assets of the scheme.

3. In Regulation 52 (6) (b) & (c), percentage of expenses of the scheme shall be calculated on only daily average net assets.

4. In view of newly inserted Regulation 52 (6A), the following costs or expenses may be charged to the scheme, in addition to the limits specified in sub-regulation (b):-

a) brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions;

b) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by the Board from time to time are at least - (i) 30 per cent of gross new inflows in the scheme, or; (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher: Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis: Provided further that expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities: Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

c) additional expenses, incurred towards different heads mentioned under Regulations 52 (2) and 52 (4), not exceeding 0.20 per cent of daily net assets of the scheme.

5. In Serial Number 6.5 of Twelfth Schedule, percentage of management fees / total recurring expenses to only daily average net assets shall be calculated.

6. Additional Total Expense Ratio (TER) can be charged up to 30 basis points on daily net assets of the scheme as per regulation 52 of SEBI (Mutual Funds) Regulations, 1996, (hereinafter referred to as Regulations) if the new inflows from beyond top 15 cities are at least (a) 30% of gross new inflows in the scheme or (b) 15% of the average assets under management (year to date) of the scheme, whichever is higher. In case inflows from beyond top 15 cities is less than the higher of (a) or (b) above, additional TER on daily net assets of the scheme shall be charged as follows:

Daily net assets X 30 basis points X New inflows from beyond top 15 cities

365\* X Higher of (a) or (b) above

\* 366, wherever applicable

The top 15 cities shall mean top 15 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography - Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

7. The additional TER on account of inflows from beyond top 15 cities so charged shall be clawed back in case the same is redeemed within a period of 1 year from the date of investment.

**Investor Education and Awareness :**

Mutual Funds/AMCs shall annually set apart at least 2 basis points on daily net assets within the maximum limit of TER as per regulation 52 of the Regulations for investor education and awareness initiatives.

**Single Plan Structure for Mutual Fund Schemes:**

1. Mutual Funds / AMCs shall launch schemes under a single plan and ensure that all new investors are subject to single expense structure.

2. Existing schemes with multiple plans based on the amount of investment (i.e. retail, institutional, super-institutional, etc) shall accept fresh subscriptions only under one plan.

3. Other plans will continue till the existing investors remain invested in the plan.

### **Duties and obligations of AMC**

The Investment Management Agreement was entered into by the LIC NOMURA MF AMC Ltd on 22.04.94.

Under the SEBI (Mutual Funds) Regulations, 1996, the Asset Management Company has the following obligations:

1. To take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of SEBI (Mutual Fund) Regulations, 1996 and the trust deed.

2. To exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.

3. To be responsible for the acts of commissions or omissions by its employees or the persons whose services the Asset Management Company has procured.

4. To submit to the trustee quarterly reports of each year on its activities and the compliance with SEBI (Mutual Fund) Regulations, 1996.

5. The trustee at the request of the asset Management Company may terminate the assignment of the asset Management Company at any time, provided that such termination shall become effective only after the trustee have accepted the termination of assignment and communicated their decision in writing to the asset Management Company.

6. Notwithstanding anything contained in any contract or agreement or termination, the asset management company or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commissions or omissions, while holding such position or office.

7. The SEBI (MF) Regulations 1996 specify that, the AMC,

a) Shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes.

Provided that for the purpose of this sub-regulation, aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund. Further provided that the aforesaid limit of 5% shall apply for a block of three months.

b) Shall not purchase or sell securities through any broker (other than a broker referred to in clause (a)) which is average of 5 % or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless LIC Nomura MF AMC Ltd has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the trustee on a quarterly basis. Provided that the aforesaid limit shall apply for a block of three months.

c) Shall submit a quarterly report to the trustee giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or MF AMC as the case maybe, by the mutual fund during the said quarter.

8. Not to utilize the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities provided that the Asset Management Company may utilize such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the mutual fund.

9. To file with the trustee the details of transactions in securities by the key personnel of the asset management company in their own name or on behalf of the asset management company and to also report to the SEBI, as and when required by the SEBI.

10. In case the asset management company enters into any securities transactions with any of its associates, a report to that effect to be sent immediately to the trustee.

11. In case any company has invested more than 5 percent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries to be brought to the notice of the trustee by the asset management company and to be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment. Provided that the latter investment has been made within 1 year of the date of the former investment calculated on either side.

12. To file with the trustee and the SEBI -

a) Detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment; and

b) Any change in the interests of the directors every six months.

13. To file with the trustee a statement of holdings in securities of the directors of the asset management company with the dates of acquisition of such securities at the end of each financial year.

14. Not to appoint any person as key personnel who has been found guilty of any economic offense or involved in violation of securities laws.

15. To appoint registrars and share transfer agents who are registered with the SEBI.

Provided if the work relating to the transfer of units, repurchase/ redemption etc is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustee shall be obtained and reasons of charging higher rates shall be disclosed in the annual accounts.

16. To abide by the Code of Conduct as specified in the Fifth Schedule.

The appointment of the AMC can be terminated by a majority of the trustee or by seventy five percent of unitholders of the scheme. - 8

17. The AMC is currently managing the affairs of the schemes of LIC Nomura Mutual Fund AMC Ltd . It has obtained certificate of registration for carrying on the business of portfolio managers in terms of Regulation 24 (2) 1

### INFORMATION ON KEY PERSONNEL-3

The day-to-day operations of the AMC are looked after by experienced and qualified professionals, consisting of senior officials on deputation/nomination from Life Insurance Corporation of India/Nomura as well as directly recruited officials of the AMC.

NAME	AGE	POSITION	QUALIFICATION	EXPERIENCE
Shri. Nilesh B. Sathe	57	Whole Time Director and Chief Executive Officer	M.Com., CAIIB (Finance and Accounts)	<ul style="list-style-type: none"> <li>➤ In charge of Divisions, LIC of India – 2000 - 2004</li> <li>➤ Head of Business Group, LIC of India – 2004 - 2008</li> <li>➤ Head of Marketing Channel, LIC of India – 2008 - 2011</li> <li>➤ Zonal Manager, Northern Zone, LIC of India – 2011 - 2012</li> <li>➤ <b>Presently Whole Time Director and Chief Executive Officer of LIC NOMURA Mutual Fund AMC Ltd.</b></li> </ul>
Shri Anutosh Bose	45	Chief Operating Officer	B.Sc.(Hons.), Physics, CAIIB (UTI Exam), PGDM - Mktg & Sales – (Delhi), PGDCA, Oracle Financials, MBA (Finance) JBIMS Mumbai.	<ul style="list-style-type: none"> <li>➤ Various functions at different points in time, UTI AMC Ltd. – 1993 – 2003 including DOIT during 2002-2003</li> <li>➤ Operations Tech and MF Infrastructure Support, JM Financial AMC Ltd. – 2003 – 2006</li> <li>➤ COO, JP Morgan Asset Management India Pvt. Ltd. – 2006 – 2012</li> <li>➤ <b>Presently Chief Operating Officer at LIC Nomura Mutual Fund AMC Ltd.</b></li> </ul>
Shri Sridharan	57	Chief Marketing Officer	B.Sc	<ul style="list-style-type: none"> <li>➤ Marketing, LIC of India</li> <li>➤ <b>Presently Chief Marketing Officer at LIC NOMURA Mutual Fund AMC Ltd.</b></li> </ul>
Shri S Ramasamy	54	Chief Investment Officer (Debt)	B.Com, CA	<ul style="list-style-type: none"> <li>➤ Manager - JBS AMC Ltd - 1989-94</li> <li>➤ Fund Manager- LIC of India – 1994-2009</li> <li>➤ Fund Manager- LIC Nomura MF AMC Ltd. – 2009-2011</li> <li>➤ Head of Southern Regional Office- LIC Housing Finance Ltd. – 2011-2013</li> <li>➤ <b>Presently Chief Investment Officer (Debt) at LIC NOMURA Mutual Fund AMC Ltd.</b></li> </ul>
Shri Nobutaka	48	Chief	MBA, Bachelor	<ul style="list-style-type: none"> <li>➤ Fund Manager, Nomura</li> </ul>

Kitajima		Investment Officer (Equity) and fund manager	of International Economics	<p>Asset Management Co., Ltd. – 1988 – 2004</p> <ul style="list-style-type: none"> <li>➤ Senior Portfolio Manager, Nomura Asset Management USA Inc., – 2004 – 2005</li> <li>➤ Senior Portfolio Manager, Nomura Asset Management UK. Ltd. – 2005 – 2011</li> <li>➤ Senior Manager, Nomura Asset Management Co., Ltd – 2011 – 2012</li> <li>➤ <b>Presently Chief Investment Officer (Equity) at LIC NOMURA Mutual Fund AMC Ltd</b></li> </ul>
Ms Shefali B Suri	40	Head – (Human Resources)	BA (Economics Honours), PGDM	<ul style="list-style-type: none"> <li>➤ SBI Mutual Fund, Human Resource Management – 2000-2005</li> <li>➤ Lehman Brothers, Human Resource Management – 2005-2006</li> <li>➤ Kellog India Pvt Ltd., Human Resource Management – 2006-2008</li> <li>➤ Mirae Asset Management Company, Human Resource Management – 2008-2010</li> <li>➤ <b>Presently Head – Human Resource Management at LIC NOMURA Mutual Fund AMC Ltd.</b></li> </ul>
Ms. Mayuri Pithadia	34	Compliance Officer	B.Com, ACS & LLB	<ul style="list-style-type: none"> <li>➤ Manager Compliance &amp; Secretarial -IDFC MF Asset Management Co. Ltd. (01st Sept 2009 to 16th Sept 2012).</li> <li>➤ Asst Manager Compliance-Mirea Asset Global Investments (India) Private Ltd. (17th Sept 2012 to 18th Sept 2013).</li> <li>➤ <b>Manager Compliance LIC Nomura MF Asset Management Co. Ltd. (Since 19th Sept 2013).</b></li> </ul>
Shri Parameswar M.A.	41	In-charge (PMS)	B.Com, MBA	<ul style="list-style-type: none"> <li>➤ Whole Time director-Prime Broking Company (India) Ltd. – 1997-2004</li> <li>➤ Regional Head Director – Shreyas Stocks Pvt Ltd – 2004-2011</li> <li>➤ Senior Manager (Branch Head) – Religare Securities Ltd. – 2011-2012</li> <li>➤ <b>Presently DGM Finance at LIC NOMURA Mutual Fund AMC Ltd.</b></li> </ul>
Shri Killol Pandya	38	Senior Debt Fund Manager	<ul style="list-style-type: none"> <li>• MMS (Finance), K.J. Somaiya Institute of Management Studies and Research, Mumbai</li> <li>DPCM, ICFAI</li> </ul>	<ul style="list-style-type: none"> <li>➤ Fund Manager, SBI Mutual Fund, Jun 2003-Apr 2008.</li> <li>➤ Head - Fixed Income, Daiwa Asset Management (India) Pvt. Ltd, April 2008-March 2013.</li> <li>➤ <b>Presently Senior Debt Fund Manger in LIC NOMURA Mutual Fund AMC</b></li> </ul>

			B.Com, N.M College of Commerce and Economics, Mumbai.	
Ms. Arleene D'Souza	47	AGM - Fund Manager	• B. A (Economics)	<ul style="list-style-type: none"> <li>➤ AGM (Accounts), LIC Nomura MF AMC Ltd (December 2006- August 2008)</li> <li>➤ AGM (Marketing), LIC Nomura MF AMC Ltd. (August 2008 - September 2013)</li> <li>➤ AGM (Investments), LIC Nomura MF AMC Ltd.(September 2013- February 2014)</li> <li>➤ <b>Presently - Fund Manager LIC Nomura MF AMC Ltd.-February 2014 onwards.</b></li> </ul>
Mr. Sachin Relekar	40	Co-Fund Manager	MMS (Finance) , Jamnalal Bajaj Institute of Management Studies, Mumbai B.E. (Mech), K. E. S. College of Engineering, Islampur	<ul style="list-style-type: none"> <li>➤ Equity Research (Buy Side), Tata AMC , Sept 2007- Nov 2012.</li> <li>➤ Equity Research (Sell Side), C D Equity Research Pvt. Ltd., Aug 2005-Sept'2007.</li> <li>➤ Strategy consulting, Innovision Consulting June 2004-July 2005.</li> <li>➤ Business Development (IT Products), Tech Pacific India Pvt. Limited, June 2003-Feb 2004.</li> <li>➤ <b>Presently Fund Manager in LIC NOMURA Mutual Fund AMC Ltd.</b></li> </ul>
Mr. Ramnath Venkateswaran	35	Co-Fund Manager	PGDM, IIM Calcutta B Tech (Hons), IIT Kharagpur	<ul style="list-style-type: none"> <li>➤ Senior Research Analyst, Birla SunLife Insurance, Mar 2010-Nov 2012.</li> <li>➤ Research Analyst, Kotak Institutional Equities, Nov 2005-Feb 2010.</li> <li>➤ Manager Research, Edelweiss Capital, Nov 2004-Oct 2005.</li> <li>➤ Business Analyst, Tata Consultancy Services, June 2003-Oct 2004</li> <li>➤ <b>Presently Fund Manager in LIC NOMURA Mutual Fund AMC Ltd.</b></li> </ul>
MS. Gauri Kadam	30	Manager (ACCOUNTS)	B.Com., C.A.	<ul style="list-style-type: none"> <li>➤ Audit Department, Batliboi &amp; Purohit, Chartered Accountants - From Sep 2006 to Dec 2008</li> <li>➤ Finance Department, Barclays Bank PLC - From Dec 2008 to Sep 2009</li> <li>➤ <b>Presently Manager (Accounts) at LIC NOMURA Mutual Fund AMC Ltd.</b></li> </ul>
Shri Ketan Paryekar	31	Dealer	BBA, MBA	<ul style="list-style-type: none"> <li>➤ Asst. Manager (Finance), LIC Mutual Fund AMC Ltd</li> <li>➤ Asst. Manager (Finance), LIC NOMURA Mutual Fund AMC Ltd.</li> </ul>

				➤ <b>Presently Dealer in LIC NOMURA Mutual Fund AMC Ltd.</b>
Ms Manjusha K Yashwantrao	30	Dealer	B.Com., M.B.A	<ul style="list-style-type: none"> <li>➤ Asst. Manager (Finance), LIC Mutual Fund AMC Ltd</li> <li>➤ Asst. Manager (Finance), LIC NOMURA Mutual Fund AMC Ltd.</li> <li>➤ <b>Presently Dealer (Debt) in LIC NOMURA Mutual Fund AMC Ltd.</b></li> </ul>
Ms Geetanjali Naik	45	Dealer	B.Sc	<ul style="list-style-type: none"> <li>➤ Asst. Manager (NAV-Operations), LIC Mutual Fund AMC Ltd- From 2000 to 2002</li> <li>➤ Asst. Manager (Treasury), LIC NOMURA Mutual Fund AMC Ltd.- From 2002 to 2005</li> <li>➤ Manager, LIC NOMURA Mutual Fund AMC Ltd.- From 2005 to 2011</li> <li>➤ Manager, (PMS Fund Manager) LIC NOMURA Mutual Fund AMC Ltd.- From 2011 to 2013</li> <li>➤ <b>Presently Dealer (Equity) in LIC NOMURA Mutual Fund AMC Ltd.</b></li> </ul>
Mr. Ravi Nayak	27	Debt Research Analyst And Equity Backup Dealer	B. Com, CA	<ul style="list-style-type: none"> <li>➤ Credit Analyst at ALD Automotive Pvt Ltd (May 2009 – July 2010).</li> <li>➤ Auditing and Tax Assistant at TVS Raghavan &amp;co., Chartered Accountants (May 2012 – August 2012).</li> <li>➤ <b>Presently Debt Research Analyst And Equity Backup Dealer at LIC NOMURA Mutual Fund AMC Ltd. (September 2012 Onwards).</b></li> </ul>
Ms. Urvashi Porwal	25	Debt Research Analyst And Equity Backup Dealer	M.Com, CA	<ul style="list-style-type: none"> <li>➤ <b>Presently Debt Research Analyst And Equity Backup Dealer at LIC NOMURA Mutual Fund AMC Ltd. (June 2012 Onwards)</b></li> </ul>
Ms. Farzana Sayyed	29	Assistant Manager & Standby Debt Dealer	B. Com, CA	<ul style="list-style-type: none"> <li>➤ Executive Assistant (Accounts) LIC Mutual Fund AMC Ltd (From July 2010 to December 2010).</li> <li>➤ Executive Assistant (NAV Operations) LIC Nomura Mutual Fund AMC Ltd (From January 2011 to November 2012).</li> <li>➤ <b>Assistant Manager (Debt): Presently assisting the Fund Manager and Standby Debt Dealer LIC Nomura Mutual Fund AMC Ltd (December 2012</b></li> </ul>



				<b>Onwards)</b>
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## **E. SERVICE PROVIDERS**

### **CUSTODIANS**

LIC Nomura Mutual Fund AMC Ltd has appointed **Stock Holding Corporation of India** situated at Mittal Court, 'B' Wing, Nariman Point, Mumbai 400021, having SEBI Registration No. IN/CUS/011 as per the custodian agreement with them, signed on 22/4/94 and **HDFC Bank Ltd.** Situated at Sandoz House, Dr. Annie Besant Road, Worli, Mumbai 400 018, having SEBI Registration No. IN/CUS/001 as per the custodian agreement with them, signed on 2/12/2002. LIC Nomura Mutual Fund AMC Ltd may also appoint any other Depository as the custodian for the scheme.

### **Functions and Responsibilities of Custodians**

The custodian is required to take delivery of all properties belonging to the Mutual Fund schemes and hold them in custody separately from the assets of the custodian and their other clients. The custodian will make efforts to have the properties of the Fund registered in the name of the Fund and will deliver them only as per the instructions of the AMC and on receipt of the consideration.

The custodian shall collect, receive and deposit in the account or accounts of the Fund with the bank, income, dividends, interest, rights and other payments of whatever kind with respect to the securities and other assets and items of a like nature of the Fund held by or to the order of the custodian and shall execute such ownership and other confirmations as are necessary. LIC Nomura Mutual Fund AMC Ltd shall have the right to change the Custodians if at any point of time it is observed that the service of the appointed Custodians is not up to the mark.

### **REGISTRAR & TRANSFER AGENT**

All the activities such as processing of applications, issuance of statement of account / unit certificate and other such activities are proposed to be carried out by our Registrar and Transfer Agent M/s. Karvy Mutual Fund Services (A division of Karvy Computershare Pvt. Ltd.) **The address of the Registrar is:**

M/s. Karvy Computershare Pvt. Ltd.

Unit: LIC Nomura Mutual Fund AMC Ltd,

"Karvy Plaza", H.No.8-2-596,

Avenue 4, Street No.1, Banjara Hills,

Hyderabad – 500 034

Phone: 040 – 44677131-40

Fax No. 040 – 23388705

Email Id: [service\\_licmf@karvy.com](mailto:service_licmf@karvy.com)

Website: [www.karvymfs.com](http://www.karvymfs.com) / [www.karvycomputershare.com](http://www.karvycomputershare.com)

The SEBI Registration No. of R&TA is INR000000221

The AMC shall have the right to change the Registrars and Transfer agent later.

The Board of Trustees and the Board of AMC have ensured that the Registrar and Transfer Agent M/s Karvy Computershare Pvt. Ltd. has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching unit certificates to unitholders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints.

### **STATUTORY AUDITOR**

S.R. BATLIBOI & CO. LLP,

Chartered Accountants,

14TH Floor, The Ruby,

29 Senapati Bapat Marg,

Dadar (West),

Mumbai – 400 028

LIC Nomura Mutual Fund AMC Ltd shall review the appointment of Auditors after every three years or at such time as may be deemed fit in the opinion of the Board.

#### LEGAL COUNSEL

M/s Pandian & Associates,  
20-B, Vatsa House (RPI House),  
3rd Fl., Janmabhoomi Marg,  
Fort, Mumbai – 400 001

#### FUND ACCOUNTANT

Deutsche Bank AG, Mumbai Branch has been appointed as the fund administrator (the “Fund Administrator”) for the Scheme(s) launched by the Mutual Fund. The Fund Administrator provides fund accounting, NAV calculation, expense administration and other related services in accordance with the Fund Administration Agreement dated November 1, 2012 between the AMC and the Fund Administrator.

Address: Sir Hazarimal Somani Marg, Fort, Mumbai – 400 001.

The Fund Administrator is entitled to remuneration for its services in accordance with the terms of the Fund Administration Agreement and such remuneration will be borne by the AMC and not by the unit holders. The AMC has the right to change the Fund Administrator in certain circumstances.

#### COLLECTING BANKERS

Collection banks may be appointed by the AMC from time to time. Applications for the NFO will also be accepted at Designated Collection Centers. For details of Collecting banks, please refer to the SID of the scheme.

## II. CONDENSED FINANCIAL INFORMATION-17

The following is the condensed financial information for schemes launched by LIC Nomura MF AMC Ltd during the last three fiscal years.

#### HISTORICAL PER UNIT STATISTICS

	2011-12	2012-13	2013-14
			LIC112
<b>LIC NOMURA MF FIXED MATURITY PLAN-52(367 DAYS)</b>			
NAV at the start of the year#			
Regular Dividend	N.A	10.0088	10.0000
Regular Growth	N.A	10.0088	11.0429
Direct Dividend*	N.A	N.A	N.A
Direct Growth*	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	0.0000	0.3840
NAV at the end of the year	N.A		
Regular Dividend	N.A	11.0390	N.A
Regular Growth	N.A	11.0392	N.A
Direct Dividend	N.A	#N/A	N.A
Direct Growth	N.A	#N/A	N.A
Annualized Returns (%) (of Regular Growth Option)	N.A	10.32%	N.A
Net Assets at the end of the period (Rs. In cr)	N.A	286.013	N.A
Ratio of Recurring Expenses to net assets	N.A		
#Date of allotment:30/03/2012			

	2011-12	2012-13	2013-14
			<b>LIC115</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN-53(367 DAYS)</b>			
NAV at the start of the year#			
Regular Dividend	N.A	10.0000	10.6670
Regular Growth	N.A	10.0000	10.6670
Direct Dividend	N.A	10.0000	N.A
Direct Growth	N.A	10.0000	N.A
Dividend (Rs. In cr)	N.A	0.0000	0.1588
NAV at the end of the year	N.A		
Regular Dividend	N.A	10.6645	N.A
Regular Growth	N.A	10.6645	N.A
Direct Dividend	N.A	#N/A	N.A
Direct Growth	N.A	#N/A	N.A
Annualized Returns (%) (of Regular Growth Option)	N.A	9.19%	N.A
Net Assets at the end of the period (Rs. In cr)	N.A	111.208	N.A
Ratio of Recurring Expenses to net assets	N.A		
#Date of allotment:10/07/2012			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC118</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 54</b>			
NAV at the start of the year#			
Regular Dividend	N.A	10.0000	10.1276
Regular Growth	N.A	10.0000	10.1257
Direct Dividend	N.A	10.0000	10.1287
Direct Growth	N.A	10.0000	10.1288
Dividend (Rs. In cr)	N.A	0.0000	0.0034
NAV at the end of the year	N.A		
Regular Dividend	N.A	10.1254	N.A
Regular Growth	N.A	10.1234	N.A
Direct Dividend	N.A	10.1264	N.A
Direct Growth	N.A	10.1266	N.A
Annualized Returns (%) (of Regular Growth Option)	N.A	13.25%	N.A
Net Assets at the end of the period (Rs. In cr)	N.A	185.03	N.A
Ratio of Recurring Expenses to net assets	N.A		
#Date of allotment:25/02/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC123</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 55</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A

Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	10.6623
Regular Growth	N.A	N.A	10.6622
Direct Dividend	N.A	N.A	10.6715
Direct Growth	N.A	N.A	10.6714
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	173.71
Ratio of Recurring Expenses to net assets (Regular)	N.A	N.A	0.30%
Ratio of Recurring Expenses to net assets (Direct)	N.A	N.A	0.20%
#Date of allotment: 24/05/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC116</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 56</b>			
NAV at the start of the year#			
Regular Dividend	N.A	10.0000	10.1707
Regular Growth	N.A	10.0000	10.1707
Direct Dividend	N.A	10.0000	10.1769
Direct Growth	N.A	10.0000	10.1769
Dividend (Rs. In cr)	N.A	0.0000	0.0000
NAV at the end of the year	N.A		
Regular Dividend	N.A	10.1683	11.0358
Regular Growth	N.A	10.1683	11.0358
Direct Dividend	N.A	10.1744	11.0755
Direct Growth	N.A	10.1744	11.0756
Annualized Returns (%) (of Regular Growth Option)	N.A	8.42%	8.53%
Net Assets at the end of the period (Rs. In cr)	N.A	186.872	203.28
Ratio of Recurring Expenses to net assets	N.A		0.50%
#Date of allotment: 17/01/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC117</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 57</b>			
NAV at the start of the year#			
Regular Dividend	N.A	10.0000	10.1920
Regular Growth	N.A	10.0000	10.1920
Direct Dividend	N.A	10.0000	10.1979
Direct Growth	N.A	10.0000	10.1979
Dividend (Rs. In cr)	N.A	0.0000	0.0000
NAV at the end of the year	N.A		
Regular Dividend	N.A	10.1897	11.0173
Regular Growth	N.A	10.1897	11.0173
Direct Dividend	N.A	10.1955	11.0567
Direct Growth	N.A	10.1955	11.0567
Annualized Returns (%) (of Regular Growth Option)	N.A	10.18%	8.12%

Net Assets at the end of the period (Rs. In cr)	N.A	35.0315	37.92
Ratio of Recurring Expenses to net assets	N.A		0.50%
#Date of allotment:22/01/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC120</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 58</b>			
NAV at the start of the year#			
Regular Dividend	N.A	10.0000	10.0485
Regular Growth	N.A	10.0000	10.0485
Direct Dividend	N.A	10.0000	10.0493
Direct Growth	N.A	10.0000	10.0493
Dividend (Rs. In cr)	N.A	0.0000	0.0000
NAV at the end of the year	N.A		
Regular Dividend	N.A	10.0463	10.9197
Regular Growth	N.A	10.0463	10.9197
Direct Dividend	N.A	10.0471	10.9369
Direct Growth	N.A	10.0471	10.9369
Annualized Returns (%) (of Regular Growth Option)	N.A	9.39%	8.68%
Net Assets at the end of the period (Rs. In cr)	N.A	103.673	112.75
Ratio of Recurring Expenses to net assets	N.A	N.A	0.30%
#Date of allotment:13/03/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC121</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 59</b>			
NAV at the start of the year#			
Regular Dividend	N.A	10.0000	10.0154
Regular Growth	N.A	10.0000	10.0154
Direct Dividend	N.A	10.0000	
Direct Growth	N.A	10.0000	10.0156
Dividend (Rs. In cr)	N.A	0.0000	0.0000
NAV at the end of the year	N.A		
Regular Dividend	N.A	10.0130	10.8884
Regular Growth	N.A	10.0130	10.8884
Direct Dividend	N.A	0.0000	0
Direct Growth	N.A	10.0132	10.894
Annualized Returns (%) (of Regular Growth Option)	N.A	4.31%	8.73%
Net Assets at the end of the period (Rs. In cr)	N.A	20.6509	22.46
Ratio of Recurring Expenses to net assets	N.A	N.A	0.25%
#Date of allotment:20/03/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC122</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 60</b>			
NAV at the start of the year#			
Regular Dividend	N.A	10.0000	10.0170

Regular Growth	N.A	10.0000	10.0170
Direct Dividend	N.A	10.0000	10.0184
Direct Growth	N.A	10.0000	10.0185
Dividend (Rs. In cr)	N.A	0.0000	0.0000
NAV at the end of the year	N.A		
Regular Dividend	N.A	10.0142	10.8724
Regular Growth	N.A	10.0142	10.8724
Direct Dividend	N.A	10.0155	10.9285
Direct Growth	N.A	10.0155	10.9284
Annualized Returns (%) (of Regular Growth Option)	N.A	5.76%	8.58%
Net Assets at the end of the period (Rs. In cr)	N.A	127.459	138.63
Ratio of Recurring Expenses to net assets	N.A	N.A	0.65%
#Date of allotment:22/03/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC124</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 61</b>			
NAV at the start of the year#			
Regular Dividend	N.A	10.0000	N.A
Regular Growth	N.A	10.0000	10.0098
Direct Dividend	N.A	10.0000	N.A
Direct Growth	N.A	10.0000	10.0099
Dividend (Rs. In cr)	N.A	0.0000	0.0000
NAV at the end of the year	N.A		N.A
Regular Dividend	N.A	0.0000	N.A
Regular Growth	N.A	10.0075	N.A
Direct Dividend	N.A	0.0000	N.A
Direct Growth	N.A	10.0076	N.A
Annualized Returns (%) (of Regular Growth Option)	N.A	5.48%	N.A
Net Assets at the end of the period (Rs. In cr)	N.A	122.975	N.A
Ratio of Recurring Expenses to net assets	N.A	N.A	0.20%
#Date of allotment:26/03/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC125</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 62</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	10.0098
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	10.0099
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A

Direct Growth	N.A	N.A	N.A
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	N.A
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	N.A
Ratio of Recurring Expenses to net assets	N.A	N.A	0.20%
#Date of allotment:2/04/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC126</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 63</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	
Regular Dividend	N.A	N.A	10.7021
Regular Growth	N.A	N.A	10.702
Direct Dividend	N.A	N.A	10.7069
Direct Growth	N.A	N.A	10.7069
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	65.73
Ratio of Recurring Expenses to net assets	N.A	N.A	0.25%
#Date of allotment:8/05/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC127</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 64</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	
Regular Dividend	N.A	N.A	10.6006
Regular Growth	N.A	N.A	10.6006
Direct Dividend	N.A	N.A	10.6055
Direct Growth	N.A	N.A	10.6052
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	67.75
Ratio of Recurring Expenses to net assets	N.A	N.A	0.25%
#Date of allotment:15/05/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC129</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 66</b>			

NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	
Regular Dividend	N.A	N.A	10.5826
Regular Growth	N.A	N.A	10.5826
Direct Dividend	N.A	N.A	10.5907
Direct Growth	N.A	N.A	10.5907
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	304.01
Ratio of Recurring Expenses to net assets	N.A	N.A	0.30%
#Date of allotment:27/06/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC131</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 68</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	
Regular Dividend	N.A	N.A	10.6486
Regular Growth	N.A	N.A	10.6486
Direct Dividend	N.A	N.A	10.6589
Direct Growth	N.A	N.A	10.6552
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	110.79
Ratio of Recurring Expenses to net assets	N.A	N.A	0.30%
#Date of allotment:14/08/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC132</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 69</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.4224
NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	N.A



Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	N.A
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	N.A
Ratio of Recurring Expenses to net assets	N.A	N.A	0.35%
#Date of allotment:28/08/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC133</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 70</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	
Regular Dividend	N.A	N.A	10.6342
Regular Growth	N.A	N.A	10.6342
Direct Dividend	N.A	N.A	10.6403
Direct Growth	N.A	N.A	10.6403
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	26.71
Ratio of Recurring Expenses to net assets	N.A	N.A	0.30%
#Date of allotment:04/09/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC135</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 71</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	NA
Regular Dividend	N.A	N.A	10.4064
Regular Growth	N.A	N.A	10.4064
Direct Dividend	N.A	N.A	10.414
Direct Growth	N.A	N.A	10.414
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	21.26
Ratio of Recurring Expenses to net assets	N.A	N.A	0.35%
#Date of allotment:04/10/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>

			LIC140
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 72</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	10.2596
Regular Growth	N.A	N.A	10.2596
Direct Dividend	N.A	N.A	10.272
Direct Growth	N.A	N.A	10.272
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	70.13
Ratio of Recurring Expenses to net assets	N.A	N.A	0.60%
#Date of allotment:12/12/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC141</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 73</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	10.2541
Regular Growth	N.A	N.A	10.2541
Direct Dividend	N.A	N.A	10.2575
Direct Growth	N.A	N.A	10.2576
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	103.02
Ratio of Recurring Expenses to net assets	N.A	N.A	0.30%
#Date of allotment:18/12/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC144</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 75</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000

NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	10.1584
Regular Growth	N.A	N.A	10.1584
Direct Dividend	N.A	N.A	10.1597
Direct Growth	N.A	N.A	10.1597
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	82.16
Ratio of Recurring Expenses to net assets	N.A	N.A	0.30%
#Date of allotment:13/02/2014			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC145</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 76</b>			
NAV at the start of the year#			N.A
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	0
Regular Growth	N.A	N.A	10.0282
Direct Dividend	N.A	N.A	10.0283
Direct Growth	N.A	N.A	10.0283
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	141.92
Ratio of Recurring Expenses to net assets	N.A	N.A	0.25%
#Date of allotment:21/03/2014			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC147</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 77</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	0
Regular Growth	N.A	N.A	10.1015
Direct Dividend	N.A	N.A	10.1023
Direct Growth	N.A	N.A	10.1023
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	146.24
Ratio of Recurring Expenses to net assets	N.A	N.A	0.32%

#Date of allotment:7/03/2014			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC148</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 78</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	10.0662
Regular Growth	N.A	N.A	10.0662
Direct Dividend	N.A	N.A	10.0675
Direct Growth	N.A	N.A	10.0675
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	21.58
Ratio of Recurring Expenses to net assets	N.A	N.A	0.45%
#Date of allotment:13/03/2014			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC149</b>
<b>LIC NOMURA MF FIXED MATURITY PLAN SERIES 79</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	10.0171
Regular Growth	N.A	N.A	10.0171
Direct Dividend	N.A	N.A	10.0179
Direct Growth	N.A	N.A	10.0179
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	111.17
Ratio of Recurring Expenses to net assets	N.A	N.A	0.70%
#Date of allotment:26/03/2014			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC119</b>
<b>LIC NOMURA MF RGESS FUND SERIES 1</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	10.0545
Regular Growth	N.A	N.A	10.0545
Direct Dividend	N.A	N.A	10.0565

Direct Growth	N.A	N.A	10.0565
Dividend (Rs. In cr)	N.A	N.A	0.0453
NAV at the end of the year	N.A	N.A	
Regular Dividend	N.A	N.A	11.7885
Regular Growth	N.A	N.A	12.0095
Direct Dividend	N.A	N.A	11.8509
Direct Growth	N.A	N.A	12.072
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	19.98%
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	18.47
Ratio of Recurring Expenses to net assets	N.A	N.A	2.50%
#Date of allotment:08/03/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC146</b>
<b>LIC NOMURA MF RGESS FUND SERIES 2</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	10.0638
Regular Growth	N.A	N.A	10.0638
Direct Dividend	N.A	N.A	10.0656
Direct Growth	N.A	N.A	10.0656
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	14.58
Ratio of Recurring Expenses to net assets	N.A	N.A	2.50%
#Date of allotment:21/03/2014			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC137</b>
<b>LIC NOMURA MF CPOF- 1</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	10.3222
Regular Growth	N.A	N.A	10.3222
Direct Dividend	N.A	N.A	10.3392
Direct Growth	N.A	N.A	10.3394
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	NA

Net Assets at the end of the period (Rs. In cr)	N.A	N.A	51.55
Ratio of Recurring Expenses to net assets	N.A	N.A	2.25%
#Date of allotment:02/12/2013			
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
			<b>LIC142</b>
<b>LIC NOMURA MF CPOF- 2</b>			
NAV at the start of the year#			
Regular Dividend	N.A	N.A	N.A
Regular Growth	N.A	N.A	N.A
Direct Dividend	N.A	N.A	N.A
Direct Growth	N.A	N.A	N.A
Dividend (Rs. In cr)	N.A	N.A	0.0000
NAV at the end of the year	N.A	N.A	N.A
Regular Dividend	N.A	N.A	10.2723
Regular Growth	N.A	N.A	10.2723
Direct Dividend	N.A	N.A	10.2823
Direct Growth	N.A	N.A	10.2823
Annualized Returns (%) (of Regular Growth Option)	N.A	N.A	N.A
Net Assets at the end of the period (Rs. In cr)	N.A	N.A	43.18
Ratio of Recurring Expenses to net assets	N.A	N.A	2.25%
#Date of allotment: 20/01/2014			

### III. HOW TO APPLY

Application Forms duly completed along with the Cheque/Demand Draft may be submitted before the closing of the NFO at Area Offices, Business Centers of LIC Nomura Mutual Fund AMC Ltd or R&T Agent or other such collecting centers as may be designated by the AMC. Cheques / DDs should be drawn in favour of :

**Scheme Name as per the respective Scheme Information Document and should be** payable at the Center where the application is lodged. No outstation cheques or stock invests or cash will be accepted. If there are no authorized investor services centers where the investor resides, the application form duly completed along with a DD, after deducting bank charges / commission from the amount of investment, may be submitted to authorized collection centers. If such bank charges / commission are not deducted by the applicant, then the same may not be reimbursed. However in case of application along with local Cheque or Bank Draft payable at / from locations where LIC NOMURA MF has its designated Authorised Investor Service Centers, Bank Draft charges/ commission may have to be borne by the applicant. In such cases the Trustee Company is entitled, in its sole and absolute discretion, to reject or accept any application.

Pursuant to AMFI Best Practice Guideline Circular No. 13/2007 – 08 dated October 3, 2007, Demand Draft charges if reimbursed to the unit holders are to be borne by the AMC and not to be charged to the scheme.

In order to protect unit holder interest from fraudulent encashment of cheques, the current SEBI Regulations, has made it mandatory for investors to mention in their application/repurchase-redemption request, the bank name and account number of the unit holders .The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques and or any delay /loss in transit. In the absence of these details, applications are liable for rejection.

SEBI has made it mandatory for all applicants including joint holders and guardian to mention his/her Permanent Account Number (PAN) irrespective of the amount of purchase (fresh, additional, SIP). In order to verify that the PAN of the applicants (in case of application in joint names, guardian in case of minor, each of the applicants) has been duly and correctly quoted therein, the applicants shall attach a photocopy of the PAN card duly attested by the distributor / agent (AMFI registered) through whom the application is effected or by Bank Manager or Notary or Investor Service

Centers of LIC Nomura Mutual Fund or ISCs of Karvy. Attestation will be done after verification with the original PAN card. *Applications not accompanied with the above requirements are liable to be rejected.*

Additionally, in the event of any application form being subsequently rejected for mismatch of applicant's PAN details with the details on the website of the Income Tax Department, the investment transaction will be canceled and the amount may be redeemed at the applicable NAV, subject to payment of exit load, if any, and recovery of unamortised NFO expenses. For further details contact any of our area offices / business centers. Further, pursuant to SEBI letter MRD/Dop/PAN/PM/166999 dated June 19, 2009 investment up to Rs. 50,000 per investor per year in micro schemes such as Systematic Investment Plan, investors shall be exempted from the requirement of PAN subject to the other KYC requirement as prescribed by the AMFI

#### **Cash Investment in Mutual Fund Schemes:**

1. In partial modification to SEBI Circular no. MFD/CIR/15/19133/2002 dated September 30, 2002 and in order to help enhance the reach of mutual fund products amongst small investors, who may not be tax payers and may not have PAN/bank accounts, such as farmers, small traders/businessmen/workers, cash transactions in mutual funds to the extent of Rs. 20,000/- per investor, per mutual fund, per financial year shall be allowed subject to (i) compliance with Prevention of Money Laundering Act, 2002 and Rules framed there under; the SEBI Circular(s) on Anti Money Laundering (AML) and other applicable AML rules, regulations and guidelines and (ii) sufficient systems and procedures in place.

2. Repayment in the form of redemptions, dividend, etc. with respect to aforementioned investments shall be paid only through banking channel.

3. The Mutual Fund / AMC is in the process of setting up appropriate systems and procedures for the said purpose. Appropriate notice shall be displayed on our website [www.licnomuramf.com](http://www.licnomuramf.com) as well as at the Investor Service Centers, once the facility is made available to the investors.

#### **WHO CAN INVEST**

Applications for allotment of the scheme units can be made by any of the below mentioned investors provided they are permitted to purchase Mutual Fund units by their respective constitutions and/or statutory regulations.

(1) Resident Citizens of India who are:

(i) Adult Individual or Individuals not exceeding three in number together on Single, Joint or Anyone or Survivor(s) basis,

(ii) Minors through their Parents/Step-parents/Guardians (Joint Mode of Holding is not permitted with minors),

(2) Hindu Undivided Family (By the Karta acting on behalf of H.U.F)

(3) An Association of Persons or a Body of Individuals consisting in either case, only of husband and wife, governed by the system of community of property in force in the State of Goa and Union Territories of Dadra and Nagar Haveli and Daman and Diu by whom, or on whose behalf, investment is made.

(4) Companies, Body Corporates, PSUs, Banks, Trusts, Societies, Co-operative Societies, Schools, Colleges, Universities, Clubs, Associations, Partnership Firms and other such bodies.

(5) Army/Air Force/Navy/Paramilitary Funds & other eligible Institutions.

(6) Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis.

(7) On Repatriable / Non-Repatriable basis by Non-Residents of Indian Nationality/ Persons of Indian Origin.

**Explanation:** A person shall be deemed to be of Indian Origin if

- He/she, at any time, held an Indian Passport, or

- He/she or either of his/her parents or any of his/her grandparents was an Indian and a permanent resident of Undivided India at any time.

However, Pakistani and Bangladeshi nationals, even though they satisfy the definition of 'Indian Origin', shall not be eligible to apply for the units.

The Spouse of a Citizen of India or a Person of Indian Origin shall also be deemed to be of Indian Origin even though he/she may be of Non-Indian Parentage.

Non Resident Indians and Persons of Indian Origin residing abroad (NRIs) / Foreign Institutional Investors (FIIs) have been granted a general permission by Reserve Bank of India [Schedule 5 of the Foreign Exchange Management

(Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations.

In case of application under a Power of Attorney or by a Limited Company or a Corporate Body or an eligible Institution or a Registered Society or a Trust Fund, the original Power of Attorney or a Certified True Copy duly notarized or the relevant Resolution or Authority to make the application as the case may be, or duly notarized copy thereof, along with a Certified Copy of the Memorandum and Articles of Association and/or bye-laws and / or Trust Deed and / or Partnership Deed and Certificate of Registration should be submitted. The officials should sign the application under their official designation. A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form. In case of a Trust / Fund it shall submit a resolution from the Trustee(s) authorizing such purchases and redemptions. The AMC may need to obtain from the investor verification of identity or such other details relating to a subscription for Units as may be required under any applicable law, which may result in delay in processing the application.

In the event an account has more than one registered owner, the first-named holder shall receive the Account statements, all notices and correspondence with respect to the Account, as well as the proceeds of any redemption requests or dividends or other distributions. In addition, such Unit holders shall have the voting rights, as permitted, associated with such units, as per the applicable guidelines. Applicants can specify the 'mode of holding' in the application form as 'Joint' or 'Anyone or Survivor'. In the case of holding specified as 'Joint', Redemptions would have to be signed by all joint holders in the same order as registered with the Mutual Fund. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unit holders will have the power to make Redemption requests, without it being necessary for all the Unit holders to sign. However, in all cases, the proceeds of the Redemption will be paid only to the first-named holder

The AMC reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any.

**Know Your Customer (KYC):** Investors should note that it is mandatory for all purchases/ switches/ registrations for Systematic Investment Plan (SIP)/ Systematic Transfer Plan (STP)/ Dividend Transfer Plan (DTP) to quote the valid KYC Compliance Status of each applicant (guardian in case of minor) in the application and attach proof of KYC Compliance

**How to Apply for KYC:**

1. Investors who wish to be KYC Compliant should submit a completed common KYC Application Form ('KYC Form') along with all the prescribed documents listed in the KYC Form to any of the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investors Schemes, etc. Additionally, Investors are required to carry out In-Person Verification (IPV) with any SEBI registered intermediaries including mutual funds. The KYC Form is available at our website - [www.licnomuramf.com](http://www.licnomuramf.com), AMFI website - [www.amfiindia.com](http://www.amfiindia.com). Investors may visit any of our Area Offices, Business Centers to apply for KYC.

2. The Fund shall perform the initial KYC of its new investors and may undertake enhanced KYC measures commensurate with the risk profile of its investors. The Fund shall upload the details of the investors on the system of the KYC Registration Agency (KRA). R&TA of the Fund may also undertake the KYC of the investors on behalf of the Fund. KRA shall send a letter to the investor within 10 working days of the receipt of the initial/updated KYC documents from the Fund, confirming the details thereof.

3. Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the Fund reserves the right to carry out fresh KYC of the investor.

4. It is mandatory for intermediaries including mutual funds to carry out In-Person Verification (IPV) of its investors. The IPV carried out by any SEBI registered intermediary can be relied upon by the Fund. LIC NOMURA MF Asset Management Company Limited and NISM/AMFI certified distributors who are Know Your Distributors (KYD) compliant are authorized to undertake the IPV for Fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Fund may rely upon the IPV (on the KYC Application Form) performed by the scheduled commercial banks.



5. Existing KYC compliant investors of the Fund can continue to invest. However, existing investors are also urged to comply with the new KYC requirements including IPV as mandated by SEBI.

**Who can apply for KYC:**

- All investors (both individual and non-individual) can apply for KYC compliance.
- Any investment in the name of minors should be through a Guardian, who should be KYC compliant for the purpose of investing with a Mutual Fund. The Minor, upon attaining majority, should immediately apply for KYC compliance in his/her own Capacity and intimate the Mutual Fund, in order to be able to transact in his/her own capacity.
- Also, applicants / unit holders intending to apply for units/ currently holding units and operating their Mutual Fund folios through a Power of Attorney (PoA) must ensure that the issuer of the PoA (i.e. the investor) and the holder of the PoA (i.e. the Attorney) must be KYC compliant.
- PoA holders are not permitted to apply for KYC compliance on behalf of the issuer of the PoA.
- An individual investor becoming an investor on account of an operation of law, e.g., transmission of units upon death of a unit holder, the claimant eligible for entering into the register of Unit holders of the Mutual Fund will be required to be KYC compliant before such transfer can take place.

**WHERE TO SUBMIT APPLICATION FORM**

**Domestic investors –**

Duly filled in applications with subscriptions can be submitted at the authorized collection centers along with local Cheques/DD payable at the authorized centers only. Payment by cash will not be accepted.

**NRI's on a Fully Repatriable Basis-**

In case of NRIs, payment may be made by means of a Draft in Indian Rupees purchased abroad or by Cheque/DD drawn on Non Resident (External) /FCNR Accounts, payable at the authorized centers only. Payments may also be made through Demand Drafts or other instruments permitted under the Foreign Exchange Management Act.

**NRI's on a Non-Repatriable Basis-**

NRIs can invest by Cheques/DD's drawn out of Non Resident (Ordinary) Accounts.

FIIs shall pay their subscription by way of direct remittance from abroad or out of their special Non Resident Rupee Account maintained with designated bank in India or as may be permitted by law.

**Application under (POA) Power of Attorney /Body Corporate/Registered Society/Trust/Partnership**

In case of an application under POA or by a Limited Company, Body Corporate, Registered Society Trust or Partnership etc., the relevant POA or the Resolution or Authority to make the application as the case may be, or duly certified copy thereof, along with the Memorandum and Articles of Association /Bye-laws must be lodged at the authorized center along with the application form.

Presently, our Area Offices, Business Centers and R&T Agent are the only authorized Centers for purchase / redemption. However, the AMC may at their sole discretion add or delete one or more collection centers at a later date if they so find necessary.

**Note:** The application form no. should be noted on the reverse of all Cheques and Bank Drafts accompanying the application form.

**RIGHT TO ACCEPT OR REJECT APPLICATIONS**

Allotment is assured to all applicants provided the applications are complete in all respects and are in order.

Applications received for allotments of units under the scheme, which are not complete in any respect, are liable to be rejected and LIC Nomura Mutual Fund/AMC would not be responsible for consequences thereof. LIC Nomura Mutual Fund/AMC reserves, at their sole and absolute discretion, the right to accept or reject any application in whole or in part without assigning any reason.

## **REFUNDS**

Where an application is rejected in full or in part, application money received will accordingly be refunded to the applicant within 6 weeks from the closure of the New Fund offer period. No interest will be paid on the amounts so refunded.

In case the Fund does not receive the minimum targeted subscription during the New Fund Offer period, the subscription money received will be refunded within a period of 6 weeks from the close of the New Fund Offer period. If refunds are not made for any reason within the above period, interest at 15% p.a. will be paid on the amounts due for refund.

## **SWITCH OVER FACILITY**

Facility of switchover to other LIC Nomura Mutual Fund schemes are available on all Business Days. Between two plans of the scheme switch over will be allowed at the NAV.

The switch over will be effected by way of redemption of units and a reinvestment of the redemption proceeds in another scheme(s).

To effect a switch over, a unit holder must provide clear instructions. A separate form should be filled for effecting switch over and sent to the authorised center. A fresh statement of account reflecting the new holdings will be issued by the Fund.

### **Additional mode of payment through Applications Supported by Blocked Amount (ASBA) facility:**

Pursuant to SEBI Circular dated SEBI/IMD/CIR No 18 /198647 /2010 March 15, 2010 and Cir/IMD/DF/6/2010 dated July 28, 2010, an investor can subscribe to the New Fund Offer (NFO) launched on or after October 1, 2010 through ASBA facility by applying for the Units offered under the Option(s)/Plan(s) of the Scheme(s) in the ASBA Application Form and following the procedure as prescribed in the form.

ASBA is an application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Scheme of LIC Nomura Mutual Fund.

Thus, for an investor who applies through ASBA facility, the application money towards the subscription of Units shall be debited from his specified bank account only if his/her application is selected for allotment of Units.

### **Benefits of Applying through ASBA facility**

(i) Writing cheques and demand drafts is not required, as investor needs to submit ASBA application form accompanying an authorization to block the account to the extent of application money towards subscription of Units. The balance money, if any, in the account can be used for other purposes by the investors.

(ii) Release/Unblocking of blocked funds after allotment is done instantaneously.

(iii) Unlike other modes of payment, ASBA facility prevents the loss of interest income on the application money towards subscription of Units as it remains in the bank account of the investor till the allotment is made.

(iv) Refund of money to the investors do not arise as the application money towards subscription of Units gets blocked only on the allotment of Units.

(v) The investor deals with the known intermediary i.e. his/her own bank.

(vi) The application form is simpler as the application form for ASBA will be different from the NFO application form.

### **ASBA Procedure**

(a) An Investor intending to subscribe to the Units of the NFO through ASBA shall submit a duly completed ASBA Application Form to a Self Certified Syndicate Bank (SCSB), with whom his/her bank account is maintained.

(b) The ASBA Application Form towards the subscription of Units can be submitted through one of the following modes

Submit the form physically with the Designated Branches (DBs) of the SCSB ("Physical ASBA"); or

Submit the form electronically through the internet banking facility offered by the SCSB ("Electronic ASBA").

(c) An acknowledgement will be given by the SCSB in the form of the counter foil or specifying the application number for reference. Such acknowledgement does not guarantee, in any manner that the investors will be allotted the Units applied for.

**Note: if the bank account specified in the ASBA Application Form does not have sufficient credit balance to meet the application money towards the subscription of Units, the Bank shall reject the ASBA Application form.**

(d) On acceptance of Physical or Electronic ASBA, the SCSB shall block funds available in the bank account specified to the extent of the application money specified in the ASBA Application Form.

(e) The application money towards the Subscription of Units shall be blocked in the account until (i) Allotment of Units is made or (ii) Rejection of the application or (iii) Winding up of the Scheme, as the case may be.

(f) SCSBs shall unblock the bank accounts for (i) Transfer of requisite money to the Mutual Fund / Scheme bank account against each valid application on allotment or (ii) in case the application is rejected.

(g) The list of SCSBs and their DBs where ASBA application form can be submitted is available on the websites of BSE (www.bseindia.com), NSE (www.nseindia.com) and SEBI (www.sebi.gov.in).

**Note: No request for withdrawal of ASBA application form made during the NFO Period will be allowed.**

### **Grounds for Technical Rejections of ASBA application forms**

ASBA Application Forms can be rejected, at the discretion of Registrar and Transfer Agent of LIC Nomura Mutual Fund or SCSBs including but not limited on the following grounds:-

1. Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc.
2. Mode of ASBA i.e. either Physical ASBA or Electronic ASBA, not selected or ticked
3. ASBA Application Form without the stamp of the SCSB.
4. Application by any person outside India if not in compliance with applicable foreign and Indian laws.
5. Bank account details not given/incorrect details given.
6. Duly certified Power of Attorney, if applicable, not submitted along with the ASBA application form.
7. No corresponding records available with the Depositories matching the parameters namely (a) Names of the ASBA applicants (including the order of names of joint holders) (b) DP ID (c) Beneficiary account number or any other relevant details pertaining to the Depository Account.

### **Restriction on Acceptance of the Third Party Payments for Subscription of units of Schemes of LIC Nomura Mutual Fund**

LIC Nomura Mutual Fund Trustee Company Pvt. Ltd., the Trustee to LIC Nomura Mutual Fund, has decided to restrict the acceptance of Third Party Payments with effect from 15<sup>th</sup> November, 2010 (Effective Date), in order to comply with AMFI (Association of Mutual Funds in India) best practices guidelines on 'Risk mitigation process against Third-Party Instruments for mutual fund subscriptions' and also to enhance compliance with 'Know Your Customer (KYC)' norms under the Prevention of Money Laundering Act, 2002 ((PMLA).

1. LIC Nomura Mutual Fund Asset Management Company Ltd. ("AMC") / LIC Nomura Mutual Fund ("Mutual Fund"), shall not accept applications for subscription of units accompanied with Third Party Payments from the Effective Date, except in cases as enumerated in para 2.A below. When payment is made through instruments issued from an account other than that of the beneficiary investor, the same is referred to as **Third Party Payment**. It is clarified that in case of payments from a joint bank account, the first holder of the mutual fund folio has to be one of the joint holders of the bank account from which payment is made.

**2.A** AMC shall not accept subscriptions with Third Party Payments except in the following exceptional cases:-

(i) Payment by Parents/Grand-Parents/Related Persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding INR 50,000/- (each regular purchase or per SIP installment). However, this restriction will not be applicable for payment made by a guardian whose name is registered in the records of Mutual Fund in that folio.

(ii) Payment by Employer on behalf of employee under Systematic Investment Plans through Payroll deductions.

(iii) Custodian on behalf of an FII or a client.

**2.B** Investors submitting their applications through the above mentioned 'exceptional cases' are required to comply with the following, without which applications for subscription of units will be rejected / refunded / not processed:-

(i) Mandatory KYC for all investors (guardian in case of minor) and the person making the payment i.e. Third Party. In order for an application to be considered as valid, investors and the person making the payment should attach their valid KYC Acknowledgement Letter to the application form.

(ii) Submission of a separate, complete and valid '**Third Party Declaration Payment Form**' from the investors (guardian in case of minor) and the person making the payment i.e. Third Party. The said Declaration Form shall, inter-

alia, contain the details of the bank account from which the payment is made and the relationship with the investor(s). For Declaration Form, please contact any of Investor Service Centers (ISCs) of LIC Nomura Mutual Fund or visit our website [www.licnomuramf.com](http://www.licnomuramf.com).

3. The Mutual Fund shall adopt the following process to ascertain whether payments are Third Party Payments and investors are therefore required to comply with the following:-

**a) Source of Funds – if paid by cheque**

An investor at the time of his/her purchase must provide the details of his pay-in-bank account (i.e. account from which a subscription payment is made) and his pay-out bank account (i.e. account into which redemption / dividend proceeds are to be paid).

Identification of third party cheques by the AMC / Mutual Fund / Registrar & Transfer Agent (RTA) will be on the basis of either matching of pay-in bank account details with pay-out bank account details or by matching the bank account number / name / signature of the first named applicant / investor with the name / account number / signature available on the cheque. If the name is not pre-printed on the cheque or signature on the cheque does not match, then the first named applicant / investor should submit any of the following documents.

(i) a copy\* of the bank pass-book or a statement of bank account having the name and address of the account holder and account number.

(ii) a letter \*\* (in original) from the bank on its letterhead certifying that the investor maintains an account with the bank, along with information like bank account number, bank branch, account type, the MICR Code of the branch & IFSC Code (where available)

\* Investors should also bring the original documents along with the documents mentioned in (i) above to the ISCs of LIC Nomura Mutual Fund for verification purpose to the satisfaction of the AMC / Mutual Fund / RTA and the same will be returned to the investors after due verification.

\*\* In respect of (ii) above, it should be certified by the bank manager with his / her full signature, name, employee code, bank seal and contact number.

Investors should note that where the bank account numbers have changed on account of the implementation of the core banking system at their banks, any related communication from the bank towards a change in bank account number should accompany the application form for subscription of mutual fund units.

The Mutual Fund has also provided a facility to the investors to register multiple bank accounts. By registering multiple bank accounts, the investors can use any of the registered bank accounts to receive redemption / dividend proceeds. These account details will be used by the AMC / Mutual Fund / RTA for verification of instruments used for subscription to ensure that third party payments are not used for mutual fund unit subscription, except where permitted in 2.A above. Investors are requested to avail the facility of registering multiple bank accounts by filling in the Application Form for registration of Multiple Bank Accounts available at Investor Service Centers (ISCs) of LIC Nomura Mutual Fund or visit our website [www.licnomuramf.com](http://www.licnomuramf.com)

**b) Source of funds – if funded by pre-funded instruments such as Pay Order, Demand Draft, Banker's Cheque etc**

Investors should attach a Certificate (in original) from the issuing banker with the purchase application, stating the Account holder's name and the Account Number which has been debited for issue of the instrument. The said certificate should be duly certified by the bank manger with his/her full signature, name, employee code, bank seal and contact number. The account number mentioned in the Certificate should be a registered bank account or the first named applicant / investor should be one of the account holders to the bank account debited for issue of such instruments

**(c) Source of funds – if paid by a pre-funded instrument issued by the Bank against Cash**

The AMC/ Mutual Fund / RTA will not accept any purchase applications from investors, if accompanied by a pre-funded instrument issued by a Bank against cash for investments of INR50,000/- or more. The investor shall submit a Certificate (in original) obtained from the bank giving name, address and PAN (if available) of the person who has requested for the payment instrument. The said Certificate should be duly certified by the bank manager with his / her full signature, name, employee code, bank seal and contact number. The AMC / Mutual Fund / RTA will check that the name mentioned in the Certificate matches with the first named investor.

**( d ) Source of funds – if paid by RTGS, Bank Account-to-Account Transfer, NEFT, ECS etc.**

Investors shall attach to the purchase application form, an acknowledgement copy of the instruction to the bank also stating the account number debited. The account number mentioned on the transfer instruction copy should be a registered bank account or the first named applicant / investor should be one of the account holders to bank account debited for such electronic transfer of funds.

The above broadly covers various modes of payment and is not a complete list. The same is only indicative in nature and not exhaustive. Any other method of payment introduced in future by the mutual fund will also be covered under the aforesaid provisions.

4. In order to prevent frauds and misuse of payment instruments, the investors are mandated to make the payment instrument (cheque, demand draft, pay order etc.) favouring either of the following (investors are urged to follow the order of preference in making the payment instrument favouring as under):

1. "XYZ Scheme A/c Permanent Account Number "
2. "XYZ Scheme A/c First Investor Name"

5. Investors transacting through MFSS / BSE StAR MF Platform under the electronic order and collection system for schemes which are unlisted and Stock Exchange(s) for the listed schemes will have to comply with norms / rules as prescribed by Stock Exchange(s).

In case the application for subscription does not comply with the above provisions, the AMC/Trustee retains the sole and absolute discretion to reject / not process such application and refund the subscription money and shall not be liable for any such rejection.

**The Trustee reserves the right to modify the aforesaid requirements at their sole discretion. All other terms and conditions of the Statement of Additional Information will remain same.**

**BANK DETAILS:**

**1) Pay -Out Bank Account Details:** An investor at the time of his/her purchase of units must provide the details of his / her pay-in (i.e. account from which a subscription payment is made) and payout bank account (i.e. account into which redemption / dividend proceeds are to be paid).

**2) Change in Bank Details:** In order to protect the interest of Unit holders from fraudulent encashment of redemption / dividend cheques, SEBI has made it mandatory for investors to provide their bank details viz. name of bank, branch, address, account type and number, etc. to the Mutual Fund. Applications without complete bank details shall be rejected. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques / warrants and / or any delay / loss in transit.

Unit holders are free to change their bank details registered with the Mutual Fund subject to adherence with the following procedure:

(i). Unit holders will be required to submit a valid request for a change in bank account details along with a cancelled original cheque leaf of the new bank account as well as the bank account currently registered with the Mutual Fund (where the account number and first unit holder name is printed on the face of the cheque). Unit holders should without fail cancel the cheque and write 'Cancelled' on the face of it to prevent any possible misuse.

(ii). Where such name is not printed on the original cheque, the Unit holder may submit a letter from the bank on its letterhead certifying that the Unit holder maintains/maintained an account with the bank, the bank account information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available).

(iii). In case of non-availability of any of these documents, a copy of the bank pass book or a statement of bank account having the name and address of the account holder and account number.

(In respect of (ii) and (iii) above, they should be certified by the bank manager with his / her full signature, name, employee code, bank seal and contact number)

(iv) Unit holders may also bring a copy of any of the documents mentioned in (iii) above along with the original documents to the ISCs/Official Points of acceptance of LIC Nomura Mutual Fund. The copy of such documents will be verified with the original documents to the satisfaction of LIC Nomura Mutual Fund. The originals documents will be

returned across the counter to the Unit holder after due verification. In the event of a request for change in bank account information being invalid /incomplete / not satisfactory in respect of signature mismatch/document insufficiency/not meeting any requirements more specifically as indicated in clauses (i) - (iv) above, the request for such change will not be processed. Redemptions / dividend payments, if any, will be processed and the last registered bank account information will be used for such payments to Unit holders. Unit holders may note that it is desirable to submit their requests for change in bank details atleast 7 days prior to date of redemption / dividend payment, if any. Further, in the event of a request for redemption of units being received within seven days of a request for change in bank account details, the normal processing time as specified in the Scheme Information Document, may not necessarily apply, however it shall be within the regulatory limits. Unit holders are advised to provide their contact details like telephone numbers, mobile numbers and email IDs to LIC Nomura Mutual Fund in writing.

The Trustee reserves the right to amend the aforesaid requirements.

**3. Multiple Bank Account Registration:** The Mutual Fund has also provided a facility to the investors to register multiple bank accounts. By registering multiple bank accounts, the investors can use any of the registered bank accounts to receive redemption / dividend proceeds. These account details will be used by the AMC/ Mutual Fund /R&TA for verification of instrument used for subscription to ensure that a third party payment instrument is not used for mutual fund subscription, except as cases mentioned above. Investors are requested to avail the facility of registering multiple bank accounts by filling in the 'Multiple Bank Accounts Registration Form' available at our Investor Service Centers (ISCs) or on our website [www.licnomuramf.com](http://www.licnomuramf.com).

**4. Indian Financial System Code (IFSC) :** IFSC is a 11 digit number given by some of the banks on the cheques. IFSC will help to secure transfer of redemption and dividend payouts via the various electronic modes of transfers that are available with the banks.

**Pursuant to the AMFI Circular No. 135/BP/20/10-11 dated February 9, 2011 and No.135/BP/22/10-122 dated March 31, 2011 on implementation of standardized procedures with regard to investments by minor and change in status of minor on attaining majority, change in guardian, registration of nominee and transmission of units, the following changes will be applicable to schemes of LIC Nomura Mutual Fund with effect from April 1, 2011.**

#### **I) "On Behalf of Minor" Accounts**

- 1) The minor shall be the first and the sole holder in an account. There shall not be any joint accounts with minor as the first or joint holder.
- 2) Guardian in the folio on behalf of the minor should be a natural guardian (i.e. father or mother) or a court appointed legal guardian and should mandatorily submit requisite documentation to the AMC evidencing the relationship/status of the guardian.
- 3) Date of Birth of the minor along with photocopy of supporting documents viz. Birth Certificate, School Leaving Certificate, Passport or any other document evidencing the date of birth of the minor should be mandatorily provided while opening the account.

#### **II) Minor Attaining Majority - Status Change**

- 1) The AMC/Registrar will send advance notice to the registered correspondence address advising the guardian and the minor to submit an application form along with prescribed documents to change the status of the account from "minor" to "major".
- 2) The guardian cannot undertake any financial and non-financial transactions including fresh registration of Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) after the date of the minor attaining majority till the time the above application form along with the prescribed documents are received by the AMC / Registrar.
- 3) In case of existing standing instructions like SIPs, SWPs and STPs registered prior to the minor attaining majority, the AMC / Registrar shall send an advance notice to the registered correspondence address advising the guardian and the minor that the existing standing instructions will continue to be processed beyond the date of the minor attaining majority till the time a instruction from the major to terminate the standing instruction is received by the mutual fund along with the prescribed documents. Such instructions to terminate the standing instruction shall be terminated within 30 days from the date of receiving the instruction.

### **III) Change in Guardian**

In case of change in guardian, the new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian and such guardian shall mandatorily submit prescribed documentation to the AMC evidencing the relationship/status of the guardian, proof of KYC compliance, attestation from the bank maintaining the minor's account where the new guardian is registered as the guardian etc.

### **IV) Nomination Facility**

- 1) Nomination will be mandatory for new folio(s)/accounts opened by individuals with sole/single holding
- 2) Investors who do not wish to nominate must sign separately confirming their non-intention to nominate.
- 3) In case of joint holdings, in a folio, all joint holders will be required to sign the request for both nomination/cancellation of nomination, irrespective of the mode of holding. Nomination form cannot be signed by the Power of Attorney (PoA) holders.
- 4) The facility to nominate will not be available in a folio held on behalf of a minor.

### **V) Transmission Facility**

- 1) In case of transmission of units, the claimant(s) of units will be required to submit the prescribed documents as may be applicable. Investors may refer to our website [www.licnomuramf.com](http://www.licnomuramf.com) for various documents required under different transmission scenarios.
- 2) In case of transmission of units to a claimant who is a minor, the prescribed documents like PAN, KYC, Bank Details, Indemnity etc of the guardian (father/mother/court appointed guardian) will be required.
- 3) If the amount involved in transmission exceeds Rs.1 lakh, the AMC/Mutual Fund may, on a case-to-case basis, seek additional documents from the claimant(s) of units.

### **Introduction of New Transaction Platform – National Stock Exchange Mechanism**

In furtherance of SEBI facilitating transactions in Mutual Fund schemes through the stock exchange infrastructure vide SEBI Circular SEBI/IMD/CIR No.11/183204/2009 dated November 13, 2009, LIC NOMURA MF AMC Ltd. is offering an alternate transaction platform to facilitate purchase / subscription and redemption / repurchase of units of some of its schemes viz. LIC NOMURA MF Balanced Fund, LIC NOMURA MF Equity Fund, LIC NOMURA MF Growth Fund, LIC NOMURA MF Children's Fund, LIC NOMURA MF Index Fund – Sensex Plan, LIC NOMURA MF Index Fund – Nifty Plan and LIC NOMURA MF Index Fund – Sensex Advantage Plan through the National Stock Exchange of India Limited (NSE) – Mutual Fund Services System (MFSS). Under MFSS, Trading Member of NSE can facilitate investors to subscribe and redeem the mutual fund units using their existing network and order collection mechanism provided by NSE. For further details contact of our Area Offices, Business Centers, RTA and ISCs.

### **Option to hold in Demat Form:**

Pursuant to SEBI Circular Ref.CIR/IMD/DF/10/2010 dated August 18, 2010, it was clarified by way of addendum that units of mutual fund schemes, wherein an option to hold units either in physical or demat form is available, shall be freely transferable, if held in demat form.

As a compliance to SEBI circular ref. CIR/IMD/DF/9/2011 dated May 19, 2011, the investors are provided an option with effect from October 1, 2011 to receive allotment of Mutual Fund units in their demat account while subscribing to any open ended/close ended/interval scheme (except for LIC Nomura MF Unit Linked Insurance Scheme and daily/weekly/fortnightly dividend options under all schemes) and accordingly, an option to the investors to mention demat account details in the subscription form, in case they desire to hold units in demat form, shall also be provided.

Further, as a compliance to SEBI's letter ref IMD/30962/2011 dated 29<sup>th</sup> September 2011, the investors are provided an option with effect from January 01, 2012 to receive allotment of Mutual Fund units in their demat account while subscribing to any open ended/close ended/interval scheme (except for LIC Nomura MF Unit Linked Insurance Scheme and daily/weekly/fortnightly dividend options under all schemes) for SIP (Systematic Investment Plan) transactions also, however, the units will be allotted based on the applicable NAV as per Scheme Information Document and will be credited to investors Demat Account on weekly basis on realization of funds.

However, investors may note that the units credited under the ISINs identified as LIC NOMURA MF Tax plan, in the depository system and allotted through Stock Exchange Order Entry Platform shall be locked-in for a period of three years from the date of allotment of units.

In respect of units which are allotted other than through Stock Exchange Order Entry Platform under the ISINs identified as the aforesaid Plan, the lock-in will be incorporated at the time of crediting the units to the beneficiary owner account of the investor by executing corporate action or conversion of statement of account or any other mechanism.

The settlement start date (i.e. order entry date) as informed by the stock exchange to the depository for the relevant market type and settlement number from which the credit of units under aforesaid plan will be effected to the beneficial owner account of an investor will be considered as the date of allotment for the purpose of computation of three years lock-in period by the depository.

#### **Deduction of Transaction Charges for investments through Distributor / Agents**

SEBI has allowed Asset Management Companies (AMCs) to deduct transaction charges per subscription of INR10,000/- and above, vide its Circular No. Cir/IMD/DF/13/2011 dated August 22, 2011.

In accordance with said circular, the AMC/Mutual Fund shall deduct Transaction Charges on purchase / subscription received from first time mutual fund investor and investor other than the first time mutual fund investor through the distributor / agent (**who have opted to receive the transaction charges**) as under.

**(i) First Time Mutual Fund Investor (across Mutual Funds):** Transaction charge of INR 150/- for subscription of INR 10,000/- and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor and the balance shall be invested.

**(ii) Investor other than First Time Mutual Fund Investor:** Transaction charge of INR 100/- for subscription of INR 10000/- and above will be deducted from the subscription amount and paid to the distributor/agent of the investor and balance shall be invested.

However transaction charges in case of investments through Systematic Investment Plan (SIP) shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to INR 10,000/- or more. The Transaction Charges shall be deducted in 3-4 installments.

In partial modification to SEBI circular no. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, distributors shall have also the option to either opt in or opt out of levying transaction charge based on type of the product.

#### **(iii) Transaction Charges shall not be deducted for:**

- (a) Purchase / Subscription for an amount less than INR 10,000/-
- (b) Transaction other than purchase/subscription relating to new inflows such as Switch/STP/DTP etc.
- (c) Purchases/subscriptions made directly with the Fund (i.e. not through any distributor/agent).
- (d) Purchases/subscriptions carried out through NSE MFSS (or through other stock exchange platform(s)) added from time to time.

#### **Consolidated Account Statement:**

Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, consolidated account statement for each calendar month, effective from October 1, 2011, shall be issued, on or before tenth day of succeeding month, detailing all the transactions and holding at the end of the month including transaction charges paid to the distributor, across all schemes of all mutual funds, to all the investors in whose folios transaction has taken place during that month.

Further, a consolidated account statement every half yearly (September/ March) shall be issued, on or before tenth day of succeeding month, detailing holding at the end of the six month, across all schemes of all mutual funds, to all such investors in whose folios no transaction has taken place during that period.

Common investor across fund houses shall be identified by their permanent account number for the purposes of sending consolidated account statement.

The units to the applicant whose application has been accepted shall continue to be allotted and also confirmation specifying the number of units allotted shall continue to be sent to the applicant by way of email and/or SMS's to the applicant's registered email address and/or mobile number as soon as possible but not later than five working days from the date of closure of the initial subscription list and/or from the date of receipt of the request from the unitholders.



For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail.

The unitholder may request for a physical account statement by writing/calling the Registrar & Transfer Agent at 18002002267 (toll free no.)

**Explanation:** - the word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.

#### **IV. RIGHTS OF UNITHOLDERS OF THE SCHEME**

1. Unitholders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be dispatched within 30 days of the declaration of the dividend. Account Statement reflecting the new or additional subscriptions as well as Redemption / Switch of Units shall be dispatched to the Unitholders within 10 business days of the Specified Redemption Date. Provided if a Unitholder so desires the Mutual Fund shall issue a Unit Certificate (non-transferable) within 30 days of the receipt of request for the certificate.<sup>9</sup>
3. The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the Redemption request.<sup>9</sup>
4. The Trustee is bound to make such disclosures to the Unitholders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
5. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unitholders of the Scheme.
6. 75% of the Unit holders of a Scheme can pass a resolution to wind-up a Scheme.
7. The Trustee shall obtain the consent of the Unit holders:
  - whenever required to do so by SEBI, in the interest of the Unit holders
  - whenever required to do so if a requisition is made by three-fourths of the Unit holders of the Scheme
  - when the Trustee decides to wind up the Scheme or prematurely redeem the Units
  - The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders, shall be carried out unless:
    - (i) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
    - (ii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
8. In specified circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of postal ballot or such other means as may be approved by SEBI.

#### **Disclosures:**

##### **1. Monthly Portfolio Disclosures:**

Mutual funds/AMCs shall disclose portfolio (along with ISIN) as on the last day of the month for all their schemes on their respective website on or before the tenth day of the succeeding month in a user-friendly and downloadable format (preferably in a spreadsheet) in the format as that of half-yearly portfolio disclosures.

##### **2. Half Yearly Financial Results**

As per substituted Regulation 59, a mutual fund and asset management company shall:-

(1) A mutual fund and asset management company shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on their website:

Provided that the half-yearly unaudited report referred to in this subregulation shall contain details as specified in Twelfth Schedule and such other details as are necessary for the purpose of providing a true and fair view of the operations of the mutual fund.

(2) A mutual fund and asset management company shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated.

**Applicability of NAV:**

In partial modification to SEBI circular no. SEBI/IMD/CIR No. 11/142521/08 dated October 24, 2008 and Cir/IMD/DF/19/2010 dated November 26, 2010, in respect of purchase of units of mutual fund schemes (other than liquid schemes), the closing NAV of the day on which the funds are available for utilization shall be applicable for application amount equal to or more than 2 lakh, irrespective of the time of receipt of such application.

As per AMFI Best Practice Circular No.135/BP/35/2012-13 dated February 18, 2013, the following practice of aggregating split transactions shall be followed and accordingly applicable NAV is followed which will be effective from March 4, 2013 and are subject to AMFI/SEBI guidelines as amended from time to time:

1. All transactions received on the same day (as per cut off timing and time stamping rules).
2. Aggregation of transactions shall be applicable to all open- ended schemes (except LIC NOMURA MF Liquid Fund) of the fund.
3. Transactions shall include purchases, additional purchases, excluding Switches, SIP/STP and triggered transactions.
4. Aggregations shall be done on the basis of the investor's PAN. In case of joint holding, transactions with similar holding structures to be aggregated.
5. All the transactions shall be aggregated where the investor holding pattern in same as stated above or below Rs 2.00 lacs.
6. Only transactions in the same scheme shall be clubbed. This will include transactions at option level (Dividend, Growth, and Direct).
7. Transactions in the name of minor received through guardian shall not be aggregated with the transactions in the name of same guardian.

## **V. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS**

### **PROCEDURE FOR TAKING INVESTMENT DECISIONS -4-**

#### **Background**

The Eighth Schedule to the Securities and Exchange Board of India (SEBI) Mutual Funds Regulations, 1996, together with various circulars issued by SEBI from time to time, prescribed the norms, methodology and guiding principles for valuation of investments held by Mutual Fund schemes. Valuation of securities was done in conformity with these valuation norms.

SEBI, vide Gazette Notification No. LAD-NRO/GN/2011-12/38/4290 dated February 21, 2012, has brought about certain amendments to Regulations 25 and 47 and to the Eighth Schedule to the Securities and Exchange Board of India (SEBI) Mutual Funds Regulations, 1996. The key highlights of these amendments are as below:

The valuation of investments should be based on the principles of fair valuation i.e. valuation shall be reflective of the realizable value of the securities/assets. The valuation should be done in good faith and in a true and fair manner, through appropriate valuation policies and procedures.

(b) The policies and procedures should identify the methodologies that will be used for valuing each type of security / asset held by the mutual fund schemes.

(c) Investment in new type of securities/assets by the mutual fund schemes should be made only after establishment of the valuation methodologies for such securities with the approval of the Investment and Valuation Committee.

(d) The assets held by mutual funds should be consistently valued according to policies and procedures.

(e) The valuation policies approved by the board of the Asset Management Company should seek to address conflict of interest.

(f) The guidelines and procedures should describe the process to deal with exceptional events, where market quotations are no longer reliable for a particular security.

(g) The policies need to be approved by the Board of the Asset Management Company.

(h) The valuation policies need to be periodically reviewed to ensure appropriateness and accuracy of the methodologies used and its effective implementation in valuing the securities/assets. Board of the Trustee Company and Board of the Asset Management Company should be updated on the outcome of the review, at appropriate intervals.

(i) The valuation policies, guidelines and procedures may be reviewed at least once in a financial year, by an independent auditor, to assess and confirm their continued appropriateness.

(j) The Asset Management Company and the sponsor of the mutual fund will be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investors as a result of inappropriate valuation.

While the amended regulations mandate AMCs to establish valuation policies and procedures, it also allows the AMC to deviate from these policies and procedures, where it is necessary and expedient to do so, to ensure a true and fair valuation. Accordingly, in the event of a conflict between the principles of fair valuation and valuation guidelines, the principles of fair valuation shall prevail.

### **Valuation Methodology**

The standard valuation methodology for valuing each type of security/asset is explained in Annexure 1.

The methodology adopted for valuation of securities/assets is drawn in conformance with the principles of fair valuation and the SEBI Valuation Guidelines and valuation is done in good faith, in a true and fair manner, to reflect the realizable value of the security/asset.

Any changes to the valuation policy, procedures and methodology set out in Annexure I, would be progressive and prospective, with a view to fine-tune the valuations, so as to align with the guiding principles of fair valuation.

All assets held by the Fund shall be consistently valued according to the defined valuation methodology. Where it is observed that the methodology as per Annexure 1 does not lead to fair valuation of securities / assets, the Investment and Valuation Committee may, on a prospective basis, deviate from the defined methodology and adopt alternate procedures/methods to arrive at the fair value. The rationale for any such deviations would be recorded in writing and placed before the Board of Directors of the Trustee Company and the Asset Management Company and appropriate disclosures to the investors would be made.

Investments in any new type of securities/assets by the mutual fund scheme would be made only after establishment of the valuation methodologies for such securities/ assets, with the approval of the Investment and Valuation Committee.

### **Annexure-1 SECURITY VALUATION & INTERSCHEME TRANSFERS**

<b>Asset</b>	<b>Particulars</b>	<b>Method of Valuation</b>
<b>Equity and Equity related instruments</b>	Traded	<ol style="list-style-type: none"> <li>1. To be valued at the last quoted closing price on the exchange in which the security is listed.</li> <li>2. Where the security is listed on more than one exchange, the valuation will be at the last quoted price on primary exchange. (Primary exchange being NSE)</li> <li>3. When on a particular valuation day, a security has not been traded on the primary stock exchange; the value at which it is traded on another stock exchange will be used.</li> <li>4. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the primary stock exchange or any other stock exchange as the case may be on the earliest previous days may be used</li> </ol>

		provided such date is not more than 30 days prior to the valuation date.
	Non-Traded/unlisted	<p><b>a. Equity Shares:</b> Valuation price will be in accordance with the norms prescribed, i.e. valuation will be computed on the basis of average of book value and the price computed on the basis of the PE ratio (after appropriate discount to industry PE), further discounted for illiquidity.</p> <p><b>b. Preference Shares:</b> Intrinsic value will be considered</p> <p><b>c. Equity Warrants / Rights entitlement / partly paid up rights shares/convertible debentures:</b> Valuation price will be arrived, after applying appropriate discount (valuation committee delegated the power to decide the discount factor), after reducing the exercise price / issuance price from the closing price of the underlying cash equity security.</p> <p><b>d. Demerger:</b> Where at least one resultant company is not immediately listed, valuation price will be worked out by using cum-price, before demerger reduced for quoted price of the listed resultant company(s). OR In case of a demerger pending listing, the resultant company/ies shall be valued at the intrinsic value arrived at on the date of corporate action</p>
	Thinly traded	<p>Valuation will be computed on the basis of average of book value and the price computed on the basis of the PE ratio (after appropriate discount to industry PE), further discounted for illiquidity.</p> <p>Definition of thinly traded equity/ equity related security: When trading in an equity/equity related security in a calendar month is both less than Rs. 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security for valuation in next month.</p> <p><b>Note:</b> If during that month, trades in the security exceed the limit, the market price may be considered for valuation.</p>
<b>Futures &amp; Options</b>		To be valued at the settlement price
<b>Fixed Income &amp; Related securities</b>	Traded/No-traded/Thinly Traded	<p><b><u>With Residual maturity more than 60 days</u></b> It would be valued at the average of the prices provided by the agencies nominated by AMFI (currently CRISIL and ICRA.).</p> <p>For new securities or first purchase, for which prices are not available in the valuation files provided by the agencies, such securities will be valued at cost plus accruals / amortization till the prices are provided by CRISIL and ICRA.</p> <p>In case put or call option is exercised and is not factored in the files provided by ICRA and CRISIL, we may deviate from the prices provided for the security and it will be valued as per the points mentioned below:</p>

		<p>◆When the Option is exercised and residual maturity is less than or equal to 60 days, the security will be valued as per the methodology for debt securities with residual upto 60 days.</p> <p>◆When the Option is exercised and residual maturity is more than 60 days, the security will be valued as advised by the valuation committee.</p> <p>Any Adjustment for illiquidity premium/discount would be as per the discretionary limits and as per the SEBI MF regulations and any changes suggested by SEBI from time to time.</p> <p><b><u>With residual maturity upto 60 days</u></b></p> <p>To be amortised on SLB to maturity from cost or last valuation price whichever is more recent, provided the amortised price remains within <math>\pm 0.10\%</math> of the reference price. The spread between the purchase yield &amp; benchmark yield would be fixed on the date of purchase. This spread would remain fixed through the life of the instrument &amp; would be changed only if there is justification for the change. The yield at which the security would be amortised will be the benchmark yield adjusted to the spread. Where the variation exceeds the limit, the yield to maturity of the security will have to be adjusted in order to bring the price within the <math>\pm 0.10\%</math> limit.</p> <p>Reference price to be arrived based on benchmark yield matrix provided by CRISIL and ICRA.</p> <p>In case of subsequent trades by the fund in the same security, the valuation will reflect the most recent trade as long as the trade is of market lot (Rs. 5 crore or more). The security such valued would be amortised to maturity with such amortised prices to be in line with <math>\pm 0.10\%</math> of the reference price as above.</p>
<b>Central Government securities and State Government Securities</b>		Would be valued at the average of the prices provided by the agencies nominated by AMFI (currently CRISIL & ICRA) on a daily basis
<b>Units of Mutual Fund</b>		Will be valued at the last available NAV
<b>Fixed Deposits CBLO/ Reverse Repo Bill Rediscounting</b>		Will be valued at cost plus accruals / amortization

#### **INTERSCHEME TRANSFERS OF EQUITY AND EQUITY RELATED INSTRUMENTS**

Any Interscheme transfer of Equity and Equity related instruments shall be valued at the prevailing spot market price for the quoted instrument at the time the transfer is effected

#### **INTERSCHEME TRANSFERS OF DEBT & MONEY MARKET INSTRUMENTS**

Any Interscheme transfer of debt & money market security shall be valued at current market prices provided the security satisfies the below mentioned criteria.

#### **Criteria for valuation of Interscheme transfers**

1) For securities with maturity > 1 year- Weighted average yield of same/similar securities traded on public platform prior to the execution of the Interscheme transfer provided there are atleast 2 trades aggregating to Rs.25 Crores or more . Else previous day valued price to be considered.

2) For securities having maturity upto equal to 1 year-The weighted-average yield of same/similar security traded on a public platform, provided there are atleast 3 trades aggregating to Rs.100 crores or more. Else previous days price to be considered. 3) If there is a trade by scheme of LIC Nomura Mutual Fund in marketable lot with the outside counter party, the traded price. Where both the market and the AMC trades qualify, market trade will be considered for the traded price.

For the purpose of valuation, similar security shall be identified by the following means:

**Step 1**

1. Same issuer with maturity date within + /- 5 days for securities with residual maturity <= 91 days and within + /-30 days for securities with residual maturity > 91 days of security shall be considered first. If no such instance is available, then Step 2 shall be followed.

**Step 2**

2. Similar security from a different issuer within the same category (PSU Bank, Private Bank or Financial Institution etc.) and similar credit rating (both Short term and long term), with maturity date within + / - 5 days for securities with residual maturity <= 91 days and within + /-30 days for securities with residual maturity > 91 days, provided the maturity dates are within the same calendar quarter.

## **ACCOUNTING POLICIES AND STANDARDS**

### **1.1. Basis of Accounting**

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (the "Regulations") and amendments thereto, as applicable.

### **1.2. Revenue Recognition**

- i. Dividend income is recognized on ex-dividend date for quoted shares and for unquoted shares dividend income is recognized on the date of declaration.
- ii. Interest on investment is accounted for on accrual basis except for penal interest which is accounted on cash basis.
- iii. The Scheme uses the weighted average cost method for determining the realized gain or loss on sale of investments.
- iv. Income recognition for Non-Performing Assets is in accordance with the "Guidelines for Identification and Provisioning for Non-Performing Assets (Debt Securities) for Mutual Funds" as issued by SEBI.

### **1.3. Expenses**

- i. All expenses are accounted on accrual basis.
- ii. Expenses not identifiable with any particular scheme are allocated to the scheme in proportion to their average net assets.

### **1.4. Investments**

#### **a) Accounting for Securities Transactions**

- i. Purchase and sale of securities are accounted on trade dates.
- ii. The cost of investment includes brokerage, stamp charges and any charge customarily included in the broker's note.  
Front end fee received relating to privately placed debt instruments is reduced from the cost of such investment.

- iii. Bonus entitlements are recognized as investments on the ex-bonus date.
- iv. Rights entitlements are recognized as investments on the ex-rights date.
- v. In respect of purchase/sale of interest bearing investments, accrued interest (broken period interest) receivable/payable is debited / credited to interest recoverable account and not added to or deducted from the cost of investment.
- vi. An investment is regarded as Non-Performing Asset (NPA), if the interest/principal amount is outstanding for a period exceeding 90 days from the day such income/installment has fallen due.

#### 1.5. Others

In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds ('the Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI) (pursuant to the Eleventh Schedule to the SEBI Regulations), the net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in the net unrealised loss, if any, between two balance sheet dates is recognised in the revenue account and the change in net unrealised gain, if any, is adjusted in an unrealised appreciation reserve. The net unrealised appreciation is reduced from the distributable income at the time of income distribution.

## VI. TAX & LEGAL & GENERAL INFORMATION

### A. TAXATION

As per the taxation laws in force at the date of this document, the tax benefits that are available to the investors are stated below. This information is provided for only general information purpose. Each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the scheme.

#### 14.

### FOR DEBT SCHEMES

#### Income Tax

#### *Income Distributed by the Mutual Fund*

Income received, otherwise than on transfer, in respect of units of a Mutual Fund is exempt from tax under Section 10(35) of the Income Tax Act, 1961 (the Act) in the hands of the investors.

Under Section 115R of the Act, where the income is distributed to the unit holders, the Mutual Fund is required to pay additional tax on the income distributed by it, as under:-

A) In case of other than an equity oriented fund, not being a money market mutual fund or a liquid fund, including infrastructure debt fund,

i) @ 12.5% (plus applicable surcharge, education cess and secondary and higher education cess) on income distributed to individual/HUF unitholders from 1st April 2013 to 31st May 2013;

ii) @ 25% (plus applicable surcharge, education cess and secondary and higher education cess) on income distributed to individuals and HUFs from 1st June 2013 onwards;

iii) @ 30% (plus applicable surcharge, education cess and secondary and higher education cess) on income distributed to persons other than individuals and HUFs and

iv) @ 5% (plus applicable surcharge, education cess and secondary and higher education cess) on income distributed to a non resident by an Infrastructure Debt Fund from 1st June 2013 onwards.

B) In case of other than equity oriented fund, being a money market mutual fund or liquid fund

i) @ 25% (plus applicable surcharge, education cess and secondary and higher education cess), on income distributed to individuals and HUF unitholders;

ii) @ 30% (plus applicable surcharge, education cess and secondary and higher education cess) on income distributed to persons other than individuals and HUFs.

C) The expression “money market mutual fund” is defined in Explanation (d) to section 115T of the Act to mean a money market mutual fund as defined in sub clause (p) of clause (2) of the Securities and Exchange Board of India ( Mutual Funds) Regulations, 1996.

D) The expression “liquid fund” is defined in Explanation (e) to section 115T of the Act to mean a scheme or a plan of a mutual fund which is classified by the Securities and Exchange Board of India as a liquid fund in accordance with the guidelines issued by it in this behalf under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder.

E) The expression “ infrastructure debt fund” has been defined under the Securities and Exchange Board ( Mutual Fund ) Regulations, 1996 to mean a scheme which invests minimum of 90% of scheme assets in debts securities or securitized debt instruments of infrastructure companies, infrastructure capital companies, infrastructure projects, special purpose vehicles or other permissible assets in accordance with the regulations or bank loans in respect of completed and revenue generating projects of infrastructure companies or projects or special purpose vehicles.

### ***Tax deduction at source (All unitholders)***

In view of the exemption of income in the hands of the unitholders, no income-tax is deductible at source, on income distribution by the Mutual Fund on or after 1st April, 2003, under the provision of section 194K and 196A of the act. However, as per the section 196B of the act, tax is required to be withheld at the rate of 10.30% from dividend payable to and on long term capital gains arising on transfer of units purchased in foreign currency by an approved overseas financial organization under Section 115AB of the Act.

### **Capital Gains Tax**

#### ***Foreign Institutional Investors***

Long-term capital gains on sale of Units, held for a period of more than twelve months, would be taxed at the rate of 10% (plus applicable surcharge, education cess and secondary and higher education cess) under Section 115AD of the Act. Such gains would be calculated without indexation of cost of acquisition. Short-term capital gains would be taxed at 30% (plus applicable surcharge, education cess and secondary and higher education cess).

#### **Specified Overseas Financial Organisations**

As per the provisions of section 115AB of the Act, long-term capital gains arising on transfer of units purchased in foreign currency by specified overseas financial organizations( Offshore Funds) shall be liable to tax at the concessional rate of 10% (plus applicable surcharge, education cess and secondary and higher education cess). However, such gains shall be computed without indexation of cost of acquisition.

Short-term capital gains would be taxed at 40% (plus applicable surcharge, education cess and secondary and higher education cess) in case of foreign companies and 30% (plus applicable surcharge, education cess, secondary and higher education cess) in case of others.

#### **Other Unitholders**

**Further, long term capital gains in the case of non residents arising on transfer of unlisted securities, held for a period of more than twelve months, computed without indexation of cost of acquisition and without taking benefit of foreign currency fluctuation under the first and second provisions of section 48 of the Act, would be taxable under Section 112(1)(c)(iii) of the Act @10% (plus applicable surcharge, education cess and secondary and higher education cess).**

Long term capital gains in the case of residents arising on transfer of units, held for a period of more than twelve months, will be chargeable under Section 112 of the Act, at concessional rates of tax, at 20% (plus applicable surcharge, education cess and secondary and higher education cess.) . The following amounts would be deductible from the full value of consideration, to arrive at the amount of long term capital gains:



- Cost of acquisition of Units as adjusted by Cost Inflation Index notified by the Central Government, and
- Expenditure incurred wholly and exclusively in connection with such transfer (excluding any sum paid on account of STT).

However, where the tax payable on such long-term capital gains, computed before indexation, exceeds 10% (plus applicable surcharge, education cess and secondary and higher education cess) of the amount of capital gains computed before indexation, such excess tax shall not be payable by the Unitholder at his option.

Where redemption of units is made during the minority of the child, capital gain thereon will be included in the hands of either of the parents, whose income is greater and tax will be levied in their hands. When the child attains majority, such tax liability will be on the child.

In case of resident Individuals and Hindu Undivided Families, where taxable income as reduced by long-term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to the flat rate of income-tax (plus applicable surcharge, education cess and secondary and higher education cess)

### ***All Unitholders***

Under the provisions of Section 94(7) of the Act, loss arising on sale of Units, which are bought within 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of the Unitholders to receive the income or additional units without any consideration, as the case may be) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

Under the provisions of Section 94(8) of the Act, where any person purchases units (original units) within a period of 3 months prior to the record date and such person is allotted additional units on the basis of holding of such original units, without any payment, and sells all or any of the original units within a period of 9 months after the record date while continuing to hold all or any of the additional units, then any loss arising on sale of the original units shall be ignored for the purpose of computing income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of purchase of the additional units as are held on the date of sale of the original units.

### ***Tax deduction at source Domestic Unitholders***

No income tax is deductible at source from income by way of capital gains under the present provisions of the Act.

### ***Foreign Institutional Investors***

Under Section 196D(2) of the Act, no deduction of tax shall be made from any income by way of capital gains, arising from transfer of securities referred to in Section 115AD of the Act.

### ***Specified overseas financial organisations***

As per the provisions of section 196B of the Act, long-term capital gains arising on transfer of units to specified overseas financial organizations (Offshore funds) purchased by them in foreign currency shall be liable to tax deduction at source at the rate of 10% (plus applicable surcharge, education cess and secondary and higher education cess.)

Short-term capital gains arising to such organisations shall be subject to tax deduction at source at 40% (plus applicable surcharge, education cess and secondary and higher education cess) in case of foreign companies and 30% (plus applicable surcharge, education cess and secondary and higher education cess) in case of others.

### ***Other Non-resident Unitholders***

The provisions of Section 195 of the Act may apply to non residents (other than Foreign Institutional Investors). Accordingly, in the case of a non resident (other than a foreign company) tax will be deducted at source at the rate of 30% (plus education cess and secondary and higher education cess) on short term capital gains (other than under

Section 111A of the Act), the rate of 15% (plus education cess and secondary and higher education cess) on short term capital gains referred to in section 111A and at the rate of 20% ( plus applicable surcharge, education cess and secondary and higher education cess) in the case of long term capital gains. In the case of foreign companies tax will be deducted at source on short term capital gains (other than under Section 111A of the Act) at the rate of 40% (plus applicable surcharge, education cess and secondary and higher secondary cess )and in the case of long term capital gains at the rate of 20% ( plus applicable surcharge, education cess and secondary and higher education cess ). Under Section 195(7) of the Act, with effect from 1<sup>st</sup> July 2012, a class of persons or cases is proposed to be specified and notified, wherein the appropriate proportion of sum chargeable to tax needs to be determined by the assessing officer. In case the transaction of sale of mutual fund units by a non-resident / class of persons is covered by such list, then an application would be required to be made to the assessing officer to determine the appropriate proportion of sum chargeable to tax on which tax is to be deducted at source

In accordance with the provisions of Circular no.728 dated October 30, 1995 issued by the Central Board of Direct Taxes ('CBDT'), in case of non-resident Unitholder who is a resident of a country with which India has signed a double taxation avoidance agreement ( DTAA ) which is in force ,the tax should be deducted at source under section 195 of the Act at the rate provided in the Finance Act of the relevant year or the rate provided in the said agreement, whichever is more beneficial to such non-resident Unitholder. However, such a non-resident Unitholder will be required to provide appropriate documents to the Mutual Fund, to be entitled to a beneficial rate under such DTAA. Under Section 90A(4) of the Act submission of tax residency certificate containing prescribed particulars will be a necessary though not sufficient condition for granting beneficial rate under the DTAA to a non resident.t

#### **Exemptions from long-term capital gains**

1. As per the provisions of section 54EC of the Act and subject to the conditions and investment limits specified therein, long-term capital gains arising on transfer of units shall not be chargeable to the tax to the extent such capital gains are invested, within a period of six months of such transfer, in acquiring specified bonds that are notified by the Central Government and remain so invested as specified.
2. As per the provisions of Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, long term capital gains arising on the transfer of a capital asset (not being a residential house) are not chargeable to tax if the entire net consideration is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer

#### **FOR EQUITY SCHEMES**

As per the taxation laws in force at the date of this document, the tax benefits that are available to the investors are stated below. This information is provided for only general information purpose. Each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the scheme.

#### **Tax Benefits to the Mutual Fund**

The Mutual Fund will receive all income by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest or any other income accruing or arising to it without any deduction of tax at source under the provisions of Section 196(iv) of the Act.

On Income distribution, if any, made by the Mutual Fund, additional income tax under proviso (b) to Section 115R of the Act, is not payable in the case of open-ended equity-oriented funds (i.e. a fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than 65% of the total proceeds of the Fund. The percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.)

#### **Tax Benefits to Unit holders**

##### **Income-tax**

##### **All Unit holders**

Income received, otherwise than on transfer, in respect of units of a mutual fund, including Units under the Scheme would be exempt from tax under Section 10(35) of the Act.

### **Tax Deduction at Source *All Unit holders***

No income tax is deductible at source, on any income distribution by the Mutual Fund under the provisions of Sections 194K and 196A of the Act.

### **Capital Gains Tax**

#### ***Foreign Institutional Investors***

Under Section 10(38) of the Act, long-term capital gains on sale of units of an equity oriented fund as defined in the said section and where the transaction of sale of such units is entered into on a recognized stock exchange in India and such transaction is chargeable to securities transaction tax, is exempt from tax. As per section 111A of the Act, short-term capital gains on sale of units of any equity oriented fund as defined in Section 10(38) of the Act where the transaction of sale is entered into on a recognised stock exchange in

India and such transaction is chargeable to securities transaction tax, will be subject to tax at a rate of 15% (plus applicable surcharge, Education Cess and Secondary and Higher Secondary Education Cess).

#### ***Other Unit holders***

Under section 10(38) of the Act, long-term capital gains on sale of units of an equity oriented fund as defined in the said section and where the transaction of sale of such units is entered into on a recognized stock exchange in India and such transaction is chargeable to securities transaction tax, will be exempt from tax.

Under Section 111A of the Act, short-term capital gains on sale of units of an equity oriented fund as defined in Section 10(38) of the Act and where the transaction of sale is entered into on a recognized stock exchange in India and transaction is chargeable to securities transaction tax, shall be subject to tax at a rate of 15 % (plus applicable surcharge, Education Cess and Secondary and Higher Secondary Education Cess). Further in the case of resident individuals and Hindu Undivided Families where taxable income as reduced by short-term capital gains, is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to the flat rate of income-tax (plus applicable surcharge Education Cess and Secondary and Higher Secondary Cess).

As per the provisions of Section 54EC of the Act and subject to the conditions and investment limits specified therein, capital gains arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

#### ***All Unit holders***

Under the provisions of Section 94(7) of the Act, loss arising on sale of Units, which are bought within 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of the Unit holders to receive the income or additional units without any consideration) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

Under the provisions of Section 94(8) of the Act, where any person purchases units ("original units") within a period of 3 months prior to the record date, and such person is allotted bonus units on the basis of holding the original units and sells all or any of the original units within a period of 9 months after the record date, while continuing to hold all or any of the bonus units, then any loss arising on sale of the original units shall be ignored for the purpose of computing income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of purchase of the bonus units as are held on the date of such sale

### **Tax Deduction at Source *All Unit holders***

No income tax is deductible at source from income by way of capital gains under the present provisions of the Act. However, the matter is not free from doubt in case of non-residents (other than in case of Foreign Institutional Investors). Hence the provisions of section 195 of the Act may apply to non-residents (other than Foreign Institutional Investors).

Where tax is deductible under the Act and the deductee has not furnished a Permanent Account Number (PAN) to the deductor, tax should be deducted at source at the highest of the following rates:

a) At the rate specified in the Act

b) At the rates in force c) At the rate of 20 % ( plus applicable surcharge and education cess and secondary and higher secondary education cess).

As per the provisions of Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family, capital gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

## **Securities Transaction Tax**

### ***All Unit holders***

Under Chapter VII of the Finance ( No 2) Act, 2004 the unit holder is liable to pay Securities Transaction Tax (STT) on any " taxable securities transaction" at the applicable rate. Taxable securities transactions include the purchase or sale of units of an equity oriented fund, entered into on the stock exchange or the sale of units of an equity oriented fund to the Mutual Fund.

The purchaser of the units of an equity oriented fund is not liable to pay STT w.e.f. 1<sup>st</sup> June 2013, where the purchase is entered into on a recognized stock exchange and the contract for the purchase of units is settled by the actual delivery or transfer of such units. Prior to this date STT was chargeable at 0.1%

The seller of the units of an equity oriented fund is liable to pay STT @ 0.001% w.e.f. 1<sup>st</sup> June 2013 where the sale is entered into a recognized stock exchange and the contract for sale of such units is settled by the actual delivery or transfer of such units. Prior to this date, STT was chargeable at 0.1%. Further, the seller of the units is also liable to pay STT @0.025% in the case of the sale of units of an equity oriented fund where the transaction is entered into on a recognized stock exchange and the contract for the sale of these units is settled otherwise than by the actual delivery or transfer of units. At the time of the sale of units of equity oriented fund to the Mutual Fund, the seller is required to pay STT @0.001% w.e.f. 1<sup>st</sup> June 2013. Prior to this date, STT on the same was chargeable at 0.25%.

STT is not applicable on purchase/ sale/ redemption of units other than equity oriented units.

STT is not deductible for the computation of capital gains. However, if it is held that the gains on sale of units are in the nature of business profits, then for the purpose of computing the business income, an amount equivalent to the STT paid on the transaction value of units will be allowed as a deduction under section 36 of the Act from the profits earned in computing the business income.

### **Other Benefits**

Investments in Units of the Mutual Fund will rank as an eligible form of investment under Section 11 (5) of the Act read with Rule 17C of the Income-tax Rules, 1962, for Religious and Charitable Trusts.

### **Wealth-tax**

Units held under the Scheme(s) are not treated as assets as defined under Section 2(ea) of the Wealth-tax Act, 1957 and thereof would not be liable to wealth-tax.

### **Gift-tax**

The Gift-tax Act, 1958 has ceased to apply to gifts made on or after October 1, 1998. Gifts of Units, purchased under the Scheme(s), would therefore, be exempt from gift-tax.

## **B. LEGAL INFORMATION**

### **NOMINATION FACILITY-16**

Pursuant to the SEBI Regulation 29A, the AMC has introduced Multiple Nomination Facility to enable Unitholders to nominate more than one person in whom the Units held by the Unitholder shall vest in the event of the demise of the Unitholder. Accordingly, multiple nominees can be designated per folio maximum upto 3 nominees. The Unitholders are further informed that additional nominee(s) can be added to the existing nominee(s) in their investments. The nomination can be made only by individuals applying for / holding Units on their own behalf singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. A minor can be nominated and in that event, the name and address of the Guardian of the minor Nominee shall be provided by the Unitholder. Nomination can also be in favour of Central / State Government, a local authority, any person designated by a virtue of his office or a religious or a charitable trust. The Nominee shall not be a trust (other than a religious or charitable trust), society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A Non-Resident Indian (NRI) can be a Nominee subject to the exchange controls in force from time to time. Nomination in respect of the Units stands rescinded upon the Redemption / transfer of Units. The nomination facility extended under the Scheme is in accordance with the SEBI Regulations and subject to other applicable laws. Transmission of the Units in the name of the nominee shall discharge the Mutual Fund, the Trustee and the AMC from any liability towards the successor(s) / heir(s) of the deceased Unitholder(s). However, the Mutual Fund / Trustee / AMC may request the nominee to execute suitable indemnities in favour of the Mutual Fund and / or the Trustee and / or the AMC, and to submit necessary documentation to the satisfaction of the Mutual Fund before transmitting Units to his /her favour. Nominations received in the form prescribed by the AMC alone shall be valid. In case of transmission of units and payment of redemption proceeds where investment made by an Indian Resident through Indian banking channel and nominee is NRI, the AMC shall transfer the redemption proceeds to NRI's Non Resident Ordinary (NRO) Rupee Account (NRO Account) only, subject to compliance with other applicable procedure. Unitholders are requested to note that in case of multiple nominations, it is mandatory to clearly indicate the percentage of allocation in favour each of the nominees against their Name and such allocation should be in whole numbers without any decimals making a total of 100 percent. It may be noted that if the percentage allocation is not mentioned or is left blank, in the Nomination Form then the AMC shall apply the default option of equal distribution among all the nominees as designated by the deceased Unitholder.

#### **KNOW YOUR CUSTOMER (KYC) Compliance:**

In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verify and maintain the record of identity and address(es) of investors.

In order to bring about uniformity in the Know Your Customer (KYC) process in the securities market, Common KYC Application form and supporting documents shall be used by all SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investors Schemes, etc. Further, to avoid duplication of KYC process across SEBI registered intermediaries, a mechanism for centralization of the KYC records in the securities market has been developed.

Accordingly, an intermediary shall perform the initial KYC of its clients and upload the details on the system of the KYC Registration Agency (KRA). When the client approaches another intermediary, the intermediary can verify and download the client's details from the system of the KRA. As a result, once the client has done KYC with a SEBI registered intermediary, he need not undergo the same process gain with another intermediary. For regulating KRAs, SEBI has formulated the KYC Registration Agency (KRA) Regulations, 2011 which covers the registration of KRAs, functions and responsibilities of the KRAs and intermediaries, code of conduct, data security, etc.

KRA system centralizes KYC records in the securities market. To expand the centralized database of the KYC records of the entire securities market, KRAs are required to upload the KYC details of the existing clients of the intermediaries in the current KRA system, in a phased manner. Guidelines in this regard have been issued by SEBI in consultation with the major Stock Exchanges, Depositories, KRAs, AMFI Brokers' Associations and market participants.

In-Person Verification (IPV) of clients has been made mandatory for all SEBI registered intermediaries. Asset Management Companies (AMCs) and the distributors who comply with the certification process of National Institute of Securities Market (NISM) or Association of Mutual Funds (AMFI) and have undergone the process of 'Know Your Distributor (KYD)' can perform the IPV for mutual fund investors. However, where applications are received by the mutual funds directly from the clients (i.e. not through any distributor), the IPV performed by the scheduled

commercial banks can be relied on. The IPV carried out by any SEBI registered intermediary can be relied upon by the Mutual Fund.

*Units held in physical (non-demat) form:* Investors should note that it is mandatory for all subscription(s) viz.- (a) Purchases; (b) Switches; (c) Registrations for Systematic Investments viz. Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), Dividend Transfer Plan(DTP) etc., irrespective of the amount of investment (except for investments through Micro Systematic Investment Plan (SIP) upto INR50,000/- per year per investor) to be KYC Compliant.

Investors should quote the valid KYC Compliance Status and attach proof of KYC Compliance viz. KYC Acknowledgement Letter/Printout of KYC Compliance Status downloaded from the website [www.cvlindia.com](http://www.cvlindia.com)/[www.cvlkra.com](http://www.cvlkra.com) using the PAN.

Further, it is also mandatory for the Third Party to quote the KYC Compliance Status and attach proof of KYC Compliance. Third Party means any person making payment towards subscription of units in the name of the Beneficial Investor. In the event of non compliance of KYC requirements, the Trustee / AMC reserves the right to freeze the folio of the investor(s) and affect mandatory redemption of unit holdings of the investors at the applicable NAV, subject to payment of exit load, if any.

All investors (both individual and non-individual) can apply for KYC compliance. However, applicants should note that minors cannot apply for KYC compliance and any investment in the name of minors should be through a Guardian, who should be KYC compliant for the purpose of investing with a Mutual Fund. Also, applicants / unit holders intending to apply for units / currently holding units and operating their Mutual Fund folios through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their KYC compliance status at the time of investment. PoA holders are not permitted to apply for KYC compliance on behalf of the issuer of the PoA. Separate procedures are prescribed for change in name, address and other KYC related details, should the applicant desire to change such information.

For applicants who subscribe to the Units through Stock Exchange facility, the KYC performed by the Depository Participant of the applicants will be considered as KYC verification done by the Trustee / AMC.

***Units held in Electronic (Demat) mode:*** For units held in demat form, the KYC performed by the Depository Participant of the applicants will be considered as KYC verification done by the Trustee / AMC.

#### **PREVENTION OF MONEY LAUNDERING:**

Prevention of Money Laundering Act, 2002 (hereinafter referred to as "Act") came into effect from July 1, 2005 vide Notification No. GSR 436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, Government of India. Further, SEBI vide its circular reference number ISD/CIR/RR/AML/1/06 dated January 18, 2006 mandated that all intermediaries including Mutual Funds should formulate and implement a proper policy framework as per the guidelines on anti money laundering measures and also to adopt a Know Your Customer (KYC) policy. The intermediaries may, according to their requirements specify additional disclosures to be made by clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by clients. SEBI also issued another circular reference no. ISD/CIR/RR/AML/2/06 dated March 20, 2006 advising all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the Act inter alia maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND), New Delhi.

The investor(s) should ensure that the amount invested in the scheme is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, Prevention of Money Laundering Act, Prevention of Corruption Act and / or any other applicable law in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued thereunder.

To ensure appropriate identification of the investor(s) under its KYC policy and with a view to monitor transactions for the prevention of money laundering, LIC Nomura Mutual Fund Asset Management Company Limited ("the AMC") / LIC Nomura Mutual Fund ("the Mutual Fund") reserves the right to seek information, and / or obtain and retain

documentation for establishing the identity of the investor, proof of residence, source of funds, etc. It may re-verify identity and obtain any incomplete or additional information for this purpose.

The investor(s) and their attorney, if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card/ passport/ driving license/PAN card, etc. and/or such documents or produce such information as may be required from time to time for verification of the identity, residential address and financial information of the investor(s) by the AMC/Mutual Fund. If the investor(s) or the person making payment on behalf of the investor(s), refuses / fails to provide the required documents/ information within the period specified in the communication(s) sent by the AMC to the investor(s) then the AMC, after applying appropriate due diligence measures, believes that the transaction is suspicious in nature within the purview of the Act and SEBI circulars issued from time to time and/or on account of deficiencies in the documentation, shall have absolute discretion to report suspicious transactions to FIU-IND and / or to freeze the folios of the investor(s), reject any application(s) / allotment of units and effect mandatory redemption of unit holdings of the investor(s) at the applicable NAV subject to payment of exit load, if any, and recovery of unamortised NFO expenses in terms of the said communication sent by the AMC to the investor(s) in this regard. The KYC documentation shall also be mandatorily complied with by the holders entering the Register of Members by virtue of operation of law e.g. transmission, etc.

The Mutual Fund, LIC NOMURA MF Asset Management Company Limited, LIC NOMURA MF Trustee Company Pvt. Limited and their Directors, employees and agents shall not be liable in any manner for any claims arising whatsoever on account of freezing the folios / rejection of any application / allotment of units or mandatory redemption of units due to non-compliance with the provisions of the Act, SEBI circular(s) and KYC policy and / or where the AMC believes that transaction is suspicious in nature within the purview of the Act and SEBI circular(s) and reporting the same to FIU-IND

#### **PERMANENT ACCOUNT NUMBER:**

SEBI has made it mandatory for all applicants including joint holders and guardian to mention his/her Permanent Account Number (PAN) irrespective of the amount of purchase (fresh, additional, SIP). In order to verify that the PAN of the applicants (in case of applications in joint names, guardian in case minor, each of the applicants) has been duly and correctly quoted therein, the applicants shall attach a photocopy of the PAN card duly attested by the distributor / agent (AMFI registered) through whom the application is effected or by Bank Manager or Notary or Investors Service Centers of LIC Nomura Mutual Fund AMC Ltd or ISCs of Karvy. Attestation will be done after verification with the original PAN Card. Applications not accompanied with the above requirements are liable to be rejected.

As regards MICRO SIP, investors are requested to go through as mentioned below:

- 1) In compliance with SEBI Letter No. MRD/DoP/PAN/PM/166999/2009, dated June 19, 2009 issued to AMFI and subsequent guidelines issued by AMFI in this regard, effective from 01/08/2009, SIPs upto INR 50,000/- per year per investor i.e. aggregate of installments in a rolling 12 months period or in a financial year (to be referred as 'Micro SIP') shall be exempt from the requirement of PAN as a proof of identification.
- 2) This exemption will be applicable ONLY to investments by individuals including NRIs but not PIOs, Minors and Sole Proprietary Firms. HUFs and other categories will not be eligible for MICRO SIPs.
- 3) Investor (including joint holders) will submit a photocopy of any one of 1) Voter Identity Card / Driving License / Government / Defence Identification Card / Passport / Photo Ratio Card / Photo Debit Card / Employee ID cards issued by Companies registered with Registrar of Companies / Photo Identification issued by Bank Managers of Scheduled Commercial Banks / Gazetted Officer / Elected Representatives to the Legislative Assembly / Parliament / ID Card issued to employees of Scheduled Commercial / State / District Co-operative Banks / Senior Citizen / Freedom Fighter ID Card issued by Government / Cards issued by Universities / Deemed Universities or Institutes under statutes like ICAI, ICWA, ICSI / Permanent Retirement Account No. (PRAN) Card issued to New Pension System (NPS) subscribers by CRA (NSDL) / Any other photo ID card issued by Central Government / State Governments / Municipal Authorities / Government Organizations like ESIC / EPFO, for availing the MICRO SIP facility as a supporting document and same must be current and valid and shall be self attested by the investor / attested by the ARN holder mentioning the ARN Number.
- 4) Investor has to give a declaration that he does not have any existing Micro SIPs which together with the current application will result in aggregate investments exceeding INR.50,000/- in a year.

#### **TRANSFERABILITY / TRANSMISSION OF UNITS**

As the Fund is prepared to repurchase / redeem its units on any business day, transfer facility is found to be redundant.

However, if a transferee becomes a holder of the units by operation of law or upon enforcement of a pledge, then the trustee shall, subject to production of such evidence, which in their opinion is sufficient, proceed to effect the transfer within 30 days from the date of lodging if the intended transferee is otherwise eligible to hold the units.

A person becoming entitled to hold the units in consequence of the death, of the unitholder, upon producing evidence to the satisfaction of the fund, shall be registered as a holder subject to eligibility constraints of the scheme. If after transfer as mentioned above the balance units in the folio / account are less than the stipulated number the folio / account shall be closed by repurchasing those units at the prevailing repurchase/redemption price on the date of transfer and the repurchase/redemption proceeds shall be sent to the first holder.

## SUSPENSION OF REDEMPTION OF UNITS

*The suspension of redemption of units under the scheme shall be made applicable only after the approval of the Trustee. The approval from the AMC Board and the Trustee giving details of the circumstances and the justification for the proposed action shall be informed to SEBI in advance.* **-10**

- 1) When one or more stock exchanges or markets which provides basis of valuation for substantial portion of the assets of the scheme is closed otherwise than for ordinary holidays.
- 2) In circumstances outside the control of the Trustee and AMC the disposal of the assets of the scheme is not reasonable or would not reasonably be practicable without being detrimental to the interests of the Unit holders.
- 3) During Periods of extreme volatility in the stock market, which, in the opinion of the investment manager is prejudicial to the interest of the investors
- 4) In case of Natural calamity, strikes riots etc.
- 5) If so directed by SEBI.
- 6) During the period of Book closure, if any.

In the above eventualities the time limit for processing of requests for redemption of units will not be applicable.

## UNCLAIMED REDEMPTION AMOUNTS

As per SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000, the unclaimed redemption amount and dividend amounts may be deployed by the Mutual Fund in call money market or money market instruments only and the investors who claim these amounts during a period of three years from due date shall be paid at the prevailing Net Assets Value. After a period of three years, this amount will be transferred to a pool account and the investors can claim the amount at NAV prevailing at the end of third year. The income earned on such investments will be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points. **-13**

The following redemption amounts are with the fund as on 30/06/2014:

Scheme Name	Date of Redemption	Investors	Unclaimed Redemption Amount (Rs. In lacs)
Dhanavarsha(3)	30.11.1996	1024	179.22
Dhanavarsha 5	31.07.1998	2881	506.44
Dhan 80 CCB(1)	31.03.2001	5844	887.66
DHAN 88(1)	31.03.2003	4361	139.24
Dhanalaxmi	01.02.1997	565	39.29
Dhanashree - 91	30.09.1998	569	45.32
Dhan Tax Saver 95	31.03.2005	1139	75.39
Dhanavarsha 4	01.04.1998	5240	898.31
Dhantax Saver 96	30.11.2000	499	41.20
Dhanvarsha 6	30.11.2000	354	65.94
Dhanvarsha 7	31.03.2001	164	38.13
Dhanvarsha 8	30.09.2001	636	136.72
Dhanvarsha 9	31.01.2001	465	126.31



Dhanvarsha 10	31.08.2001	135	36.42
Dhanvarsha 11	28.02.2002	113	22.66
Dhanvarsha 13	30.09.2002	661	225.55
Dhanashree'89	31.10.1996	2965	133.59
Dhanavidhi 89	31.10.1996	177	37.04
DHAN80CCB-2	31.03.2002	13581	98.65
DHAN80CC-1	31.01.1995	297	3.55
DHANVARSHA-2	07.08.2000	2177	33.18
DHANVARSHA-1	31.10.1999	1039	15.00
DHANSHREE-90	31.08.1997	948	6.03
DHANVIDYA	15.12.2003	335	3.66

#### **DURATION OF THE SCHEME / WINDING UP (OPEN ENDED SCHEMES)**

The duration of the Scheme is perpetual. The AMC, the Fund and the Trustee reserve the right to make such changes/alterations in the Scheme (including the charging of fees and expenses) offered under respective Scheme Information Document to the extent permitted by the applicable Regulations. However, in terms of the Regulations, a Scheme may be wound up after repaying the amount due to the Unitholders:

1. On happening of any event, which in the opinion of the Trustee, requires the Scheme to be wound up, OR
2. If seventy five percent (75%) of the Unitholders of the Schemes pass a resolution that the Scheme be wound up, OR
3. If SEBI so directs in the interest of the Unitholders or
4. In case of non-fulfillment of condition prescribed in terms of minimum number of investors vide SEBI circular No. SEBI/IMD/CIR No.10/22701/03 dated December 12, 2003.

Where the Scheme is so wound up, the Trustee shall give notice of the circumstances leading to the winding up of the Scheme to:

- (I) SEBI and,
- (II) In two daily newspapers with circulation all over India and in one vernacular newspaper with circulation in Mumbai On and from the date of the publication of notice of winding up, the Trustee or the Investment Manager, as the case may be, shall:

- a) Cease to carry on any business activities in respect of the Scheme so wound up;
- b) Cease to create or cancel Units in the Scheme;
- c) Cease to issue or redeem Units in the Scheme.

#### **DURATION OF THE SCHEMES / WINDING UP (CLOSE ENDED SCHEMES)**

**The duration of the Scheme is limited till the maturity of the plan under the scheme unless rolled over. The AMC, the Fund and the Trustee reserve the right to make such changes/alterations the Scheme (including the charging of fees and expenses) offered under this respective Scheme Information Document to the extent permitted by the applicable Regulations. However, in terms of the Regulations, a Scheme may be wound up after repaying the amount due to the Unitholders:**

1. On happening of any event, which in the opinion of the Trustee, requires the Scheme to be wound up, OR
2. If seventy five percent (75%) of the Unitholders of the Schemes pass a resolution that the Scheme be wound up, OR
3. If SEBI so directs in the interest of the Unitholders, OR
4. In case of non-fulfillment of condition prescribed in terms of minimum number of investors vide SEBI circular No. SEBI/IMD/CIR No.10/22701/03 dated December 12, 2003, OR.
5. On Maturity of the Plan under the Scheme.

Where the Scheme is so wound up, the Trustee shall give notice of the circumstances leading to the winding up of the Scheme to:

1. SEBI and,
2. In two daily newspapers with circulation all over India and in one vernacular newspaper with circulation in Mumbai.

On and from the date of the publication of notice of winding up, the Trustee or the Investment Manager, as the case may be, shall:

1. Cease to carry on any business activities in respect of the Scheme so wound up;
2. Cease to create or cancel Units in the Scheme;
3. Cease to issue or redeem Units in the Scheme.

#### **PROCEDURE FOR WINDING UP**

The Trustee shall call a meeting of the Unitholders of the Scheme to approve by simple majority of the Unitholders present and voting at the meeting for authorizing the Trustee or any other person to take steps for the winding up of the Scheme.

The Trustee or the person authorized above shall dispose of the assets of the Scheme in the best interest of the Unitholders of the Scheme.

The proceeds of sale realized in pursuance of the above, shall be first utilized towards discharge of such liabilities as are due and payable under the Scheme and after meeting the expenses connected with such winding up, the balance shall be paid to Unitholders in proportion to their respective interest in the assets of the Scheme, as on the date the decision for winding up was taken.

On completion of the winding up, the Trustee shall forward to SEBI and the Unitholders a report on the winding up, detailing the circumstances leading to the winding up, the steps taken for disposal of the assets of the Scheme before winding up, net assets available for distribution to the Unitholders and a certificate from the auditors of the Fund.

Notwithstanding anything contained herein above, the provisions of the Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable until winding up is completed or the Scheme ceases to exist.

After the receipt of the report referred to above, if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

### **C. GENERAL INFORMATION**

#### **BORROWING BY THE FUND**

The Fund may borrow to meet temporary liquidity needs for the purpose of repurchase/redemption, redemption or payment of interest or dividend to the unitholders provided that such borrowing shall not exceed 20% of the net asset value and the duration of such borrowing shall not exceed a period of six months.

#### **UNDERWRITING**

Subject to SEBI Regulations, the Scheme may enter into underwriting agreements. The Capital Adequacy norms for the purpose of underwriting shall be the net assets of the Scheme and the underwriting obligation of the scheme shall not at any time exceed the total net asset value of the Scheme.

#### **STOCK LENDING BY THE SCHEME**

Subject to the Regulations and the applicable guidelines, the Scheme may, if the Trustees permit, engage in stock lending. Stock lending means the lending of a stock to another person or entity for a fixed period of time, at a negotiated compensation.

The borrower will return the securities lent on expiry of the stipulated period. Each Scheme, under normal circumstances, shall not have exposure of more than 50% of its net assets in stock lending. The scheme may also not lend more than 50% of its net assets to any one intermediary to whom securities will be lent. Securities Lending could be considered for the purpose of generating additional income to unitholders on the longer term holdings of the Scheme. The AMC shall report to the Trustees on a quarterly basis as to the level of lending in terms of value, volume and the names of the intermediaries and the earnings/losses arising out of the transactions, the value of collateral security offered etc.

Stock lending is subject to following risks.

1. Settlement risk which is the inability of the approved intermediary / borrower to comply with the terms of the agreement for lending which may result in the failure of the intermediary to return the securities / loss of rights to the

collateral offered by the borrower and the feasible loss of any corporate benefits accruing to the Scheme from the said securities.

2. Risks arising from fluctuations in the value of collateral offered by the borrower

3. Risks arising out of inability of the scheme to liquidate the securities lent to take advantage of market situations.

#### **INTER SCHEME TRANSFERS**

Transfer of investments from one scheme to another scheme in the same mutual fund shall be allowed only if –

(a) such transfers are done at the prevailing market price for quoted instruments on spot basis

Explanation: “Spot basis” shall have same meaning as specified by Stock Exchange for spot transactions.

(b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

#### **ASSOCIATE TRANSACTIONS / SPONSOR**

##### **Investment by LIC Nomura Mutual Fund AMC Ltd**

There are no investments by the schemes of LIC Nomura Mutual Fund AMC Ltd in securities issued by companies associated with or belonging to sponsor group.

LIC Nomura Mutual Fund’s Policy for investing in group companies: LIC Nomura Mutual Fund AMC Ltd Scheme shall not invest in any unlisted securities of the group/associate company of the sponsor and in any privately placed security issued by associate or group company of the sponsor. LIC Nomura Mutual Fund AMC Ltd will also ensure that its aggregate investment in the listed securities of the group companies of the sponsor shall not exceed 25% of the aggregate net assets of all schemes of the Fund.

LIC NOMURA MF AMC Ltd has not utilised the services of associate companies or its employees for distribution of its products or security transactions.

##### **Investments by all Schemes of LIC Nomura Mutual Fund AMC Ltd**

1. LIC NOMURA MF Mutual Fund AMC Ltd scheme may consider investment in future, in any of the present or future group companies of the sponsor purely on investment consideration, subject to prudential norms.

2. Names of the associate companies of the sponsor or AMC are given below :-

LIC OF INDIA  
LIC (Singapore) Pte. Ltd.  
LIC (Lanka) Ltd.  
LIC (Nepal) Ltd.  
LIC (International) B. S.C Bahrain  
LIC Card Services Ltd  
LIC Pension Fund Limited  
Alstom T & D (formerly Areva T & D India Ltd.)  
The Karnataka Bank Ltd.  
Qsk Advisory Services (P) Ltd.  
Azure Capital Advisors Pvt. Ltd.  
SKP Securities Ltd.  
Destimony Securities Pvt. Ltd.  
Usha Martin Education & Solutions Ltd.  
AMR India Ltd.  
Usha Breco Limited  
Nomura Asset Management Strategic Investment Pte. Ltd  
CarVal India Private Limited  
Runwal Housing & Townships Private Limited  
Indian Council on Global Relations ( Sec 25 company )  
Mahindra EPC Services Private Limited  
Mahindra Engineering and Chemical Products Limited  
Nomura Asset Management (USA) Inc.  
ICICI Prudential Insurance Co. Ltd.  
Premier European Capital Ltd. (Previously Oceanic Bank (UK) Ltd.  
Vayana Enterprises Pvt. Ltd.  
AION India Investment Advisors Private Limited.  
Excel Industries Limited

LIC Housing Finance Ltd.  
 LICHFL Care Homes Ltd.  
 LIC HFL Financial Services Ltd.  
 LICHFL AMC Ltd.  
 Bhushan Steel Ltd.

The LIC Nomura Mutual Fund AMC Ltd may have dealings, transactions or use the services of the above companies for marketing and distributing the scheme. The commission if any, that may be paid to them will be purely on commercial consideration and as approved by the Trustee.

**Brokerage paid to associates/related parties/group companies of Sponsor**

Name of associate/related parties/group companies of the Sponsor/AMC	Nature of Association/Nature of relation	Period Covered	Value of transaction (in Rs. Cr & % of total value of transaction of the fund)		Brokerage (Rs. Cr & % of total brokerage paid by the fund)	
MANGAL KESHAV SECURITIES	Associate	2011-2012	10780724.88	0.30	31315.72	0.32
None	Associate	2012-2013	N.A	N.A	N.A	N.A
MANGAL KESHAV SECURITIES	Associate	2013-2014	250014000.00	0.031	3509.75	0.002

**Commission paid to associates/related parties/group companies of the Sponsor**

Name of associates/related parties/group companies of Sponsor/AMC	Nature of Association/Nature of relation	Period Covered	Business Given (Rs. Cr & % of total business received by the fund)		Commission Paid (Rs. & % of total commission paid by the fund)	
LIC HFL FINANCIAL SERVICES LTD.	Associate	2011-2012	200.25	10.14	165901.64	0.09
LIC HFL FINANCIAL SERVICES LTD.	Associate	2012-2013	224.83	0.63	173852.67	0.27
LIC HFL FINANCIAL SERVICES LTD.	Associate	2013-2014	1663.09	2.09	716325.43	0.50

**Jurisdiction:** The jurisdiction for any matters or disputes arising out of the scheme shall reside with the Courts in India.

**DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents will be available for inspection at the offices of the Mutual Fund at Indl. Assurance Bldg., 4th Floor, Opp. Churchgate Station, Mumbai - 400 020 during business hours of any day (excluding Saturdays, Sunday and public holidays).

1. Memorandum and Articles of Association of the AMC.
2. Investment Management Agreement.
3. Trust Deed and amendments thereto, if any#.
4. Mutual Fund Registration Certificate.
5. Agreement between the Mutual Fund and the Custodian.
6. Agreement with Registrars and Share Transfer Agent.
7. Consent of Auditors to act in the said capacity.
8. Consent of Legal Advisors to act in the said capacity.
9. Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
10. Indian Trusts Act, 1882.

**INVESTOR GRIEVANCES REDRESSAL / MECHANISM**

The investor complaint history for the last three years for existing schemes and the redressal mechanism thereof is as under (from 01/07/2011 to 30/06/2014).

FOR LAST 3 YEARS	SEBI	REGISTRAR
No. Of complaints recd. Up to 24/06/2014	101	727
No. of complaints disposed off *	96	719

<b>No. of complaints outstanding as on 24/06/2014</b>	<b>0</b>	<b>8</b>
* 5 complaints withdrawn by SEBI as the same was not pertaining to AMC		

Most of the complaints relate to delay/loss of warrant/certificate in transit. Follow-up with various agencies is made in order to finally dispose of the complaints.

**Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable-18.**

For and on behalf of the Board of Directors of the Asset Management Company of the Mutual Fund

Sd.

Nilesh Sathe

**Chief Executive Officer**

Place: Mumbai

Date: 30/06/2014