



STATEMENT OF ADDITIONAL INFORMATION (SAI)
OF
LIC MUTUAL FUND ASSET MANAGEMENT LTD

Sponsor: Life Insurance Corporation of India (LIC)
Registered Office:
Yogakshema Building,
Jeevan Beema Marg,
Nariman Point,
Mumbai 400 021.

Trustee: LIC Mutual Fund Trustee Private Limited
CIN: U65992MH2003PTC139955
Registered Office: 4th Floor,
Industrial Assurance Building,
Opp. Churchgate Station,
Mumbai-400020

Investment Manager: LIC Mutual Fund Asset Management Limited
CIN: U67190MH1994PLC077858
Registered Office: 4th Floor,
Industrial Assurance Building,
Opp. Churchgate Station,
Mumbai-400020

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STATEMENT OF ADDITIONAL INFORMATION

This Statement of Additional Information (SAI) contains details of LIC Mutual Fund, 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 29th June 2021.

I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANY

A. CONSTITUTION OF THE MUTUAL FUND

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

B. SPONSOR

LIC Mutual Fund Asset Management 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.

Financial Performance of the Sponsor (past three years):

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)		
	2019-20	2018-19	2017-18
Total Income	615882.94	560784.39	523611.11
Total Outgo (Incl Tax, Transfer To Reserve & 5% Of Valuation Surplus Paid To Central Govt)	329703.52	316943.29	262926.05
Life Fund at The End of The Year	3114496.05	2828320.12	2584484.92
Capital Provided by Central Govt	100.00	100.00	100.00

C. THE TRUSTEE

LIC Mutual Fund Trustee Private Ltd. (the "Trustee"), through its Board of Directors, shall discharge its obligations as trustee of the LIC 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 Mukesh Kumar Gupta (Associate)	59	B.Sc., MBA (HRM)	<ul style="list-style-type: none"> Managing Director – LIC of India., (1st November 2019 to till date). Zonal Manager (Selection) Cadre – LIC of India., (30th April 2012 to 31st October 2019). Regional Manager ZM(O) Cadre – LIC of India., (26th April 2007 to 30th April 2012). Senior Divisional Manager – LIC of India., (5th May 2001 to 26th April 2007). Asst. Administrative Officer to Divisional Manager – LIC of India., (1st August 1984 to 5th May 2001).
Shri Rammohan Nilkanth Bhave (Independent)	64	B.Com, LL.B. (G), FCA, FCMA, ACS, Dip IFRS, ACCA London.	<ul style="list-style-type: none"> Mr. Rammohan Bhave is a management consultant on IFRS/Ind AS and valuation. He was the Chief Finance Director – Mittal Group, London, Europe (From 2007 to 2008) and Sr. VP Finance – Gammon India Ltd., Mumbai (From 2005 to 2006)
Shri Thomas Panamthanath (Independent)	70	B. Com (Hons), CAIIB	<ul style="list-style-type: none"> Liquidator, GIC Asset Management Co. Ltd (In Members Voluntary Winding Up) (2013-2016) Chief Executive Officer, GIC Asset Management Co. Ltd (2001-2013)
Shri Ashok Paranjpe (Independent)	59	B. Com, LL.M., Advocate & Solicitor	<ul style="list-style-type: none"> Managing Partner – MDP & Partners, Advocates & Solicitors (June 2011 – till date) Managing Partner – Naik Paranjpe & Co. (May 2010 – May 2011) Senior Partner - Wadia Ghandy & Company (April 1989 – March 2010)
Shri Amit Pandit	50	B. Com, FCA, DBF	<ul style="list-style-type: none"> Promoter Director – Trugrow Finvest Services Pvt. Ltd (December 2020 – till date) Director – Global Chamber of Saraswat Entrepreneurs (September 2019 – till date) Proprietor - Amit Pandit- Consultant (April 2018 – till date) Independent Director - Saraswat Co-op Bank Ltd (August 2007 – September 2020)

			<ul style="list-style-type: none"> • Partner - SGCO & CO LLP, Chartered Accountants (September 2015 – April 2018) • Partner - CNK & Associates LLP, Chartered Accountants (October 2004 – August 2015) • Director - Saraswat Infotech Pvt. Ltd. (August 2008 – October 2016) • Director - Omkar Speciality Chemicals Ltd (March 2010 – March 2015) • Visiting faculty - NMIMS, IBS, IES, Vidyalankar, Chetana Business Schools (October 2007 – till date)
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Substantive Provisions of Trust Deed

- 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.
- 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.
- 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.
- The Trustee Co. shall take into their custody or under their control all the capital property of the various schemes of LIC Mutual Fund Asset Management Ltd and shall hold it in trust for the Unit holders.
- 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.
- All Unit holders will have beneficial interest in the trust property to the extent of individual holding in respective schemes only.
- 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.
- 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.
- 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.
- 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.

- 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.
- 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.
- The Trustee Co. Board shall meet at-least once in every 2 months and at-least 6 such meetings shall be held every year.
- No amendment to the Trust Deed shall be carried out without the prior approval of Unit holders and SEBI, provided however,
 - In case a Board of Trustees is converted into a Trustee Company such a conversion shall not require the approval of Unit holders.
 - In case of change in trust deed consequential to change in control of asset management company shall not require the approval of Unit holders.

Functions and responsibilities of the Trustee

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 has 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:
- 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 [PART-A of] 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 clause (b) 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 is 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.

Supervisory Role of the Trustee:

During the financial year 2020-21 (April to March), the Trustee has held Six Board Meetings and during the period April 2021 to June 2021, the Trustee has held two meetings. The supervisory role of the Trustee is discharged by receiving continuous feedback from the AMC on matters of importance, through bi-monthly, quarterly and half yearly reports, and a review of the Mutual Fund's operation at Board Meetings.

Trustees shall exercise due diligence as under:

a) General Due Diligence:

- The Trustee shall be discerning in the appointment of the directors on the Board of the AMC.
- The Trustee shall review the desirability of continuance of the AMC if substantial irregularities are observed in any of the schemes and shall not allow the AMC to float new schemes.
- The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
- The Trustee shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
- The Trustee shall arrange for test checks of service contracts.
- The Trustee shall immediately report to SEBI of any special developments in the Mutual Fund.

(b) Specific Due Diligence:

- Obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee.
- Obtain compliance certificates at regular intervals from the AMC.
- Hold meetings of Trustee more frequently.
- Consider the reports of the independent auditor and compliance reports of the AMC at the meetings of trustees for appropriate action.
- Maintain records of the decisions of the Trustee at their meetings and of the minutes of the meetings.
- Prescribe and adhere to a code of ethics by the Trustee, AMC and its personnel.
- Communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.

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.20 lakhs per annum.

Certificate of registration

In accordance with the Regulation 9 of the Securities & Exchange Board of India Regulations, the LIC Mutual Fund Asset Management 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 on 6/4/2011 with the same registration code. i.e. MF/012/94/5 subsequently in the name of LIC Mutual Fund on 12/05/2016 under the same registration code.

D. ASSET MANAGEMENT COMPANY

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

The AMC is also carrying out Portfolio Management Services as per SEBI (Portfolio Managers) Regulation 1993. The SEBI registration number for Portfolio Management Services is INP000001694.

SHAREHOLDING PATTERN

- Life Insurance Corporation of India (including 7 nominee shareholders) : 45%
- LIC Housing Finance Ltd. : 39.3%
- GIC Housing Finance Ltd. : 11.7%
- Union Bank of India : 4%

Details of AMC Directors:

NAME	Age	Qualification	Brief Experience
Shri M.R. Kumar (Associate)	60	Bsc. Licentiate	<ul style="list-style-type: none">• Shri M.R. Kumar, took charge as Chairman, LIC of India on 14th March 2019. He joined LIC of India in 1983 as a Direct Recruit Officer. In a career spanning more than three and a half decades, he has had the unique privilege of heading three Zones of LIC of India, viz, Southern Zone, North Central Zone and Northern Zone, head quartered at Chennai, Kanpur and Delhi, respectively. He headed two prestigious divisions i.e. Ahmedabad in Western Zone and Ernakulum in Southern Zone as Sr. Divisional Manger. He was also Regional Manager (Marketing) and Regional Manager (P&IR) at Kolkata and Chennai.

Shri Satish K Kamat (Independent)	64	B.com, Chartered Accountant	<ul style="list-style-type: none"> • Shri Satish Kamat is a Chartered Accountant with over thirty-eight years of corporate experience in finance and general management functions. • His significant employments have been with Glaxo India as its Corporate Treasurer, with Cargill Inc. as a member of its founding and leadership team in India as a Director of Cargill India. • He held senior positions in various businesses of Mahindra Group during 1999-2017. • He is an independent Director on the board of LIC Mutual Fund Asset Management Limited. He has been associated with Indian Council on Global Relations - Gateway House, a foreign policy think tank from its inception and is a member of its Board. • He is currently associated with various not-for-profits institutions.
Shri Kailash Kumar Bang (Independent)	56	B.Com., FCA, DISA (ICAI)	<ul style="list-style-type: none"> • Partner in Trivedi & Bang, Chartered Accountants, Hyderabad for the last 31 years, in the field of Audit & Taxation.
Shri Sanjay Achyutao Muthal (Independent)	63	Bsc., Masters in Business Management	<ul style="list-style-type: none"> • An HR Professional with a distinguished profile in different capacities.

Smt. Shobha Reddy (Associate)	58	M.Sc Foods & Nutrition and Fellow of Insurance Institute of India	<ul style="list-style-type: none"> • Smt. G. Shobha Reddy joined as a Direct Recruit Officer of The New India Assurance Company Limited after completing Post Graduation with ICAR Fellowship for Foods and Nutrition from Andhra Pradesh Agriculture University and having been awarded the H.E.H Nizams Prize for the highest aggregate overall G.P.A. She has worked pan India in various capacities in the insurance industry from 1985 in The New India Assurance Company Limited before moving to National Insurance Company Limited in the year 2018. She has been involved with some challenging and path breaking successful initiatives in her assignments which brought about paradigm shift in working in the area of her assigned functions. The Centralised claims hubs and the Alternate Business Channel Departments e-initiatives and e-commerce activities stand testimony to her efforts in New India Assurance. In National Insurance, her sustained efforts contributed towards significant improvement in the margins in the portfolios assigned to her. She has exposure in handling retail, large and corporate customers requirements emanating from various channels of distribution. • MD & CEO – GIC Housing Finance Ltd., Mumbai (12th April 2021 -till date).
Shri Vijay Sharma (Independent)	69	Masters in History, LLB	<ul style="list-style-type: none"> • Member and Vice Chairman- Income Tax Settlement Commission (ITSC) New Delhi. (May, 2012 - November, 2014) • Chief Commissioner of Income Tax (Administration) Bihar and Jharkhand - Income Tax Department, Patna (September 2011 - May, 2012) • Director General of Income Tax (Investigation) -Income Tax Department Bhopal. (April 2011 - August 2011) • Commissioner of Income Tax, Delhi-1 - Income Tax Department New Delhi (January 2008 - March 2011)

			<ul style="list-style-type: none"> • Deputy Director General (DDG) – Central Economic Intelligence Bureau (CEIB) New Delhi. (December 2005 - December 2007) • Member of Bihar State Bar Council (Enrl. No.: BR/141/2015). • He is also on the panel of arbitrators for NSE and BSE
Shri Y. Viswanatha Gowd (Associate)	57	B. Com	<ul style="list-style-type: none"> • Managing Director & CEO – LIC Housing Finance Ltd (01.02.2021 – till date) • Chief Operating Officer – LIC Housing Finance Ltd (10.12.2020– 31.01.2021) • Regional Manager, - LIC Housing Finance Ltd (29.04.2017 – 09.12.2020) • Senior Divisional Manager (Dharwad), LIC of India (25.04.2016 – 29.04.2017) • Senior Divisional Manager (Udupi), LIC of India (04.05.2013 – 25.04.2016) • Regional Manager (PGS), Zonal Office, Hyderabad–LIC of India (20.04.2009 – 04.05.2013)
Shri Raghunandan Maluste (Independent)	71	MBA (Manchester), FCA (England & Wales) and FCA (India)	<ul style="list-style-type: none"> • He is currently Honorary Secretary & Treasurer, Mumbai First and Angel investor. He has been a Director of listed companies and in top management of profits and not for profits since the early 1980s. He helped launch Kotak Mahindra Mutual Fund, Kotak Private Equity and Kotak Life Insurance. • Over 46 years in India, the United Kingdom and the Gulf, he has been public accountant, management consultant, journalist, advertising executive, entrepreneur, angel investor, board member of companies, trusts and societies, researcher and consultant in government, investment and private banker. Some of the organisations he has helped lead are Coopers & Lybrand (now Price Waterhouse Coopers), Lintas, HSBC Securities, Kotak Mahindra Bank, CRY-Child Rights & You, Confederation of Indian Industry, Bombay Natural History Society, Rotary Club of Bombay and Bombay

			<p>Gymkhana.</p> <ul style="list-style-type: none"> • Apart from speaking regularly at professional, industry and academic, events, he has presented to Parliament's Standing Committee on Finance. He has been published in R&D Management (Oxford), World Affairs (New Delhi), Business India (Mumbai), etc.; been interviewed for the press, TV and radio, and addressed live audiences on three continents.
Shri Dinesh Pangtey (Associate)	59	B.Sc.	<ul style="list-style-type: none"> • Chief Executive Officer - LICHFL AMC Ltd. (22.04.2016 - 30.04.2019) • Regional Manager (Pension & Group Schemes) Marketing - LIC of India, Mumbai (2015-2016) • Regional Manager (Marketing) - LIC of India, West Zone, Mumbai (2012-2015) • Regional Manager (Estate) Administration - LIC of India, West Zone, Mumbai (2010-2012) • Senior Divisional Manager (Marketing) - LIC of India, Delhi Divisional Office III (2008-2010)

Duties and obligations of AMC

The Investment Management Agreement was entered into by the LIC MF Asset Management 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.
 - 2A) The AMC shall obtain, wherever required under these regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.
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.

(6A) (a) The Chief Executive Officer [whatever be the designation] of the asset management company shall ensure that the mutual fund complies with all the provisions of these regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the mutual fund.

(b) Chief Executive Officer (whatever be the designation) shall also ensure that the Asset Management Company has adequate systems in place to ensure that the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of these regulations are adhered to in letter and spirit. Any breach of the said Code of Conduct shall be brought to the attention of the Board of Directors of the Asset Management Company and Trustees

(6B) (a) The fund managers (whatever be the designation) shall ensure that the funds of the schemes are invested to achieve the objectives of the scheme and in the interest of the unit holders.

(b) The Fund Managers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.

(6C) (a) The Dealers (whatever be the designation) shall ensure that orders are executed on the best available terms, taking into account the relevant market at the time for transactions of the kind and size concerned to achieve the objectives of the scheme and in the best interest of all the unit holders.

(b) The Dealers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.

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 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 Mutual Fund Asset Management 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.

Provided further that the Mutual Fund shall disclose at the time of declaring half yearly and yearly results:

- any underwriting obligations undertaken by the Scheme for the Mutual Fund with respect to issue of securities of associate companies;
 - devolvement, if any;
 - subscription by the Scheme in the issues lead managed by associate companies;
 - subscription to any issue of equity or debt on private placement basis where the Sponsor or its associate companies have acted as arranger or manager.
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 shall be sent to the trustees at its next meeting.
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. Each director of the AMC shall file with the Trustee details of his transactions of dealings in securities of such value on a periodical basis as may be specified under the Regulations from time to time.
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 PART-A of Fifth Schedule.
17. The asset management company shall not invest in any of its scheme, unless full disclosure of its intention to invest has been made in the offer documents, in case of schemes launched after the notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011: Provided that an asset management company shall not be entitled to charge any fee on its investment in that scheme
18. The appointment of the AMC can be terminated by a majority of the trustee or by seventy five percent of unit holders of the scheme.
19. The AMC is currently managing the affairs of the schemes of LIC Mutual Fund. It has obtained certificate of registration for carrying on the business of portfolio managers in terms of Regulation 24 (2).
20. The asset management company shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in Eighth Schedule, and shall publish the same.
21. The AMC and the Sponsor shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation.
22. The AMC shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by SEBI from time to time.

INFORMATION ON KEY PERSONNEL

The day-to-day operations of the AMC are looked after by experienced and qualified professionals

NAME	AGE	POSITION	QUALIFICATION	EXPERIENCE
Shri Dinesh Pangtey	59	Whole Time Director and Chief Executive Officer	B.Sc.	<ul style="list-style-type: none">• Chief Executive Officer - LICHFL AMC Ltd. (22.04.2016 - 30.04.2019)• Regional Manager (Pension & Group Schemes) Marketing - LIC of India, Mumbai (2015-2016)• Regional Manager (Marketing) - LIC of India, West Zone, Mumbai (2012-2015)• Regional Manager (Estate) Administration - LIC of India, West Zone, Mumbai (2010-2012)• Senior Divisional Manager (Marketing) - LIC of India, Delhi Divisional Office III (2008-2010)

Mr. Nityanand Prabhu	51	Executive Director and Business Head	B. Com. LLB	<ul style="list-style-type: none"> • Presently, Executive Director and Business Head at LIC Mutual Fund Asset Management Ltd. (Current, effective April 01, 2021) • Chief Operating Officer at LIC Mutual Fund Asset Management Ltd. (April 06, 2015 to 31st March 2021) • COO & Acting CEO at ING Investment Mgt Ltd (2007 to 2015) • AVP Operations & IT at ABN Amro Asset Management Ltd 2004 – 2007)
*Mr. Prashant Thakkar	44	Executive Vice President (EVP) - Operations & Technology (*He is Chief Information Security Officer (CISO) of the AMC)	Diploma Engineering in Computer Technology Diploma in Computer Applications and Internet Technologies Diploma in Oracle & Developer 2000	<ul style="list-style-type: none"> • Executive Vice President (EVP) - Operations & Technology, LIC Mutual Fund Asset Management Ltd. (May 17, 2021 – Current) • Chief Technology Officer & Head – Strategy, LIC Mutual Fund Asset Management Ltd. (April 2016 – May 2021) • Head – Information Technology, LIC Mutual Fund Asset Management Ltd. (July 2012 – April 2016) • Head – Information Technology, Mirae Asset Global Investments (India) Pvt. Ltd. (July 2007 – July 2012)
Mr. S. Ramasamy	61	Chief Risk Officer	ACA & B.Com	<ul style="list-style-type: none"> • Chief Risk Officer – LIC Mutual Fund Asset Management Ltd. (w.e.f. 1st July 2020 onwards on long term contractual basis) • Chief Risk Officer – LIC Mutual Fund Asset Management Ltd (July 2018 – May 2020) • Treasury Operation – LIC of India (2015 - 2018) • Chief Investment Officer – LIC

				<p>Mutual Fund (2013 - 2015)</p> <ul style="list-style-type: none"> Regional Manager- LIC Housing Finance Ltd. (2011-2013) Fund Manager (Equity) – LIC Mutual Fund (2009 - 2011)
Mr. Yogesh Patil	44	Head – Equity	<p>MBA (Finance) - Symbiosis Institute of Business Management, Pune</p> <p>B.com - Govt. College BHEL Bhopal</p>	<ul style="list-style-type: none"> Head – Equity, LIC Mutual Fund Asset Management Ltd. (w.e.f. 1st April 2021) Fund Manager (Equity) - LIC Mutual Fund Asset Management Ltd. (w.e.f. October 2018) Senior Fund Manager (Equity) – Canara Robeco Mutual Fund (September 2009 – September 2018) Research Analyst – Sahara Mutual Fund (December 2006 – August 2009)
Mr. Marzban Irani	46	Chief Investment Officer – Fixed Income	<p>PGDBM - Chetana's Institute of Management & Research, Mumbai.</p> <p>B.Com – Mumbai University</p>	<ul style="list-style-type: none"> Chief Investment Officer – Fixed Income - LIC Mutual Fund Asset Management Ltd. (w.e.f. 24/04/2019) Fund Manager Fixed Income - LIC Mutual Fund Asset Management Ltd. (w.e.f. 04/08/2016) VP Fixed Income - DSP BlackRock Investment Managers (Jun 2014 – Jul 2016) Senior Fund Manager Fixed Income - TATA Asset Management (Jun 2011- May 2014). Fund Manager Fixed Income – METLIFE INDIA INSURANCE (Sep 2010 – May 2011) Fund Manager Fixed

				<p>Income - Mirae Asset Global Investment Mgmt India (Jan 2008 – Jul 2010)</p> <ul style="list-style-type: none"> • Fund Manager Fixed Income – TATA Asset Management (Sep 2000- Nov 2007)
Mr. Rohit Mistry	39	Head Business Development & Marketing	<p>MBA Business Finance & Management from University of Liverpool</p> <p>B.Com from D G Ruparel College of Arts, Science & Commerce</p>	<ul style="list-style-type: none"> • Head Business Development & Marketing– LIC Mutual Fund Asset Management Ltd. (17th May 2021 onwards). • Head Business Development – LIC Mutual Fund Asset Management Ltd (December 2020 – May 2021). • AVP Business Development – Wealth & Banking – Invesco Asset Management India Pvt Ltd. (August 2018 –December 2020) • VP Sales– Renaissance Investment Managers Pvt Ltd. (August 2017 – August 2018) • Senior Manager – Retail Sales – Motilal Oswal Asset Management. (February 2015 – August 2017) • Sales – Ramesh Automobiles. (July 2010 – February 2015)
Mr. Mayank Arora	40	Chief Compliance Officer & Company Secretary	M.Com, CS	<ul style="list-style-type: none"> • Presently, Chief Compliance Officer & CS at LIC Mutual Fund Asset Management Ltd (From October 2014 till date) • Company Secretary at Sahara Asset Management Company Private Limited (From Jan, 2007 to Oct, 2014); • Senior Associate-Secretarial & Legal at Kale Consultants Limited (From

				<p>November, 2004 to December, 2007)</p> <ul style="list-style-type: none"> • Management Trainee at Kale Consultants Limited (From August, 2003 to November, 2004)
Mr. Rahul Singh	39	Senior Fund Manager – Debt	Bsc. Economics Hons., PGDM (MBA) – IIM Ahmedabad	<ul style="list-style-type: none"> • Presently Senior Fund Manager – Debt - LIC Mutual Fund Asset Management Ltd (w.e.f. 17/05/2021) • Fund Manager, Debt - LIC Mutual Fund Asset Management Ltd (w.e.f. 07/09/2015) • Dealer - Fixed Income - BOI AXA Investment Managers (August 2009 – August 2015) • Credit Analyst – ING Investment Management (May 2008 – August 2009) • Internship – Standard Chartered Bank (April 2007 – May 2007) • Research Analyst – Ashika Capital (Jan 2004 to April 2006)
Ms. Ritu Modi	34	Fund Manager – Equity	B.Com, MMS (Finance)	<ul style="list-style-type: none"> • Fund Manager (Equity) - LIC Mutual Fund Asset Management Ltd. (w.e.f. November 2019) • Equity Analyst - LIC Mutual Fund Asset Management Ltd. (January 2018 – October 2019) • Associate Analyst - Ambit Capital Pvt. Ltd. (August 2010 – September 2017)

Mr. Karan Doshi	33	Co- Fund Manager - Equity	Bachelor of Engineering. (E.X.T.C), MMS (Finance)	<ul style="list-style-type: none"> • Co-Fund Manager - Equity & Equity Analyst - LIC Mutual Fund Asset Management Ltd. (w.e.f. January 2021) • Equity Analyst - LIC Mutual Fund Asset Management Ltd. (May 2019 – December 2020) • Equity Analyst – Subhkam Ventures Pvt. Limited. (September 2013 – April 2019)
Ms. Geetanjali Naik	51	Equity Dealer	B.Sc	<ul style="list-style-type: none"> • Presently Equity Dealer at LIC Mutual Fund Asset Management Ltd. • Manager, (PMS Fund Manager) LIC NOMURA Mutual Fund AMC Ltd.- From 2011 to 2013 • Manager, LIC NOMURA Mutual Fund AMC Ltd.- From 2005 to 2011 • Asst. Manager (Treasury), LIC NOMURA Mutual Fund AMC Ltd.- From 2002 to 2005 • Asst. Manager (NAV-Operations), LIC Mutual Fund AMC Ltd- From 2000 to 2002
Mr. Harsh Shah	36	Equity Dealer	Trade Management from Welingkars Institute Electronics & Telecom Engineering from Shah & Anchor Kuttchi Engineering College	<ul style="list-style-type: none"> • Equity Dealer– LIC Mutual Fund Asset Management Ltd.(18th May 2021 onwards). • Equity Dealer– Future Generali Life Insurance Company. (12th January 2021 – 27th April 2021) • Senior Equity Dealer– Indiabulls Asset Management. (19th November 2020 – 24th December 2020)

				<ul style="list-style-type: none"> • Senior Equity Dealer– ITI Asset Management. (1st February 2017 – 13th August 2019) • Senior Equity Dealer– Peerless Mutual Fund. (10th March 2010 – 31st January 2017)
Mr. Sanjay Pawar	37	Co-Fund Manager -Debt	B.com, (Finance) MBA	<ul style="list-style-type: none"> • Co-Fund Manager - Debt, in LIC Mutual Fund Asset Management Ltd (w.e.f. 1st September 2020) • Senior Debt Dealer in LIC Mutual Fund Asset Management Ltd (December 2017 onwards) • Acko General Insurance Limited – Fixed Income Dealer (September 2017– November 2017). • National Stock Exchange Limited – Valuation & New Product Development (June 2017 – September 2017). • Taurus Mutual Fund – Fixed Income Dealer (June 2016 – May 2017) • Edelweiss Securities Limited – Fixed Income Trader (June 2012 – June 2016) • Crisil Limited – Senior Research Analyst – August 2009 – June 2012) • ICAP India Private Limited – Fixed Income Trader – WDM Dealer for placement of Fixed Income securities – (August 2007 – July 2009)

Mr. Yash Sanghvi	28	Debt Dealer	PGDM (E-Business), B.Tech (Electronics)	<ul style="list-style-type: none"> • Presently Debt Dealer in LIC Mutual Fund Asset Management Ltd (w.e.f. 17/05/2021) • Junior Debt Dealer in LIC Mutual Fund Asset Management Ltd (January, 2018 onwards)
Mr. Kunal Koladiya	30	Debt Dealer	PGDM – Finance from MET-Institute of Computer Science, B.E. - Electrical	<ul style="list-style-type: none"> • Presently Debt Dealer in LIC Mutual Fund Asset Management Ltd (w.e.f. 17/05/2021) • Junior Debt Dealer in LIC Mutual Fund Asset Management Ltd (w.e.f. 25th July 2019)
Ms. Sonali Pandit	42	Investor Relation Officer	PGDBA (Welingkar Institute of Management) Bachelor of Arts (Mumbai University)	<ul style="list-style-type: none"> • AGM (RTA- Operation and Investor Services) – LIC Mutual Fund Asset Management Ltd (April 2013 – till date) • RTA (Operation) – UTI Mutual Fund (July 2010 – November 2010) • Branch Servicing – HDFC Mutual Fund (March 2005 – September 2009)

E. SERVICE PROVIDERS

SERVICE PROVIDER	NAME	ADDRESS	SEBI/FIRM REGN. NO.
Custodian	Standard Chartered Bank	CRESCENZO, 3rd Floor, C-38/39, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	IN/CUS/006
Registrar & Transfer Agent	M/s. KFin Technologies Pvt. Ltd.	Karvy Selenium Tower B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500032	INR000000221
Statutory Auditor	S. R. Batliboi & Co LLP	14th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028	301003E/E300005
Legal Counsel	Little & Co.	Little & Co., 3rd Floor, Central Bank Building, Mahatma Gandhi Road, Mumbai- 400 001	NA
Fund Accountant	Standard Chartered Bank	Ground floor, 90 M.G. Road, Fort, Mumbai-400001	NA
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.		

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 KFin Technologies Pvt. Ltd. has adequate capacity to discharge responsibilities regarding 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.

II. CONDENSED FINANCIAL INFORMATION

The following is the condensed financial information for schemes launched by LIC MF Asset Management Ltd. during the last three fiscal years (excluding redeemed schemes).

HISTORICAL PER UNIT STATISTICS

LIC MF Arbitrage Fund	2020-2021	2019-2020	2018-2019
NAV at the start of the year			
Direct Plan Growth Option	10.7872	10.1056	10.0000
Direct Plan Weekly Dividend Option	10.2127	10.0223	10.0000
Direct Plan Monthly Dividend Option	10.2629	10.0755	10.0000
Regular Plan Growth Option	10.7046	10.0936	10.0000
Regular Plan Weekly Dividend Option	10.4144	10.0197	10.0000
Regular Plan Monthly Dividend Option	10.4583	10.0635	10.0000
Dividend			
Direct Plan Weekly Dividend Option	0.0753	0.4153	0.0735
Direct Plan Monthly Dividend Option	0.4600	0.4250	0.0266
Regular Plan Weekly Dividend Option	0.0000	0.1812	0.0653
Regular Plan Monthly Dividend Option	0.0000	0.1859	0.0266
NAV at the end of the year			
Direct Plan Growth Option	11.1185	10.7718	10.1063
Direct Plan Weekly Dividend Option	10.4484	10.1981	10.0230
Direct Plan Monthly Dividend Option	10.1101	10.2483	10.0762
Regular Plan Growth Option	10.9698	10.6895	10.0944
Regular Plan Weekly Dividend Option	10.6724	10.3997	10.0205
Regular Plan Monthly Dividend Option	10.7175	10.4436	10.0643
Annualized Returns (%)			
LIC MF Arbitrage Fund - Dir – Growth	3.22	6.54	1.055
LIC MF Arbitrage Fund - Reg – Growth	2.62	5.85	0.940
Annualized Returns (%) (of Nifty 50 Arbitrage Index)	2.34	6.04	1.30
Annualized Returns (%) (of CRISIL 1 Year T Bill Index)	4.66	7.44	1.49
INR Returns on investment of Rs. 10,000 @ (from the date of allotment till end of the year/period			
Scheme (Rs) (of Direct Growth Option)	10,322.00	10,659.00	10,106.00
Scheme (Rs) (of Regular Growth Option)	10,262.00	10,590.00	10,094.00

Scheme Benchmark (Rs) (of Nifty 50 Arbitrage Index)	10,234.00	10,609.00	10,130.00
Additional Benchmark (Rs) (of CRISIL 1 Year T Bill Index)	10,466.00	10,751.00	10,149.00
Net Assets at the end of the period (Rs. In Cr.)			
Regular Plan	20.43	43.07	47.02
Direct Plan	12.53	13.90	85.32
Ratio of Recurring Expenses to net assets			
Regular Plan	0.98%	1.00%	1.02%
Direct Plan	0.43%	0.35%	0.37%
Date of allotment 25-01-2019			

LIC MF Short Term Debt Fund	2020-2021	2019-2020	2018-2019
NAV at the start of the year			
Direct Plan Growth Option	11.1593	10.2072	10.00000
Direct Plan Dividend Option	11.1593	10.2072	10.00000
Regular Plan Growth Option	11.0234	10.1896	10.00000
Regular Plan Dividend Option	11.0234	10.1896	10.00000
Dividend			
Direct Plan Dividend Option	0.00000	0.00000	0.00000
Regular Plan Dividend Option	0.00000	0.00000	0.00000
NAV at the end of the year			
Direct Plan Growth Option	11.9799	11.1575	10.2052
Direct Plan Dividend Option	11.9799	11.1575	10.2052
Regular Plan Growth Option	11.7103	11.022	10.1879
Regular Plan Dividend Option	11.7103	11.022	10.1879
Annualized Returns (%)			
LIC MF Short Term Debt Fund - Dir - Growth	7.37	9.2924	13.1270
LIC MF Short Term Debt Fund - Reg - Growth	6.24	8.1515	12.0385
Annualized Returns (%) (of CRISIL Short Term Bond Fund Index)	7.80	9.78	13.15
Annualized Returns (%) (of CRISIL 10 Year Gilt Index)	3.60	14.55	11.49
INR Returns on investment of Rs. 10,000 @ (from the date of allotment till end of the year/period			

Scheme (Rs) (of Direct Growth Option)	10,737.00	10,937.00	11,313.00
Scheme (Rs) (of Regular Growth Option)	10,624.00	10,822.00	11,204.00
Benchmark (Rs) (of CRISIL Short Term Bond Fund Index)	10,780.00	10,986.00	11,315.00
Additional Benchmark (Rs) (of CRISIL 10 Year Gilt Index)	10,360.00	11,468.00	11,149.00
Net Assets at the end of the period (Rs. In Cr.)			
Regular Plan	242.92	142.74	49.74
Direct Plan	133.33	60.91	103.02
Ratio of Recurring Expenses to net assets			
Regular Plan	1.44%	1.46%	1.43%
Direct Plan	0.39%	0.41%	0.38%
Date of allotment 01-02-2019			

LIC MF Overnight Fund	2020-2021	2019-2020	2018-2019
NAV at the start of the year			
Direct Plan Dividend Option	1035.1625	1,000.0000	-
Direct Plan Daily Dividend Option	1000.0000	1,000.0000	-
Direct Plan Growth Option	1035.4551	1,000.0000	-
Regular Plan Dividend Option	1034.6254	1,000.0000	-
Regular Daily Dividend Option	1000.0000	1,000.0000	-
Regular Plan Growth Option	1034.5019	1,000.0000	-
Regular Plan Weekly Dividend Option	1000.0000	1,000.0000	-
Direct Plan Weekly Dividend Option	1000.0218	1,000.0000	-
Dividend			
Direct Plan Daily Dividend Option	27.3182	24.0943	-
Direct Plan Weekly Dividend Option	29.5450	25.0910	-
Regular Plan Weekly Dividend Option	21.0281	22.1778	-
NAV at the end of the year			
Direct Plan Dividend Option	1066.3077	1,035.1439	-
Direct Plan Daily Dividend Option	1000.0000	1,000.0000	-
Direct Plan Growth Option	1066.5558	1,035.4366	-
Regular Plan Dividend Option	1064.5450	1,034.6100	-
Regular Daily Dividend Option	1000.0000	1,000.0000	-
Regular Plan Growth Option	1064.1915	1,034.4872	-
Regular Plan Weekly Dividend Option	1000.0000	1,000.0000	-
Direct Plan Weekly Dividend Option	1000.0945	1,000.0000	-

Annualized Returns (%) (of Direct Growth Option)	3.01	5.03	-
Annualized Returns (%) (of Regular Growth Option)	2.87	4.90	-
Annualized Returns (%) (of Nifty 1D Rate Index)	3.08	4.92	-
Annualized Returns (%) (of CRISIL 1 Year T Bill Index)	4.66	7.38	-
INR Returns on investment of Rs. 10,000 @ (from the date of allotment till end of the year/period)			
Scheme (Rs) (of Direct Growth Option)	10,301.00	10,503.00	-
Scheme (Rs) (of Regular Growth Option)	10,287.00	10,490.00	-
Benchmark (Rs) (of Nifty 1D Rate Index)	10,308.00	10,492.00	-
Additional Benchmark (Rs) (of CRISIL 1 Year T Bill Index)	10,466.00	10,738.00	-
Net Assets at the end of the period (Rs. In Cr.)			
Regular Plan	35.52	30.69	-
Direct Plan	119.45	913.63	-
Ratio of Recurring Expenses to net assets			
Regular Plan	0.20%	0.20%	-
Direct Plan	0.07%	0.07%	-
Date of allotment 18-07-2019			

LICMF Ultra Short Term Fund	2020-2021	2019-2020	2018-2019
NAV at the start of the year			
Direct Plan Daily Dividend Option	1000.2151	1,000.0000	-
Direct Plan Growth Option	1016.9756	1,000.0000	-
Direct Plan Monthly Dividend Option	1016.9663	1,000.0000	-
Regular Daily Dividend Option	1003.2006	1,000.0000	-
Regular Plan Growth Option	1015.9131	1,000.0000	-
Regular Plan Monthly Dividend Option	1015.8941	1,000.0000	-
Regular Plan Weekly Dividend Option	1007.8869	1,000.0000	-
Direct Plan Weekly Dividend Option	1003.1621	1,000.0000	-
Dividend			
Direct Plan Dividend Option	38.0311	11.9656	-
Direct Plan Weekly Dividend Option	17.1197	9.8535	-
Regular Plan Dividend Option	32.4021	8.7374	-
Regular Plan Weekly Dividend Option	33.8595	5.7803	-

NAV at the end of the year			
Direct Plan Daily Dividend Option	1003.8109	1,000.0807	-
Direct Plan Growth Option	1059.2514	1,016.8384	-
Direct Plan Monthly Dividend Option	1059.2355	1,016.8294	-
Regular Daily Dividend Option	1016.2995	1,003.0772	-
Regular Plan Growth Option	1055.7687	1,015.7846	-
Regular Plan Monthly Dividend Option	1055.7545	1,015.7656	-
Regular Plan Weekly Dividend Option	1013.095	1,007.7584	-
Direct Plan Weekly Dividend Option	1027.3684	1,003.0274	-
Annualized Returns (%) (of Direct Growth Option)	4.17	4.92	-
Annualized Returns (%) (of Regular Growth Option)	3.94	4.61	-
Annualized Returns (%) (of CRISIL Ultra Short Term Debt Index)	5.41	6.38	-
Annualized Returns (%) (of CRISIL 1 Year T Bill Index)	4.66	7.06	-
INR Returns on investment of Rs. 10,000 @ (from the date of allotment till end of the year/period)			
Scheme (Rs) (of Direct Growth Option)	10,417.00	10,492.00	-
Scheme (Rs) (of Regular Growth Option)	10,394.00	10,461.00	-
Benchmark (Rs) (of CRISIL Ultra Short Term Debt Index)	10,541.00	10,638.00	-
Additional Benchmark (Rs) (of CRISIL 1 Year T Bill Index)	10,466.00	10,706.00	-
Net Assets at the end of the period (Rs. In Cr.)			
Regular Plan	61.41	14.80	-
Direct Plan	22.85	11.57	-
Ratio of Recurring Expenses to net assets			
Regular Plan	0.40%	0.52%	-
Direct Plan	0.20%	0.22%	-
Date of allotment 27-11-2019			

Please note that with effect from April 1, 2021 nomenclature of term 'Dividend' has been changed to 'Income Distribution cum Capital Withdrawal (IDCW)'.

III. HOW TO APPLY

1. New investors can purchase units by using an application form or through such other modes as may be offered by the AMC, subject to KYC and various requirements and documents. Existing unit holders may use the form attached to the bottom of their account statement i.e. Transaction Slip or use a Common Application Form or through such other modes as may be offered by the AMC. Application forms or common transaction forms are generally available at the official points of acceptance of transactions during the business hours. The same can also be downloaded from the website of the Mutual Fund, www.licmf.com.
2. Application Forms duly completed along with the Cheque /Demand Draft may be submitted at Branch Offices, of **LIC Mutual Fund Asset Management 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.
3. Investors are required to ensure that employee Unique Identification Number (EUIN) is correctly filled up in the application form for investments routed through the distributor (ARN holder). EUIN, particularly in advisory transactions, would assist in addressing any instance of mis-selling even if the employee/relationship manager/ sales person later leaves the employment of the distributor. In case, the distributor has not given any advice to investor pertaining to the investment made, the EUIN box may be left blank wherein the investor will be required to provide a duly signed declaration to this effect, as given in the application form. SEBI has made it compulsory for every employee/ relationship manager/ sales person of the distributor of mutual fund products to quote the EUIN obtained by him/ her from AMFI in the Application Form.
4. No outstation cheques 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 Mutual Fund has its designated Authorized 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.
5. Investors can carry out financial and non-financial transactions pertaining to Scheme(s) of LIC Mutual Fund through MF Utilities at the authorized Points of Service of MF Utilities India Private Limited (MFUI). The details of Points of Service with effect from the respective dates published on MFU website at www.mfuindia.com will be considered as Official Point of Acceptance (OPA) for transactions in the Scheme(s) of the Fund. The transactions carried out through MFU shall be subject to the terms & conditions as may be stipulated by MFUI / Fund / LIC MF AMC from time to time.
6. Investors may undertake transactions viz. purchase / redemption / switch through the online/electronic modes/ sources like its official website - www.licmf.com, through email and fax (Only for Corporate Investor) etc and may also submit transactions in electronic mode offered by specified banks, financial institutions, distributors etc., with whom AMC has entered or may enter into specific arrangements including through secured internet

sites operated by KFin. Accordingly, the servers (maintained at various locations) of the AMC and KFin will be the official point of acceptance for all such online / electronic transaction facilities offered by the AMC. The time of receipt of funds in the scheme's collection account and the time of receipt of application with all the correct details at AMC's /RTA server shall be taken into consideration for the purpose of NAV applicability.

- Transaction Platforms of Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)

Mutual Fund also offers an alternate transaction platform to facilitate purchase / subscription and redemption / repurchase of units of all its open-ended schemes (except for LIC MF Unit Linked Insurance Scheme) through the platforms of NSE & BSE. Under this facility, Trading Member of NSE/BSE can facilitate eligible investors to subscribe and redeem the mutual fund units using their existing network and order collection mechanism as provided by respective stock exchange. For further details contact our Branch Offices, Registrar & Transfer Agents and Investor Service Centers.

The Mutual Fund will not accept any request for transactions or service requests in respect of Units bought under this facility in demat mode directly. The AMC/Fund will not send any account statement in respect of Units bought in demat mode or accept any request for statement as the units will be credited in demat account of the investor and their DPs should be approached for issuance of statement. For any grievances with respect to transactions through stock exchange mechanism, Unit Holders must approach either stock broker or their Distributors or RIA or the investor grievances cell of the respective stock exchange. The Fund or the AMC will not be liable for any transactions processed based on the transaction details provided by the stock exchanges.

- Option to hold in Demat Form:

Investors subscribing for Units in any of the schemes of the Fund may opt to hold Units in dematerialized mode by filling and providing details of their demat account in the specified application form. Units shall be allotted in physical form by default, unless the investors intimate their intention of holding Units in demat form by filling in the specified application form. This option shall be available in accordance with the provisions laid under the respective scheme(s) and in terms of guidelines/ procedural requirements as laid by the depositories (NSDL/ CDSL) from time to time. Investors intending to hold the Units in Demat form are required to have a beneficiary account with the Depository Participant (DP) registered with NSDL/CDSL and will be required to indicate in the specified application form, the DP's name, DP ID number and the beneficiary account number of the Unit holder with the DP. Investors should attach copy of either Client Master List / Transaction Holding Statement / Delivery Instruction Slip (DIS) to verify the demat details provided in the form. In case the Demat account details are not provided or the details are incomplete or the details do not match with the records as per Depository(ies), Units will be allotted in physical form.

The sequence of names/pattern of holding as mentioned in the application form must be same as that in the demat account. Units shall be credited to the investors' demat account only after the funds are credited into the Mutual Fund's scheme(s) account to the satisfaction of the AMC. In case of credit of Units to depository account, applicants' details like the mode of holding, bank account, correspondence address, payment bank, nomination etc. as appearing in the depository account will be considered for various

purposes.

In case, the Unit holder desires to hold the Units in a Dematerialized/Rematerialized form at a later date, the request for conversion of units held in nondemat form into Demat (electronic) form or vice-versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants. Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996 as may be amended from time. Units held in demat form will be transferable subject to the provisions laid under the respective Scheme(s)/Plan(s) and in accordance with provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

The Mutual Fund/AMC will not send any account statement in respect of Units bought in demat mode or accept any request for statement as the units will be credited in demat account of the investor and their DPs should be approached for issuance of statement.

7. Cash Investment in Mutual Fund Schemes:

- In partial modification to SEBI Circular no. MFD/CIR/15/19133/2002 dated September 30, 2002 and 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. 50,000/- per investor, per mutual fund, per financial year is 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.

Procedure for Cash Investments:

- a. Deposit slips for making Cash Investments may be obtained from ISCs which accept Cash Investment applications. Investor is required to fill the deposit slip with the scheme name and the amount of cash to be deposited. The contents of the deposit slip shall be verified by the officials of such ISCs.
- b. Investors must then deposit the cash along with the verified deposit slip at any of the nearest designated branches of the Bank accepting cash under this facility.
- c. Acknowledged copy of the deposit slip received from the Bank along with the Scheme application form / transaction slip shall be submitted at the same ISC (i.e. from where the deposit slip was obtained) for time stamping. Investors must mention their name and folio number/ application number on the reverse of the Bank-acknowledged deposit slip. The pay-out bank account details are also required to be specified in the application form by the investors.

Other conditions:

- a. Maximum amount of subscription: If the amount of subscription (together with the investments already made through cash in the same financial year) exceeds Rs. 50,000/- the application will be rejected.

- b. Payment of proceeds pertaining to redemptions, dividend, etc. with respect to Cash Investments shall be made only through the pay-out bank account mentioned in the application form or as registered in the folio (as applicable) as Bank mandate.

The AMC / Trustee reserves the right to reject any application for Cash Investment and /or reverse allotment of units of those investors who undertook Cash Investment under the following circumstances:

- i) If the application Form is not in order;
- ii) If the ISC verified and Bank acknowledged deposit slip is not attached to the applications Form;
- iii) If authorized cash collecting Bank informs that stale or uncurrent or spurious or imperfect or otherwise unacceptable notes / coins were furnished to them; and
- iv) for any other reasons as deemed fit by the AMC/ Fund/ Trustee. The AMC / Trustee shall not be liable for any losses suffered by the investors on account of rejection of application forms or reversing allotment of units for the reasons stated above or on account of mishandle of Cash either by the investor or his representative.

- Repayment in the form of redemptions, dividend, etc. with respect to investments shall be paid only through banking channel.
- Following schemes are available for CASH Transaction:
 - 1) LIC MF Banking & PSU Debt Fund 2) LIC MF Debt Hybrid Fund 3) LIC MF Equity Hybrid Fund 4) LIC MF Multi Cap Fund 5) LIC MF Large Cap Fund 6) LIC MF Savings Fund 7) LIC MF Banking and Financial Services Fund 8) LIC MF Children's Gift Fund 9) LIC MF Infrastructure Fund 10) LIC MF Large & Mid Cap Fund 11) LIC MF Overnight Fund 12) LIC MF Short term Debt Fund 13) LIC MF Ultra Short Term Fund

8. Mode of Payment:

The following mode of payment can be used by Resident Investors:

- Electronic Funds Transfer (EFT) over the internet or by way of direct credit/ Real Time Gross Settlement (RTGS)/National Electronic Funds Transfer (NEFT) / IMPS to designated scheme collection account by clearly mentioning the name of the investor and application number in the remark.
- Through MICR cheque / demand draft/ pay order drawn on any bank which is situated at and is member of the Banker's Clearing House /Zone in a city where the application is submitted to a designated Collection Centre. As per SEBI Circular, 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.

- With respect to online transactions, payment can also be made through debit/cards, NEFT, RTGS, UPI.
- In respect of New Fund Offer (NFO) of Schemes/Plan(s) an investor can subscribe to the NFO through Applications Supported by Blocked Amount (ASBA) facility by applying for the Units offered under the Option(s) of the Scheme(s) in the ASBA Application Form and following the procedure as prescribed in the form. For details please refer to the Section “Applications Supported by Blocked Amount (ASBA) facility”.

Note: The AMC, at its discretion later, may choose to alter or add other modes of payment.

In addition to existing facility available for payments through Direct Debits / Standing Instructions for investments in SIP, the unit holders can now also make payment of SIP instalments through NACH facility. NACH is a centralized system, launched by National Payments Corporation of India (NPCI) with an aim to consolidate multiple NACH mandates. This facility will enable the unit holders of the Fund to make SIP investments through NACH by filling up the SIP Registration cum mandate form. A Unique number will be allotted to every mandate registered under NACH called as Unique Mandate Reference Number (“UMRN”) which can be used for SIP transactions. The NACH facility shall be available subject to terms and conditions contained in the SIP registration Mandate Form and as prescribed by NPCI from time to time.

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 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 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.

- **Note for NRI, FII and PIOs**

NRIs and PIOs may purchase units on a repatriation and non-repatriation basis, while FIIs may purchase units only on a repatriation basis. They shall enclose along with the application form a copy of the payment cheque / FIRC / Debit Certificate, to enable the AMC to ascertain the repatriation status of the amount invested. The account type shall be clearly ticked as NRE or NRO or FCNR, to enable the AMC to determine the repatriation status of the investment amount. The AMC and the Registrar may ascertain the repatriation status purely based on the details provided in the application form.

- (i) Repatriation basis

NRIs and PIOs may pay their subscription amounts by way of Indian Rupee drafts purchased abroad, cheques drawn on Nonresident (External) (NRE) Accounts payable at par at Mumbai or Indian Rupee drafts payable at Mumbai and purchased out of funds held in NRE Accounts / FCNR Accounts. FIIs may pay their subscription amounts either by way of inward remittance through normal banking channels or out of funds held in Foreign Currency Accounts or Non-resident Rupee Accounts maintained with a designated branch of an authorized dealer with the approval of RBI. In case Indian Rupee drafts are purchased abroad or from FCNR/ NRE accounts, an account debit certificate from the bank issuing the draft confirming the debit shall also be enclosed. NRIs shall also be required to furnish such other documents as may be necessary and as desired by the AMC/Mutual Fund/Registrar, in connection with the investment in the schemes. Where redemption is received for units held by NRI and requiring credit of redemption proceeds to a NRE account, the fund may reject the redemption if the necessary documents like FIRC evidencing payment of subscription of units through NRE account are not provided by the investor.

- (ii) Non-Repatriation basis

NRIs and PIOs may pay their subscription amounts by cheques/demand drafts drawn out of Non-Resident Ordinary (NRO) accounts/Non-Resident Special Rupee (NRSR) accounts and Non-Resident Non-Repatriable (NRNR) accounts payable at the city where the application form is accepted. The Trustees shall have absolute discretion to reject any application for purchase of Units, if in its opinion, increasing the size of the Unit Capital is not in the general interest of the Unit Holders, or if for any other reason it does not believe it would be in the best interest of the Scheme or its Unit Holders to accept such an application.

- **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 Branch offices 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., name of the applicant or PAN number 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 Mutual Fund/AMC would not be responsible for consequences thereof. LIC 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 five business days 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 five business days from the close of the New Fund Offer period. The interest earned upon Investments of NFO proceeds in CBLO shall be returned to the Investor. 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 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 affected by way of redemption of units and a reinvestment of the redemption proceeds in another scheme(s).

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

- **RESTRICTION ON ACCEPTANCE OF THE THIRD-PARTY PAYMENTS FOR SUBSCRIPTION OF UNITS OF SCHEMES OF LIC MUTUAL FUND**

LIC Mutual Fund Trustee Pvt. Ltd., the Trustee to LIC Mutual Fund, had decided to restrict the acceptance of Third Party Payments with effect from 15th 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).

(i) LIC Mutual Fund Asset Management Ltd. (“AMC”) / LIC 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 detailed 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 must be one of the joint holders of the bank account from which payment is made.

- AMC shall not accept subscriptions with Third Party Payments except in the following exceptional cases: -
Payment by Employer on behalf of employee under Systematic Investment Plans through Payroll deductions.
Custodian on behalf of an FII or a client.
- 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: -
Mandatory KYC for all investors 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.

Submission of a separate, complete and valid ‘Third Party Declaration Payment Form’ from the investors 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 Mutual Fund or visit our website www.licmf.com.

(ii) 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 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 as detailed 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 Mutual Fund or visit our website www.licmf.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 manager 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.

- (iii) Investors transacting through Stock Exchange Platforms 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.

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 not older than 3 months.

(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 Mutual Fund. The copy of such documents will be verified with the original documents to the satisfaction of LIC 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 at least 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 Mutual Fund in writing.

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.licmf.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 read with SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2019/166 dated December 24, 2019 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 are applicable to schemes of LIC Mutual Fund.

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.
- 4) Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor / Minor with guardian or from a joint account of the minor with the guardian only. For existing folios, in case the pay-out bank mandate is not held solely by minor or jointly by minor and guardian, the investors are requested to provide a change of Pay-out Bank mandate request before providing redemption request.

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 standing instruction shall be suspended when the minor attains majority, till the status is changed to major.
- 4) Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC and FATCA details, updated bank account details including cancelled original cheque leaf of the new account and his/her specimen signature duly authenticated by banker or guardian. Investors / Unit holders shall additionally note that, upon the minor attaining the status of major, no further transactions shall be allowed till the status of the minor is changed to major.
- 5) List of standard documents to change account status from minor to major:
 - Service Request form, duly filled and containing details like name of major, folio numbers, etc.;
 - New Bank mandate where account changed from minor to major;
 - Signature attestation of the major by a manager of a scheduled bank / Bank Certificate/Letter;
 - KYC acknowledgement of the major.

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.

Deduction of Transaction Charges for investments through Distributor / Agents

SEBI has allowed Asset Management Companies (AMCs) to deduct transaction charges per subscription of INR 10,000/- 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.

(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 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, and SEBI Circular No.CIR/MRD/DP/31/2014 dated November 12, 2014 the investor whose transaction has been accepted by LIC Mutual Fund/KFin shall receive a confirmation by way of email and /or SMS within 5 Business Days from the date of receipt of transaction request, same will be sent to the Unit holders registered e-mail address and/or mobile

number. Thereafter, a Consolidated Account Statement (“CAS”) shall be issued in line with the following procedure:

- 1) Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding.
- 2) The CAS shall be generated on a monthly basis and shall be issued on or before 15th of the immediately succeeding month to the unit holder(s) in whose folio(s) transaction(s) has/have taken place during the month. Further, the CAS for half year is issued on or before 21st day of the immediately succeeding month.
- 3) In case there is no transaction in any of the mutual fund folios then CAS detailing holding of investments across all schemes of all Mutual Funds will be issued on half yearly basis [at the end of every six months (i.e. September/ March)]
- 4) Investors having MF investments and holding securities in Demat account shall receive a Consolidated Account Statement containing details of transactions across all Mutual Fund schemes and securities from the Depository by email / physical mode.
- 5) Investors having MF investments and not having Demat account shall receive a Consolidated Account Statement from the MF Industry containing details of transactions across all Mutual Fund schemes by email / physical mode.
- 6) For those unit holders who have provided an e-mail address, the AMC will send the account statement by e-mail.

The word ‘transaction’ shall include purchase, redemption, switch, Payout of Income Distribution cum capital withdrawal, Reinvestment of Income Distribution cum capital withdrawal, systematic investment plan, systematic withdrawal plan, and systematic transfer plan. CAS shall not be received by the Unit holders for the folio(s) wherein the PAN details are not updated. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. In case of a specific request received from the Unit holders, LIC MF/KFin will provide the account statement to the investors within 5 Business Days from the receipt of such request. Investors are requested to update their email ID and mobile number to prevent fraudulent transactions.

Know Your Customer (KYC):

Know Your Client (“KYC”) formalities under the Prevention of Money laundering Act, 2002 (“PMLA”) and the related guidelines issued by SEBI, are to be completed by all investors, (including Power of Attorney holders and guardian in case of a minor) intending to invest any amounts in units of the Mutual fund. Investments through micro investments, i.e. lump sum investment (fresh purchase & additional purchase) for amount less than Rs. 50,000/- (Rupees fifty thousand) or Micro SIP installments by an investor in rolling 12 months period or financial year i.e. April to March less than Rs. 50,000/- (Rupees fifty thousand) and investors residing in state of Sikkim are exempt from the requirement of PAN. The exemption for Micro investments will be applicable only to investments by individuals (Including Non-Resident Indian (NRIs), Joint holders, minors acting through guardian and sole proprietary firms). Person of Indian Origin (PIOs), Hindu Undivided Family (HUFs), Qualified Foreign Investor (QFIs) and other categories of investors will not be eligible for this exemption.

To bringing about uniformity in the Know Your Client (KYC) requirement and a mechanism for centralization of the KYC records in the securities market, the SEBI (KYC Registration Agency) Regulations, 2011 mandated that an investor who deals with any of the SEBI registered

intermediaries (“Intermediary/ ies”), viz. stock brokers, depository participants (DPs), Mutual funds, Portfolio Managers, etc. shall be required to fill the common KYC form and submit the same along with the specified documents at the account opening stage with any of the intermediaries.

The Mutual fund/ Registrar and transfer Agent (RTA) shall perform the KYC of its new investors. The KYC process is a one-time exercise across all intermediaries in the securities market. Investors may however, note that the fund reserves the right to conduct enhanced KYC of its investors as may be commensurate with their respective risk profiles.

SEBI has mandated that In Person Verification (IPV) of clients be carried out by the Intermediaries through a process specified in this behalf. The IPV shall be a one-time process and IPV carried out by a client with any of the intermediaries shall be relied upon by the all the other intermediaries with respect to the dealing of such client with such other intermediaries. With respect to the Mutual fund investors, additionally, IPV carried out by the Know Your Distributor (KYD) compliant Distributors who hold valid certifications issued by the National Institute of Securities Market (NISM)/Association of Mutual funds in India (AMFI).

SEBI vide circular no. CIR/MIRSD/ 66 /2016 dated July 21, 2016 read along with SEBI Circular no. CIR/MIRSD/120 /2016 dated November 10, 2016, has introduced Central KYC Records Registry (CKYCR). Further, AMFI vide circular dated December 22, 2016 has prescribed new CKYC forms which shall be applicable for prospective customers.

Accordingly, with effect from February 1, 2017, any new customer who has not done KYC earlier shall fill the new CKYC KRA-KYC form. If such new customer wishing to invest and get KYC done has filled up old KRA KYC form, such customer would also have to fill a Supplementary CKYC Form or fill the new CKYC-KRA KYC form. The forms are available on the website of the fund, viz. www.licmf.com and at the official points of acceptance of transactions of the AMC. The KYC requirements shall be governed by SEBI Circulars/ notifications and AMFI Guidelines which may change from time to time.

KYC requirement is mandatory for all unit holders, including all joint holders and the guardian in case of folio of a minor investor.

Accordingly, financial transactions (including redemptions, switches and all types of systematic plans) and non-financial requests will not be processed if the unit holders have not completed KYC requirements.

In accordance with the Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017. These Rules have come into force with effect from June 1, 2017. These Rules, inter alia, make it mandatory for investors to submit Aadhaar number issued by the Unique Identification Authority of India (UIDAI) in respect of their investments. Investors are requested to note the following requirements:

Where the investor is an individual, who is eligible to be enrolled for Aadhaar number, the investor is required to submit the Aadhaar number issued by UIDAI. Where the Aadhaar number has not been assigned to an investor, the investor is required to submit proof of application of enrolment for Aadhaar. If such an individual investor is not eligible to be enrolled for Aadhaar number, the investor shall submit PAN, in accordance with Rule 114(B)(m) of the Income Tax Rules 1962 for Mutual Fund transactions. If the Client does not submit the PAN, he/she shall submit one certified copy of officially valid document containing details of identity, address and a Photograph along with such other details as may be required by the Fund as part of KYC norms.

Where the investor is a non-individual, apart from the constitution documents, Aadhaar numbers and PANs as defined in Income-tax Rules, 1962 of managers, officers or employees or persons holding an attorney to transact on the investor's behalf are required to be submitted. Where an Aadhaar number has not been assigned, proof of application towards enrolment for Aadhaar is required to be submitted and in case PAN is not submitted an officially valid document is required to be submitted. If a person holding an authority to transact on behalf of such an entity is not eligible to be enrolled for Aadhaar and does not submit the PAN, certified copy of an officially valid document containing details of identity, address, photograph and such other documents as prescribed is required to be submitted.

Aadhaar can be accepted as a valid document for proof of address or proof of identity, provided the investor redact or blackout his Aadhaar number while submitting the applications for investments.

Revision in timelines regarding amendments to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, the Ministry of Finance (Department of Revenue) vide Notification dated December 12, 2017 read with Notification dated December 13, 2017 ('MoF Notification') and AMFI vide circular no. AMFI/35-P/Mem-Cor/32/2017-18 dated January 5, 2018 are as follows:

For existing Mutual Fund folios/accounts as on the date of the relevant MoF Notification (i.e., December 13, 2017) and for folios/accounts opened thereafter upto February 14, 2018, investors need to submit the required details latest by March 31, 2018, failing which, the Mutual Fund folio(s) may cease to be operational till the time the requisite details are submitted and updated in records.

For new Mutual Fund folios / accounts opened from February 15, 2018 onwards, investors are required to submit their PAN and Aadhaar number with requisite documents, at the time of opening the folio/account itself, without which the new folio/account may not be opened. The Aadhaar number and other requirements as stated above needs to be updated for all account holders, including that of joint holders, Guardian (in case of minor) and POA.

It may be noted that PAN is mandatory for investments greater than Rs. 50,000 in mutual fund units, hence the requirement of submitting Form 60 as prescribed in the aforesaid notification is not applicable for investment in mutual fund units.

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 15 days from the record date. Consolidated Account Statement ('CAS') at mutual fund industry level for each calendar month will be issued on or before 15th day of succeeding month to all unit holders having financial transactions and who have provided valid Permanent Account Number (PAN). For folios not included in the CAS, the AMC shall issue monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be send on or before 15th day of succeeding month. In case of a specific request received from the unit holders, the AMC shall provide the account statement to the unit holder within 5 business days from the receipt of such request. Provided if a Unitholder so desires the Mutual Fund shall issue a Unit Certificate (non- transferable) within 5 Business days of the receipt of request for the certificate.
3. The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the Redemption request.
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.
8. 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:
 - 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
 - the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
9. 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.

V. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

Background:

The Eighth Schedule to the Securities and Exchange Board of India (SEBI) Mutual Funds Regulations, 1996 together with various circulars issued by SEBI & best practice guidelines issued by Association of Mutual Funds in India (“AMFI”) from time to time prescribes the norms, methodology and guiding principles for valuation of investments held by Mutual Fund Schemes.

Valuation of securities held by all LIC Mutual Fund Schemes is done in conformity with these valuation norms. The subject valuation policy document is reviewed and approved by the Board(s) of LIC Mutual Fund Asset Management Ltd and LIC Mutual Fund Trustee Pvt. Ltd.

SEBI, vide Gazette Notification No. LAD-NRO/GN/2011-12/38/4290 dated February 21, 2012 as 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 on “Principles of Fair Valuation” to ensure at all points in time, fair treatment to all investors.

The asset management company and the sponsor of the mutual fund shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation. While the amendment regulations mandate AMC’s 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.

The asset management company is required to constitute a Valuation Committee, which is responsible for on-going review of the valuation procedures / methodologies adopted to assess their appropriateness and accuracy in determining the fair value of securities / assets.

A. Valuation Committee:

LIC Mutual Fund’s Valuation Committee comprises the following personnel:

Chief Operating Officer - **Chairperson**

Chief Risk Officer

Chief Investment Officer – Equity

Chief Investment Officer-Debt

AGM – Market Operations & Fund Accounting - **Convener**

The composition of the Valuation Committee may change from time to time, as decided & amended by the competent authority, duly delegated by the Board of Asset Management Company and Trustee.

The scope of activities / responsibilities of the Valuation Committee are listed below:

- Reviewing and recommending the Valuation Policy to the AMC and Trustee Board of Directors for their noting/approval
- Review of accuracy and appropriateness of methods adopted for valuation of securities
- Defining valuation procedure / methodology for new types of securities /assets
- Determining fair valuation of securities / assets during exceptional events where the defined procedures / methods for valuation do not yield a fair value of the securities / assets

- Identifying and addressing potential conflicts of interest situations in valuation of securities
- Engaging with the Independent Auditor to ensure regular review of the valuation policy, procedures and methodology including rationale for deviations, if any
- Reporting any deviations / incorrect valuations to the Board of Directors of the Trustee and the AMC and appropriate disclosures to the investors.
- Review of regulatory amendments with regard to valuation and implementation of the same subject to approval/ ratification of the Board of AMC and Board of Trustees.

B. Scope & Coverage:

The following are covered within the scope of this Valuation policy:

- Defining valuation procedures / methodologies for various types of securities
- Valuation of securities / assets in the event of an inter-scheme transfer
- Review of valuation policies and procedures and reporting to the various stakeholders
- Recording of deviations from established policies and procedures and rationale for same
- Dealing with Conflict of Interests (including potential conflict of interest) which has / may have a bearing on valuation of securities
- Valuation of securities / assets during exceptional events.

The Valuation Committee would conduct a periodic review of the policy to confirm its completeness & appropriateness and suggest any suitable amendments. Such changes need to be placed before the Board of Directors of the Trustee and the AMC for approval, as appropriate.

All assets held by the Fund shall be consistently valued according to the defined valuation methodology. Where it is observed that the above-defined methodology does not lead to fair valuation of securities / assets, the 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 and the AMC and appropriate disclosures to the investors would be made. Investments in any new type of securities/assets by the mutual fund scheme shall be made only after establishment of the valuation methodologies for such securities / assets with the approval of the Board of the Asset Management Company

C. Policy Review and Reporting:

The Valuation Committee shall update the Board of Directors of the Trustee and the AMC at periodic intervals of the outcome of such review and the effectiveness of the valuation policy, procedures and methodologies in use. The Valuation Committee shall also place the following before the Board of Directors of the Trustee and the AMC:

- Recommended valuation procedure / methodology for new types of securities / assets for approval of the Board
- Deviations in methodology adopted for fair valuation of securities / assets on account of exceptional events with rationale for the same
- Incorrect Valuations, if any, and associated corrective action
- Identified conflicts of interest (including potential conflict of interest) if any, and mitigatory measures adopted to address the same.

D. Conflict of Interest:

The valuation policy, procedures and methodologies laid down in this policy would be uniformly followed to ensure consistency in valuation of securities / assets across all Funds except during exceptional events (as detailed in section titled Dealing with Exceptional Events).

The Valuation Committee shall be responsible to identify areas of conflict of interest (including potential areas, if

any). Some of the key areas where a potential conflict of interest may arise and the mitigatory measures are indicated below:

- (a) Inter-Scheme Trades: Inter-Scheme transfer of securities / assets between two funds managed by the same Fund Manager - For all inter-scheme transfers, for the purpose of valuation the procedure described in Section titled Inter-Scheme Transfer shall be followed
- (b) Investments in Associate/Group Companies: Investments in any associate / group companies would be made only based on independent research recommendation (which would include independent internal research team recommendation) and the valuation procedures described in Section titled Valuation Methodology shall be followed. This will ensure that all the Valuation Policy is applied to all securities uniformly.

E. Exceptional Events:

Exceptional events are events during which reliance cannot, reasonably and in good faith, be placed on the available market information for a fair valuation of securities. These events generally lead to artificial, unsustainable prices and may therefore warrant a departure from the established valuation methodology / procedures and adoption of alternate methods/ judgement to reflect the realizable value of the securities / assets in conformity with the principles of fair valuation. The Valuation Committee is authorized by the Board of AMC and Trustee to determine the exceptional events and devise the process to deal with the exceptional events.

Following events could potentially be classified as exceptional events:

- Major policy announcements by the Reserve Bank of India, the Government or Regulator
- Natural disasters or public disturbances that force markets to close unexpectedly
- Absence of trading in specific security
- Significant volatility in the capital markets
- Liquidity crunch in debt markets
- Heavy redemption pressures.
- Credit events affecting a company or sector falling below the investment grade.

The above list is illustrative and not exhaustive. Given the exceptional nature of these events and the lack of clarity on how it would impact the markets, it is not possible to define a standard methodology to be adopted for fair valuation of securities for such events. The Valuation Committee shall be responsible for identifying and monitoring exceptional events and recommending appropriate alternate procedures / valuation methodologies with necessary guidance from the AMC Board, wherever required. The Valuation Committee shall adopt such alternate procedures / methodologies in conformance with the guiding principles of fair valuation in good faith to arrive at a true and fair estimation of the realizable value of the security / asset under normal, business-as-usual circumstances. These alternate procedures / methodologies would be progressively and prospectively applied during the continuance of the exceptional events unless otherwise decided by the Valuation Committee in consultation with the AMC Board of Directors, wherever required.

The rationale for any such deviations from the valuation policy would be recorded in writing by the Valuation Committee followed by reporting to the Board of AMC and Trustee. Such deviations shall be appropriately disclosed to the Investors as may be decided by the Valuation Committee.

The Policy shall be made available on the website of the Fund.

F. Definitions:

i. Thinly Traded Equity Securities

An equity and / or equity related securities (such as preference shares, convertible debentures, equity warrants etc.) would be considered as thinly traded if in a previous calendar month:

- a) the aggregate value of trade in such security is less than Rs. 5,00,000; and
- b) the total volume of trade in such security is less than 50,000 shares, in recognised stock exchange in India.

For example, if the volume of trade is 1,00,000 and value is Rs.4,00,000, the shares do not qualify as thinly traded. Also, if the volume traded is 40,000, but the value of trades is Rs.6,00,000, the shares do not qualify as thinly traded.

ii. Non-Traded Equity Securities

When a security (other than money market and debt securities) is not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip shall be treated as a non- traded security.

iii. Unlisted Securities

When a security is not listed on any of the stock exchanges, it would be considered as unlisted security.

iv. Recognized Stock Exchange

National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) would be considered as recognized stock exchanges in India.

v. Primary Stock Exchange

National Stock Exchange (NSE) would be considered as primary stock exchange.

vi. Secondary Stock Exchange

Bombay Stock Exchange (BSE) would be considered as secondary stock exchange.

vii. Below Investment Grade

All money market or debt security shall be classified as “**below investment grade**” if the long term rating of the security issued by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short term rating of the security is below A3.

viii. Traded Money Market and Debt Securities

A money market or debt security shall be considered as traded when, on the date of valuation, there are trades (in marketable lots) in that security on any recognized Stock Exchange or there are trades reported (in marketable lots) on the trade reporting platform of recognized stock exchanges or The Clearing Corporation of India Ltd. (CCIL). In this regard, the marketable lots are defined by AMFI, in consultation with SEBI.

Currently, marketable lot as defined by AMFI is as follow:

Parameter	Minimum Volume criteria for marketable lot
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Primary	Rs. 25 crores for both Bonds/NCD/CP/CD and other money market instruments
Secondary	Rs. 25 crores for CP/CD, T-Bills and other money market instruments
Secondary	Rs. 5 crores for Bonds/NCD/G-Secs

ix. Non-Traded Money Market and Debt Securities

A money market or debt security shall be considered as non-traded when, on the date of valuation, there are no trades (in marketable lots) in such security on any recognized Stock Exchange or no trades (in marketable lots) have been reported on any of the aforementioned trade reporting platforms.

x. Government Securities

- a. Central Government Securities (G-Sec)
- b. State Development Loans (SDL)
- c. Treasury Bills (T-Bills)
- d. Cash Management Bills (CMB)

xi. Reporting platforms

- a. CBIRCS - Corporate Bond Reporting & Integrated Clearing System
- b. ICDM - Indian Corporate Debt Market
- c. FTrack- Reporting platform by CCIL (The Clearing Corporation of India Ltd.)

xii. SEBI registered Credit Rating Agency (CRA)

- a. CRISIL Limited (CRISIL)
- b. India Ratings and Research Pvt. Ltd. (formerly Fitch Ratings India Pvt. Ltd.)
- c. ICRA Limited (ICRA)
- d. Credit Analysis & Research Ltd. (CARE)
- e. Brickwork Ratings India Pvt. Ltd.
- f. SMERA Ratings Limited
- g. Infomerics Valuation and Rating Pvt. Ltd.

xiii. Valuation Agencies

Currently, AMFI / SEBI authorised valuation agencies are ICRA and CRISIL.

Security Valuation & Interscheme Transfer Policy

1. Valuation of Equity and Equity related Instrument

1.1 Valuation of Equity Shares

Traded securities are to be valued at the last quoted closing price on the exchange in which the security is listed.

a. Traded Securities

- i. On a valuation day, traded securities are to be valued at the last quoted closing price on the primary stock exchange (NSE).
- ii. When on a valuation day, a security has not been traded on the primary stock exchange (NSE); the value at which it is traded on secondary stock exchange (BSE) will be used.
- iii. 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 day may be used provided such date is not more than 30 days prior to valuation date.
- iv. For valuation of securities held by Exchange Traded Funds (ETFs) and Index funds which are benchmarked to indices relating to a particular stock exchange, the primary stock exchange will be that exchange, e.g. for an Index Fund -Sensex or Sensex ETF, the primary stock exchange will be the BSE

b. Thinly Traded / Non-Traded Securities and Unlisted Securities

Thinly-traded/ Non-traded and Unlisted Securities are valued in "good faith" in accordance with SEBI norms as prescribed below:

❖ Net worth Calculation

➤ Thinly-traded/ Non-traded

Based on the latest available Balance Sheet, Net Worth shall be calculated as follows.

Net Worth per share = [share capital + reserves (excluding revaluation reserves) – Miscellaneous expenditure and Debit Balance in P&L A/c] Divided by Number of Paid up Shares.

➤ Unlisted Securities

Based on the latest available Audited Balance Sheet, Net Worth shall be calculated as lower of (1) and (2) below:

1. Net Worth per share = [share capital + free reserves (excluding revaluation reserves) - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.
2. After taking into account the outstanding warrants and options, Net Worth per share shall again be calculated and shall be = [share capital + consideration on exercise of Option/Warrants received/receivable by the Company + free reserves (excluding revaluation reserves) - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and

accumulated losses] divided by Number of Paid up Shares plus Number of Shares that would be obtained on conversion and /or exercise of Outstanding Warrants and Options.

❖ **Average PE Calculation**

Average capitalisation rate (P/E ratio) for the industry based upon either NSE or BSE data shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.

The value as per the Net Worth value per share and the Capital Earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share.

The above valuation methodology for Thinly Traded /Non-Traded and Unlisted Securities shall be subject to the following conditions:

- All calculation shall be based on audited accounts.
- If the latest Balance Sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- If the Net Worth of company is negative, the shares of such companies shall be valued at zero.
- In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it shall be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs will be compared on the date of valuation.
- At the discretion of the AMC and with the approval of the Trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

c. Valuation of Suspended Equity Shares

- i) In case trading in an equity security is suspended up to thirty days, then the last traded price shall be considered for valuation of that security.
- ii) If an equity security is suspended for more than thirty days, valuation methodology laid down for thinly traded / non-traded equity will be used for calculating the fair value.

d. Valuation of Illiquid Security

- i) Aggregate value of "illiquid securities" of scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned Zero value.
- ii) Mutual Funds shall disclose as on March 31 and September 30 the scheme wise total illiquid securities

in value and percentage of the net assets while disclosing Half Yearly Portfolios to the unit holders. In the list of investments, an asterisk mark shall be given against all such investments which are recognised as illiquid securities.

- iii) Mutual Funds shall not be allowed to transfer illiquid securities among their schemes.

1.2 Valuation of Equity Warrants

In respect of warrants to subscribe for shares attached to instruments, the warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. The value of the latter instrument can be adopted after an appropriate discount of the non-tradability of the instrument during the period preceding the conversion while valuing such instruments. If the warrants exercise price exceeds the underlying equity price, warrants would be valued at zero.

1.3 Valuation of Rights Entitlement

- i) Until they are traded, or after the expiry of trading window on the exchange and rights are not renounced till the date, the value of the “rights” shares should be calculated as:

$$V_r = n/m \times (P_{ex} - P_{of})$$

Where

V_r = Value of rights

n = No. of rights offered

m = No. of original shares held

P_{ex} = Ex-rights price

P_{of} = Rights Offer Price

- ii) Ex-right price of underlying security will be considered separately for each valuation day.
- iii) In case if the rights offer price is higher than the ex-rights price, value of the rights share is to be taken as zero.
- iv) Where the rights are not treated pari passu with the existing shares, suitable adjustment should be made to the value of rights.
- v) Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value.
- vi) Where it is decided to subscribe the rights, the valuation of rights entitlement will be done as per the guidelines stated in clause (i) to (iv) above.
- vii) Valuation guidelines related to equity shares would be applicable from the date rights are subscribed.
- viii) On the expiry of the trading period and till the time of subscription, rights entitlement will continue to be valued at the last traded price, provided such price is within 30 days from the valuation date.

1.4 Valuation of Preference Shares

- i) If traded, then they would be valued as per the valuation guidelines applicable to equity shares.
- ii) If not traded, then Intrinsic value will be considered.

- iii) The non-convertible preference share will be valued at the present value of all the future expected dividend payments and the maturity value, discounted at the expected return on preference shares. The valuation committee will decide upon variables like expected future dividend, expected rate of return etc. on a case to case basis depending on the terms of issue of the preference shares.
- iv) Convertible Preference shares would be valued at the value of the equity share which would be obtained on conversion, further appropriate discount for illiquidity should be applied. The illiquidity percentage will be decided by the Valuation Committee on a case to case basis. Valuation guidelines related to equity shares would be applicable for the valuation of underlying equity shares.

1.5 Valuation of Convertible debentures

- i) In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately.
- ii) The non-convertible component should be valued on the same basis as would be applicable to a debt instrument.
- iii) The convertible component should be valued on the same basis as would be applicable to an equity instrument.
- iv) If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount of the non-tradability of the instrument during the period preceding the conversion while valuing such instruments, the fact whether the conversion is optional should also be factored in.

1.6 Valuation of Partly Paid-up Equity Shares

- i) In case the partly paid-up equity shares are traded separately they would be valued as per the valuation guidelines applicable to any other listed equity shares.
- ii) In case the partly paid-up equity shares are not traded then the partly paid-up equity shares will be valued at lower of the following two prices:
 - a. Value of the underlying fully paid-up equity shares as reduced by the amount of balance call money payable.
 - b. The value at which it was traded on the earliest previous day may be used provided such date is not more than 30 days prior to valuation date
- iii) Valuation guidelines related to equity shares would be applicable for the valuation of underlying fully paid-up equity shares.
- iv) In case the trade price of the partly paid-up equity shares were not available for last 30 days or in case of unlisted partly paid-up equity shares, it will be valued at the value of the underlying fully paid-up equity share as reduced by the amount of balance call money payable.

1.7 Valuation of Initial Public Offering (IPO) Allotment

Securities awaiting listing on account of IPO is to be valued at allotment price.

1.8 Valuation of QIP (Qualified Institutional Placement – Equity Shares)

The equity shares allotted through QIP process, having no lock-in period, should be considered on the same lines as the existing listed equity shares and hence should be valued at the market/traded price of the existing listed equity shares.

Further an appropriate discount for illiquidity should be applied for equity shares allotted through QIP process having a lock-in period of one year. The illiquidity percentage will be decided by the Valuation committee on a case to case basis.

2. Valuation of Future & Options:

- i) On the valuation day, Future & Options will be valued at the settlement price, published by the NSE
- ii) If the settlement price is not available, then closing price for the security will be considered for the valuation.
- iii) Futures MTM is computed on daily basis and computed on scrip wise and series wise.
- iv) $MTM\ Gain/Loss = Current\ day\ settlement\ or\ Closing\ price - Previous\ day\ settlement\ or\ Closing\ price$ (If scrip is purchased first time then it is a Current day settlement or Closing price - Weighted Average Price (WAP)).

3. Valuation of Securities Lent under Securities Lending Scheme

The valuation of securities lent under Securities Lending Scheme shall be valued as per the valuation guideline of the respective security as mentioned in this document. The lending fees received for the securities lent out would be accrued in a proportionate manner till maturity of the contract.

4. Valuation of Indian Depositories Receipts (IDR)

Valuation of IDRs listed on the India Stock Exchange would follow the valuation guidelines adopted for the Listed Indian Equity Shares. In case the IDRs are classified as thinly traded / non-traded, the criteria, as laid above for Listed Indian Equity Shares shall be applied taking into consideration the relevant Company's Balance Sheet.

5. Valuation of Infrastructure Investment Trust (InvITs) & Real Estate Investment Trust (REITs)

- i) On a valuation day, traded units of InvIT/REITs are to be valued at the last quoted closing price on the primary stock exchange.
- ii) When on a particular valuation day, units of InvIT/REITs has not been traded on the primary stock exchange; the value at which it is traded on secondary stock exchange will be used.
- iii) When units of InvIT/REITs 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 day may be used provided such date is not more than 30 days prior to valuation date.
- iv) Where units of InvIT and REIT are not traded on any stock exchange for continuous period of 30 days than the valuation for such units of InvIT and REIT will be determined based on the price provided by an independent valuation agency(ies) or at latest NAV declared by Investment managers of the trust, as the case may be. The selection of the independent valuation agency(ies) will be approved by the Valuation Committee.

- v) Where the valuation of units of InvIT and ReIT is not available from any independent valuation agency(ies), the valuation will be determined by the valuation committee on the principles of fair valuation.

6. Corporate Action

6.1 De-merger, Merger, Amalgamation and Scheme of Arrangement

On corporate action, above valuation guidelines may be difficult to adopt due to non-availability of the Balance Sheet of the restructured entities in public domain or the resultant securities come up for listing after few days while the valuation required to be carried out effective on the date of the corporate action itself. Besides, in such case there are generally no comparative parameters readily available for carrying out the valuation exercise. Following broad valuation guidelines would be used for the valuation of securities resulting from the corporate actions:

a. De-Merger

- i. In case shares of both the companies (De-merged Company and Resulting Companies) are traded immediately on de-merger, both the shares would be valued at respective traded prices.
- ii. In case there is only one Resulting Company along with the De-merged Company and such Resulting Company is unlisted / non-traded:

Traded shares of De-merged Company will be valued at traded price and the shares of Resulting Company will be valued by residual price methodology which would be the closing value of the shares of De-merged Company on the day before the de-merger less opening value of the shares of De-merged Company immediately post de-merger.

If value of the shares of De-merged Company is equal or in excess of the value of pre de- merger shares, then the shares of Resulting Company will be valued at Zero.

- iii. In case there are more than one Resulting Companies along with the De-merged Company and all or some Resulting Companies are unlisted / non-traded:

The shares of Resulting Companies will be valued by residual price methodology as explained in point (ii) above. The residual value will be allocated into Resulting Companies in the ratio provided as a part of scheme of arrangement or such other ratio as decided by the Valuation Committee. If one of the Resulting Companies is listed / traded, the residual value of unlisted / non-traded Resulting Companies would be further determined by reducing the traded value of listed Resulting Companies from the residual value computed as above.

- iv. In case shares of both the companies (De-merged Company and Resulting Companies) are not traded on de-merger:

The traded value of the De-merged Company on the day before the de-merger will be allocated between De-merged Company and Resulting Companies in the ratio provided as a part of scheme of arrangement or such other ratio as decided by the Valuation Committee.

- v. Cost allocation would be done proportionate to the derived value of the resultant scrips or other appropriate basis to be decided on case to case basis depending on the terms of de- merger.
- vi. The valuation committee may in specific cases decide to use a different method for valuation by assigning

reasons therefor.

b. Merger

In case of merger, if the shares of the merged entity are not listed / traded, then valuation of the merged entity will be decided on case to case basis depending on the terms of merger and may be valued at previous day closing price of the respective companies prior to merger.

6.2 Buy-back of Securities

If a company offers to buy-back, market price of the shares will be considered for valuation till a formal confirmation of acceptance of shares by the issuer tendered under the buy- back schemes. Quantum of shares accepted under buy-back will be accounted as a sale trade.

6.3 Stock Split/ Face value change

In case of stock split, the face value of a stock is reduced and proportionately number of shares is increased. The valuation price will be derived on the basis of the closing price before the ex-date and adjusted in proportion of stock split, till the new stock split shares are listed and traded on a stock exchange. The cost of one share will be proportionately adjusted in line with stock split change, to derive the new cost of share. On stock split/face value change, in case the company specifies any regulations/ method for cost bifurcation or valuation the same will be adopted.

7. Fixed Income and related Instruments

7.1 Debt and Money market Instruments other than Government securities

Classification of Debt and Money market Instruments.

- i. Debt instruments are Coupon bearing securities like Non-Convertible Debentures (NCD), Bonds, etc.
- ii. Money market Instruments are Discounted securities like Zero Coupon Bonds (ZCB), Commercial Papers (CP), Certificate of Deposits (CD), Bills Purchased under Rediscounting Scheme (BRDS), Discounted Securitised Debt / Pass Through Certificate (PTC) etc.

➤ Valuation of Debt and Money market Instruments and Bill Rediscounting

Irrespective of residual maturity, all money market and debt securities shall be valued at average of security level prices obtained from valuation agencies.

In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase and till such time the valuation agencies commence providing its price.

7.2 Valuation of securities with Put/Call Options

Reference: Provisions for “Valuation of securities with Put / Call options” in SEBI Circular No. MFD/CIR/ 8 / 92 /

2000 dated September 18, 2000

The option embedded securities would be valued as follows:

i. Securities with Call Option

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.

In case there are multiple Call options, Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price.

ii. Securities with Put Option

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option.

In case there are multiple Put options, Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price.

iii. Securities with both Put and Call option on the same day

Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:

- a) Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price.
- b) Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price.
- c) In case no Put Trigger Date or Call Trigger Date ("Trigger Date") is available, then valuation would be done to maturity price. In case one Trigger Date is available, then valuation would be done as to the said Trigger Date. In case both Trigger Dates are available, then valuation would be done to the earliest date.

7.3 Valuation of Government Securities

Irrespective of the residual maturity, Government Securities (including T-bills) shall be valued on the basis of security level prices obtained from valuation agencies.

7.4 Valuation of Tri-Party Repo (TREPS)

i. TREPS with residual maturity of over 30 days

Valued at average of security level prices obtained from valuation agencies appointed by AMFI. In case security level prices given by valuation agencies are not available for a new TREPS (which is currently not held by any Mutual Fund), then such TREPS may be valued at purchase yield on the date of purchase.

ii. TREPS with residual maturity of upto 30 days

Valued at cost plus accrual basis.

Whenever a security moves from 31 days residual maturity to 30 days residual maturity, the price as on 31st day would be used for amortization from 30th day.

7.5 Valuation of Reverse Repo (including Corporate Reverse Repo)

i. Reverse Repo with residual maturity of over 30 days

Valued at average of security level prices obtained from valuation agencies appointed by AMFI. In case security level prices given by valuation agencies are not available for a new Reverse Repo (which is currently not held by any Mutual Fund), then such Reverse Repo may be valued at purchase yield on the date of purchase.

ii. Reverse Repo with residual maturity of upto 30 days

Valued at cost plus accrual basis.

Whenever a security moves from 31 days residual maturity to 30 days residual maturity, the price as on 31st day would be used for amortization from 30th day.

Note: All securities taken under Reverse Repo will not be considered for valuation. Only the interest income earned would be considered for NAV calculation.

7.6 Valuation of Fixed Deposits

Fixed Deposits will be valued at cost plus accrual basis.

7.7 Valuation of Mutual Fund Units (including units of ETF)

Investments in units of mutual fund schemes shall be valued at the net asset value of the respective schemes as on the valuation date.

7.8 Valuation of Interest Rate Futures

Such Instruments will be valued at the settlement price, published by the exchanges.

7.9 Treatment of Upfront Fees on Trades

- i. Upfront fees on all trades (including primary market trades), by whatever name and manner called, would be considered by the valuation agencies for the purpose of valuation of security.
- ii. Details of such upfront fees will be shared to the valuation agencies on the trade date as part of the trade reporting to enable them to arrive at the fair valuation for that date.
- iii. For the purpose of accounting, such upfront fees will be reduced from the cost of the investment in the scheme that made the investment.
- iv. In case upfront fees are received across multiple schemes, the such upfront fees will be shared on a pro-rata basis across such schemes.

7.10 Valuation of money market and debt securities which are rated below Investment Grade

All money market and debt securities which are rated below investment grade shall be valued at the price provided

by valuation agencies

Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued on the basis of indicative haircuts provided by these agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities. Further, these haircuts shall be updated and refined, as and when there is availability of material information which impacts the haircuts.

Consideration of Traded Price for Valuation:

AMCs shall consider such traded price for valuation if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies.

A money market or debt security shall be classified as “**Default**” if the interest and / or principal amount has not been received, on the day such amount was due or when such security has been downgraded to “Default” grade by a CRA. In this respect, Mutual Funds shall promptly inform to the valuation agencies and the CRAs, any instance of non-receipt of payment of interest and / or principal amount (part or full) in any security.

8. Interscheme Transfer Policy

i. 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.

For this purpose, at the time of effecting the inter-scheme transfer, a record of the prices for the security quoted in the relative stock exchange (i.e. NSE/BSE) or Bloomberg Terminal in which it is traded or reported would be obtained, which would indicate the date, time and the currently quoted price. The price given in the quotation of the stock exchange would be the effective price for the inter-scheme transfer.

ii. Interscheme Transfers of Debt, Money Market Instruments and Government Securities

- a. IST of any money market or debt security (irrespective of maturity) will be done at an average of the prices provided by the valuation agencies, if prices from the valuation agencies are received within the pre-agreed turn-around-time (TAT).
- b. If price from only one valuation agency is received within the agreed TAT, that price will be used for IST pricing.
- c. If prices are not received from any of the valuation agencies within the agreed TAT, Valuation Committee will determine the price for the IST as per the available information, in accordance with Clause 3 (a) of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996.

9. Use of Own Trade for Valuation

Mutual Fund’s own trades shall not be used for valuation of debt and money market securities and for Inter-Scheme Transfers.

10. Waterfall approach for valuation of Money Market and Debt Securities

As per SEBI guidelines on valuation of money market and debt securities, a waterfall approach shall be followed by the valuation agencies for arriving at security level pricing.

AMFI, in consultation with SEBI, has issued detailed guidelines on waterfall approach for valuation of money market and debt securities. The broad principles of the said waterfall approach, for arriving at the security level prices are as follow:

- i. All traded securities shall be valued on the basis of traded yields, subject to identification of outlier trades by the valuation agencies.
- ii. Volume Weighted Average Yield (VWAY) for trades in the last one hour of trading shall be used as the basis for valuation of Government Securities (including T-bills). Valuation of all other money market and debt securities (including Government securities not traded in last one hour) shall be done on the basis of VWAY of all trades during the day.
- iii. In case of any exceptional events on a day, only VWAY of trades post such event may be considered for valuation. Further, all exceptional events along-with valuation carried out on such dates shall be documented with adequate justification. The following events would be considered as exceptional events:
 - a. Monetary / Credit Policy
 - b. Union Budget
 - c. Government Borrowing / Auction Day
 - d. Material Statements on Sovereign Rating
 - e. Issuer or Sector Specific events which have a material impact on yields
 - f. Central Government Election Days
 - g. Quarter end days
 - h. In addition to the above, valuation agencies may determine any other event as an exceptional event.
- iv. All trades on stock exchanges and trades reported on trade reporting platforms till end of the trade reporting time (excluding Inter-scheme transfers), should be considered for valuation on that day.
- v. Considering the importance of polling in valuation process, detailed guidelines has also been issued by AMFI on polling by valuation agencies and on the responsibilities of Mutual Funds in polling process, as part of the aforesaid waterfall approach.

The following are the guiding circulars / schedules/guidelines/amendments for framing the Valuation Policy.

- EIGHTH SCHEDULE SEBI (MUTUAL FUNDS) REGULATIONS, 1996
- Master Circular for Mutual Funds issued by SEBI.

The said updated Valuation Policy was placed for approval before the Board of LIC Mutual Fund Asset Management Ltd and the Board of LIC Mutual Fund Trustee Private Ltd on June 28, 2021 and June 29, 2021 respectively.

VI. TAX & LEGAL & GENERAL INFORMATION

A. Tax Treatment of Investment in Mutual Funds:

- A. **TAXATION ON INVESTING IN MUTUAL FUNDS** The tax benefits set out in the SAI are for general purposes only and do not constitute tax advice. The tax information provided in the SAI does not purport to be a complete description of all potential tax costs, incidence and risks inherent in subscribing to the Units of scheme(s) offered by LIC Mutual Fund (“Fund”). Investors should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position as laid out may continue indefinitely. The applicability of tax laws, if any, on Fund/ Scheme(s)/ investments made by the Scheme(s) and/or investors and/ or income attributable to or distributions or other payments made to Unit holders are based on the understanding of the prevailing tax legislations and are subject to adverse interpretations adopted by the relevant authorities resulting in tax liability being imposed on Fund/Scheme(s)/ Unit holders/ Trustee/AMC.

In view of the individual nature of the tax consequences, each investor is advised to consult his/ her own professional tax advisor. Neither the Mutual Fund nor the AMC nor any person connected with it accepts any liability arising from the use of this information. Investors should study this SAI carefully in its entirety and should not construe the contents as advice relating to taxation. Investors are advised to consult their tax, investment and other professional advisors to determine possible tax, financial or other considerations of subscribing to or redeeming Units, before making a decision to invest/ redeem Units.

As per the taxation laws in force and Chapter VII of the Finance (No. 2) Act, 2004 pertaining to Securities Transaction Tax (STT), the tax benefits/ consequences as applicable, to Fund in respect of its Mutual Fund schemes (being an equity-oriented fund/ other than equity-oriented fund/ money market mutual fund/ liquid fund) and investors investing in the Units of its Mutual Fund Schemes are stated as follows:

1. Tax Benefits/Consequences to the Mutual Fund

LIC Mutual Fund (“Fund”) is a Mutual Fund registered with the Securities & Exchange Board of India and hence the entire income of the Mutual Fund will be exempt from income-tax in accordance with the provisions of Section 10(23D) of the Income-tax Act, 1961 (the Act).

The Mutual Fund will receive all income without any deduction of tax at source under the provisions of Section 196(iv) of the Act.

Explanation to section 112A defines “equity-oriented fund” as under —

- (a) “equity-oriented fund” means a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 and, —
- (i) in a case where the fund invests in the units of another fund which is traded on a recognized stock exchange, —
- (A) a minimum of ninety per cent of the total proceeds of such fund is invested in the units of such other fund; and

(B) such other fund also invests a minimum of ninety per cent of its total proceeds in the equity shares of domestic companies listed on a recognized stock exchange; and

- (ii) in any other case, a minimum of sixty-five per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognized stock exchange.

Provided that the percentage of equity shareholding or unit held in respect of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

Finance Act, 2020 has amended the provision of section 115R of the Act (Dividend Distribution Tax) to provide that the income distributed on or before 31st March 2020 shall only be covered under the provision of this section.

With effect from 1st April, 2020, dividend or income distribution by mutual fund on units is taxable in the hands of unit holders at the applicable rates

Any person responsible for paying to a resident any income in respect of units of a Mutual Fund specified under clause (23D) of section 10, Mutual Fund shall at the time of credit of such income to the account of the payee or at the time of payment thereof by any mode, whichever is earlier, deduct income-tax there on at the rate of 10%. TDS provisions will not apply if aggregate income in a financial year to a persons does not exceed Rs. 5,000/- TDS is required to be deducted @ 20% if payment is made to a non-resident or a foreign company

The availability of credit for tax deducted on dividend in the hands of the non-resident investor would depend upon the tax laws of the country of which he is a resident and/or the applicable tax treaty of such country with India.

Securities Transaction Tax (STT)

As per Chapter VII of the Finance (No. 2) Act, 2004 pertaining to STT, STT shall be payable, wherever applicable, as follows:

Sr. No.	Taxable Securities Transaction	Rate	Payable by
1.	Purchase/ Sale of equity shares (delivery based) on recognized stock exchange	0.1 per cent	Purchaser / Seller
2.	Purchase of units of equity oriented mutual fund (delivery based) on recognized stock exchange	Nil	Purchaser
3.	Sale of units of equity oriented mutual fund (delivery based) on recognized stock exchange	0.001 per cent	Seller

4.	Sale of equity shares, units of equity oriented mutual fund (non- delivery based)	0.025 per cent	Seller
5.	(a) Sale of an option in securities	0.017	Seller
	(b) Sale of an option in securities, where option is exercised	0.125	Purchaser
	(c) (c) Sale of a futures in securities	0.010 per cent	Seller
6.	Sale of a unit of an equity-oriented fund to the Mutual Fund	0.001 per cent	Seller
7.	Sale or surrender or redemption of a unit of an equity oriented fund to an insurance company, on maturity or partial withdrawal, with respect to unit linked insurance policy issued by such insurance company on or after the first day of February, 2021.	0.001 percent	Seller
7.	Sale of unlisted equity shares under an offer for sale referred to in Section 97(13) (aa) under Chapter VII of the Finance (No. 2) Act, 2004	0.2 per cent	Seller
8.	Sale of unlisted units of business trusts under an offer for sale referred to in Section 97(13) (ab) under Chapter VII of the Finance (No. 2) Act, 2004	0.2 per cent	Seller

Health and Education Cess is to be applied at 4% on aggregate of base tax and surcharge.

Rates of Surcharge

• In case of Domestic company not opting for Section 115BAA and Section 115BAB:

- i. Where the taxable income exceeds Rs. 1 crore but less than Rs. 10 Crores- At the rate of 7%
- ii. Where the taxable income exceeds Rs. 10 crore - At the rate of 12%

• In case of Domestic company opting for Section 115BAA and Section 115BAB- Surcharge @ 10% on taxable income.

• In case of Non- Corporate Assessees:

- i. for individuals, HUF, association of persons, body of individuals and artificial juridical person where the taxable income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore, surcharge at 10% or where the taxable income exceeds Rs. 1 crore but less than 2 Crore, surcharge at the rate of 15% or taxable income exceeds ` 2 crore but less than 5 Crore, surcharge at 25% or taxable income exceeds ` 5 Crore, surcharge at 37% on tax is applicable

- ii. The rate of surcharge in case of income from dividend and income from capital gains u/s 111A and u/s 112A will be restricted to 15%. W.e.f FY 2020-21.
- iii. For firm, co-operative society and local authority at the rate of 12% on tax where the taxable income exceeds Rs. 1 crore.

2. Tax Benefits / Consequences to Unit holders

i. Income-tax All Unit holders

Income received, otherwise than on transfer, in respect of units of a mutual fund would be now taxable in the hands of recipient and subject to TDS under section 194 & 194K of the Act.

An Equity Oriented Mutual fund is liable to deduct income tax @ 10% under section 194K on income distributed to its unit holders like Dividend distribution tax u/s 115O.

• Capital Gains Tax

Note: Period of holding for short term capital asset in respect of units of equity oriented mutual fund schemes is less than or equal to 12 months and in case of other than equity oriented mutual fund units, it is less than or equal to 36 months. A capital asset other than a short-term capital asset is considered as long-term capital asset.

Foreign Institutional Investors / Foreign Portfolio Investors

Any securities held by Foreign Institutional Investors in accordance with SEBI Regulations, shall be covered within the definition of the term 'Capital Asset' under section 2(14) of the Act.

Long-term capital gains on sale of Units would be taxed at the rate 10% (plus applicable surcharge and Health and 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 and Health and Education Cess) (subject to the concessional rate of tax provided for in Section 111A of the Act, discussed elsewhere in this Statement).

As per Section 111A of the Act, short-term capital gains on sale of units of an equity-oriented fund, where such transaction of sale is chargeable to STT, shall be subject to tax at a rate of 15 % (plus applicable surcharge and Health and Education Cess).

Capital gain tax

Other Unit holders

- Long-term capital gains in respect of Units, other than units of equity oriented mutual fund will be chargeable under Section 112 of the Act, at concessional rate of tax, at 20% (plus applicable surcharge and Health and Education Cess)

- The following amounts would be deductible from the full value of consideration, to arrive at the amount of capital gains: - Cost of acquisition of Units (as adjusted by Cost Inflation Index notified by the Central Government in case of long term capital gain); and - Expenditure incurred wholly and exclusively in connection with such transfer (excluding any sum paid on account of STT).
- In case of resident individuals and HUFs, 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 Health and Education Cess)
- In case of non-residents, long-term capital gains in respect of unlisted Units, will be chargeable under Section 112(1) (c) (iii) of the Act, at concessional rate of tax, at 10% (plus applicable surcharge and Health and Education Cess computed without indexation of the cost of acquisition and foreign currency fluctuation benefits).
- Long-term capital gains in respect of units of equity oriented mutual fund will be chargeable under new Section 112A of the Act introduced by Finance Act, 2018 at concessional rate of tax at 10% (plus applicable surcharge and Health and Education Cess¹ without indexation and without foreign currency fluctuation benefit on such capital gains exceeding one lakh rupees. The concessional rate of 10% shall be available only if STT has been paid on transfer of units of equity oriented mutual funds.

Section 55 of the Act provides for a grandfathering provision upto 31.1.2018. As per the said provisions,, cost of acquisition of the long-term capital asset acquired by the assessee before 1.2.2018 would be higher of the following:

- a. actual cost of acquisition of the asset; and
- b. lower of:
 - i. fair market value of such asset; and
 - ii. full value of consideration received or accruing because of the transfer of the capital asset.

For this section, the fair market value shall be the highest price of the capital asset quoted on the recognized stock exchange as on 31.1.2018 in a case where the capital asset is listed on any recognized stock exchange. If there is no trading in such asset on such exchange on the 31.1.2018, the highest price of such asset on such exchange on a date immediately preceding the 31.1.2018 when such asset was traded on such exchange shall be the fair market value. In a case where the capital asset is a unit which is not listed on a recognized stock exchange as on the 31.1.2018, the net asset value of such unit as on the said date.

- As per Section 111A of the Act, short-term capital gains on sale of units of an equity oriented fund where such transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 %(plus applicable surcharge and Health and Education Cess) and on sale of other units, at a rate of 40 % (plus applicable surcharge and Health and Education Cess) in the case of foreign companies and in the case of other investors , at applicable Income tax slab rates (plus applicable surcharge and Health and Education Cess). Further in case of resident individuals and HUFs 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 Health and Education Cess).

The Taxation Laws (Amendment) Ordinance Act 2019 have introduced Section 115BAA and Section 115BAB giving an option for companies to pay tax under this Section at a concessional rate. Manufacturing Companies have an option to pay tax @ 15% and other domestic companies have option to pay tax @ 22% from A.Y. 2020-21 without claiming any deductions and exemptions and subject to conditions as provided in Section 115BAA and 115BAB of the Act. Such an option is required to be exercised at the time of filing of Income Tax Return and once opted, cannot be withdrawn subsequently.

Exemption of capital gain from income tax

- As per the provisions of section 54EE 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 long term specified asset (units of a specified fund as may be notified by central government) within six months from the date of transfer. The benefit is available in respect of investment made during the financial year and in the subsequent financial year to the extent of fifty lakh rupees.
- 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, 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.

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 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, who is allotted additional 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 such sale.

• **Tax Consequences upon Merger / consolidation of Schemes / Plans:**

All unitholders:

Transfer of units, being held as 'Capital assets' as defined under the Income-tax Act, 1961, upon consolidation of two or more schemes of equity-oriented fund or two or more schemes of a fund other than equity-oriented fund or upon consolidation of plans within a mutual fund scheme in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains. The cost of acquisition of units in the consolidated plan / scheme shall be the cost of units in consolidating plan / scheme of mutual fund and period of holding of the units of consolidated plan / scheme shall include the period of holding for which the units in consolidating plan / scheme of mutual fund were held.

• **Tax Deduction at Source**

All Unit holders

TDS on Dividend on Mutual Fund Units to Residents

Finance Act 2020 has introduced Section 194K in Income Tax Act providing for tax deduction on dividends paid by Mutual fund to the resident unitholders w.e.f 01.04.2020.

TDS is required to be deducted by Mutual funds covered u/s 10(23D) at the time of credit or payment, whichever is earlier @10% if dividend exceeds Rs. 5000/- in a financial year.

Section 195 applies to the dividend paid to NRI investors i.e. shareholders, not resident in India as per provisions of the Income Tax Act. TDS should be deducted at 20% on income from mutual fund paid to any Non-Resident individual.

Accordingly income tax may have to be deducted at source in the case of a non-resident (other than foreign companies) at the rate of 15% (plus applicable surcharge and Health and education cess) on short-term capital gains referred to in section 111A and at the rate of 30% (plus applicable surcharge and Health and education cess) in case of short-term capital gains (other than under section 111A), unless a lower withholding tax certificate is obtained from the tax authorities, and at the rate of 10% (plus applicable surcharge and Health and education cess) in case of long-term[^] capital gains referred to in Section 112(1)(c)(iii) and at the rate of 10% (plus applicable surcharge and Health and education cess) on income by way of long-term capital gains referred to in section 112A of the Act and at the rate of 20% (plus applicable surcharge and Health and education cess) in case of other long-term capital gains, unless a lower withholding tax certificate is obtained from the tax authorities.

Health and Education Cess is to be applied at 4% on aggregate of base tax and surcharge.)

In the case of foreign companies the rate of tax to be deducted at source on short-term capital gains referred to in section 111A would be 15% (plus applicable surcharge and Health and Education Cess) and at the rate of 40% (plus applicable surcharge and Health

and Education Cess) in case of short-term capital gains (other than under section 111A), unless a lower withholding tax certificate is obtained from the tax authorities, and at the rate of 10% (plus applicable surcharge and Health and Education Cess) in case of long-term capital gains referred to in Section 112(1)(c)(iii) and at the rate of 10% (plus applicable surcharge and Health and education cess) on income by way of long-term capital gains referred to in section 112A of the Act and at the rate of 20% (plus applicable surcharge and Health and Education Cess) in case of other long-term capital gains, unless a lower withholding tax certificate is obtained from the tax authorities. 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:

- At the rate specified in the Act
- At the rates in force
- At the rate of 20% (plus applicable surcharge and Health and Education Cess)

With effect from June 24, 2016, relaxation is provided to non-residents from deduction of tax at higher rate of 20% in the absence of PAN subject to them providing specified information and documents (like Tax Residency Certificate (“TRC”), Tax Identification Number (“TIN”), etc.)

• Gift of Units

Section 56(2)(x) of the Act provides that any receipt of sum of money, without consideration, the aggregate value of which exceeds Rs. 50,000/-, the whole sum of money is taxable to recipient.

Similarly, any receipt of property exceeding Rs. 50,000/- or any receipt of property

(a) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property is taxable to recipient.

(b) ;for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration is taxable to recipient.

The above income will be taxable as income from other sources. The term ‘property’ includes shares and securities. Units of a mutual fund could fall within the purview of the term “securities”. As per the Act, “property” would refer to capital assets only.

• Clubbing of income

Subject to the provisions of section 64(1A) of the Act, taxable income accruing or arising in the case of a minor child shall be included in the income of the parent whose total income is greater or where the marriage of the parents does not subsist, in the income of that parent who maintains the minor child. An exemption under section 10(32) of the Act, is granted to the parent in whose hand the income is included upto Rs. 1,500/- per minor

child. When the child attains majority, the tax liability will be on the child.

- **Deduction under section 80C**

As per section 80C, and subject to the provisions, an individual/ HUF is entitled to a deduction from Gross Total Income upto Rs. 1.50 lac (along with other prescribed investments) for amounts invested in any units of a mutual fund referred to in section 10(23D) of the Act, under any plan formulated in accordance with such scheme as the Central Government may notify.

- **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.

TAX TREATY BENEFITS

A non-resident investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the non-resident investor is a tax resident, whichever is more beneficial to the non-resident investor. As per the provisions of the Act, submission of tax residency certificate ("TRC") along with Form No. 10F will be necessary for granting Tax Treaty benefits to non-residents. A taxpayer claiming Tax Treaty benefit shall furnish a TRC of his residence obtained by him from the Government of that country or specified territory. Further, in addition to the TRC, the non-resident shall also provide such other documents and information subsequently, as may be prescribed by the Indian Tax Authorities. Further as per section 195(7) of the Act, an application may be required to be made to the tax authorities to determine the withholding tax rate, if transfer/redemption/ buyback of Units are covered within the list of specified transactions, such list being yet not specified. Further, the provisions of Section 195 and/or Section 197 of the Act would need to be complied and documents will have to be furnished by the non-resident investor in this regard.

The above Statement of Possible Direct Tax Benefits/ Consequences sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of mutual fund units. The statements made above are based on the tax laws in force (including the amendments made by the Finance (No. 2) Act, 2014), Chapter VII of the Finance (No. 2) Act, 2004 pertaining to Securities Transaction Tax, and as interpreted by the relevant taxation authorities as of date. Investors/Unit holders are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of mutual fund units.

B. LEGAL INFORMATION

NOMINATION FACILITY

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.

TRANSFERABILITY / TRANSMISSION OF UNITS

Transfer of Units

Units of the schemes held in demat form shall be freely transferable, in order to facilitate transferability of units held in one demat account to another demat account, pursuant to SEBI Circular ref. CIR/IMD/DF/10/2010 dated August 18, 2010. Units held by way of unit certificate can be transferred when instrument of transfer is produced along with the unit certificate and relevant stamp duty is paid thereon in accordance with the provisions of the Indian Stamp Act, 1899, as amended from time to time. The AMC shall register the transfer and return the unit certificate to the transferee within 30 days from the date of receipt of valid documents for transfer. (Subject to lock in as per the provisions stated in Scheme Information Document (SID) of respective schemes.)

Transmission Facility

If a person becomes a holder of the Units consequent to operation of law or upon enforcement of

a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence and completion of formalities as specified by the AMC.

(i) Transmission to surviving Unit holders in case of death of one or more Unit holders:

In case units are held by more than one registered unit holder, then upon death of first unit holder, units shall be transmitted in favour of the second named holder on production of the following documents to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar:

- a. Letter from surviving Unit holder(s) or the surviving Unit holders requesting for transmission of Units;
- b. Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager;
- c. Bank Account Details of the new first Unit holder along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name; and
- d. KYC of the surviving Unit holders, if not already available and (e) FATCA & CRS details.

(ii) Transmission to registered nominee(s) in case of death of sole or all Unit holders:

Units shall be transmitted in favour of the registered nominee(s) in case of death of sole or all Unit holders upon production of the following documents to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar:

- a. Letter from claimant nominee(s) requesting for transmission of Units;
- b. Death Certificate(s) in original or photocopy duly notarized or attested by gazette officer or a bank manager;
- c. Bank Account Details of the new first Unit holder along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name;
- d. KYC of the claimant(s); and (e) FATCA & CRS details

(iii) Transmission to claimant(s), where nominee is not registered, in case of death of sole or all Unit holders:

If the Unit holder has not appointed a nominee, the Units shall be transmitted in favour of the Unit holder's executor/administrator of estate/legal heir(s), as the case may be, on production of the following documents, in addition to the documents mentioned in (i) above, to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar:

- a. Indemnity Bond from legal heir(s);
- b. Individual affidavits from legal heir(s);
- c. If the transmission amount is below Rs. Two Lakh: any appropriate document evidencing relationship of the claimant/s with the deceased Unit holder(s);
- d. If the transmission amount is Rs Two Lakh or more: Any one of the documents mentioned below:

- I. Notarised copy of probated will, or
- II. Legal Heir Certificate or Succession Certificate or Claimant's Certificate issued by a competent court, or
- III. Letter of Administration, in case of Intestate Succession.

Please note that in case the claimant submits any document mentioned under point I to III, then

the Indemnity Bond as mentioned under point a. would not be required.

(iv) Transmission in case of HUF, due to death of Karta:

HUF, being a Hindu Undivided Family, the property of the family is managed by the Karta and HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF who appoint the new Karta need to submit following documents for transmission:

- a. Letter Requesting for change of Karta;
- b. Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager;
- c. Duly certified Bank certificate stating that the signature and details of new Karta have been appended in the bank account of the HUF;
- d. KYC of the new Karta and KYC of HUF, if not already available;
- e. Indemnity bond signed by all the surviving coparceners and new Karta;
- f. In case of no surviving co-parceners OR the transmission amount is Rs Two Lakh or more OR where there is an objection from any surviving members of the HUF, transmission should be affected only on the basis of any of the following mandatory documents:
 - Notarized copy of Settlement Deed, or
 - Notarized copy of Deed of Partition, or
 - Notarized copy of Decree of the relevant competent Court

Unit holders may please note that, in addition to the abovementioned documents, the AMC/Registrar may, depending on the circumstance of each case seek additional documents.

Additional risk mitigation measures:

To avoid the risk of frauds and enhance operational efficiency, AMC shall not accept any 'Transmission cum Redemption' request. AMC shall first accept and process the request for transmission of units with proper documentation and thereafter accept and process redemption request.

- 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.licmf.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.

For any clarification on Transmission of Units, please contact Ms. Asmita Khot, Manager - RTA, Investor Servicing & Branch Ops (022-66016000) or write to us on service_licmf@kfintech.com

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 there under.

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 Mutual Fund Asset Management Limited ("the AMC") / LIC 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 unamortized 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 operation of law e.g. transmission, etc.

The Mutual Fund, LIC MF Asset Management Limited, LIC Mutual Fund Trustee 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 affected or by Bank Manager or Notary

or Investors Service Centers of LIC Mutual Fund Asset Management Ltd or ISCs of KFin. Attestation will be done after verification with the original PAN Card. Applications not accompanied with the above requirements are liable to be rejected.

About 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 / Defense 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.

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

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.

However, to bring more clarity and to protect the interest of the investors, SEBI vide circular Ref. no. **SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016** stated that the following requirement shall be observed before imposing restriction on redemptions:

a. Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:

i. Liquidity issues - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security. The AMC should have in place sound internal liquidity management tools for schemes. Restriction on redemption cannot be used as an ordinary tool in order to manage the liquidity of a scheme. Further, restriction on redemption due to illiquidity of a specific security in the portfolio of a scheme due to a poor investment decision, shall not be allowed.

ii. Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.

iii. Operational issues – when exceptional circumstances are caused by *force majeure*, unpredictable operational problems and technical failures (e.g. a black out). Such cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems.

b. Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.

c. Any imposition of restriction would require specific approval of Board of AMCs and Trustees and the same will be informed to SEBI immediately.

d. When restriction on redemption is imposed, the following procedure shall be applied:

i. No redemption requests upto INR 2 lakh shall be subject to such restriction.

ii. Where redemption requests are above INR 2 lakh, the AMC will redeem the first INR 2 lakh without such restriction and remaining part over and above INR 2 lakh shall be subject to such restriction.

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 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

In partial modification of the circular, SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016 stated that:

1. The unclaimed redemption and dividend amounts, that are currently allowed to be deployed only in call money market or money market instruments, shall also be allowed to be invested in a separate plan of Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. AMCs shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped at 50 bps.

2. To ensure Mutual Funds play a pro-active role in tracing the rightful owner of the unclaimed amounts:

- a. Mutual Funds shall be required to provide on their website, the list of names and addresses of investors in whose folios there are unclaimed amounts.
- b. AMFI shall also provide on its website, the consolidated list of investors across Mutual Fund industry, in whose folios there are unclaimed amounts. The information provided herein shall contain name of investor, address of investor and name of Mutual Fund/s with whom unclaimed amount lies.
- c. Information at point 2(a) & 2(b) above may be obtained by investor only upon providing his proper credentials (like PAN, date of birth, etc.) along-with adequate security control measures being put in place by Mutual Fund / AMFI.
- d. The website of Mutual Funds and AMFI shall also provide information on the process of claiming the unclaimed amount and the necessary forms / documents required for the same.
- e. Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), shall be separately disclosed to investors through the periodic statement of accounts / Consolidated Account Statement sent to the investors.

Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for investor education.

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 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.

Foreign Account Tax Compliance Act (FATCA):

The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. On similar lines the Organization of economic Development (OECD) along with G-20 countries has released a 'Standard for Automatic exchange of Financial Account Information in Tax Matters' commonly known as Common Reporting Standard ('CRS'). India is signatory to the Multilateral Competent Authority Agreement (MCAA) for the purposes of CRS. Under FATCA/CRS provisions, Financial Institutions are obligated to obtain information about the financial accounts maintained by investors and report to the local Government/ notified tax authorities. In accordance with FATCA and CRS provisions, the AMC / Mutual Fund is required to undertake due diligence process and identify foreign reportable accounts and collect such information / documentary evidences of the FATCA/CRS status of its investors / Unit holders and disclose such information (through its agents or service providers) as far as may be legally permitted about the holdings/ investment returns to US Internal

revenue Service (IRS)/any other foreign government or the Indian Tax Authorities, as the case may be for the purpose of onward transmission to the IRS/ any other foreign government pursuant to the new reporting regime under FATCA/CRS. FATCA/CRS due diligence will be directed at each investor / Unit holder (including joint investor/Unitholder) and on being identified as a reportable person, all the folios will be reported. In case of folios with joint holders, the entire account value of the investment portfolio will be attributable under each such reportable person.

An investor / Unit holder will therefore be required to comply with the request of the AMC / Mutual Fund to furnish such information as and when sought by the AMC for the AMC / Mutual Fund to comply with the information reporting requirements stated in IGA/MCAA and circulars issued by SEBI / AMFI in this regard. The information disclosed may include (but is not limited to) the identity of the investors/Unitholder(s) and their direct or indirect beneficiaries, beneficial owners and controlling persons. Investors / Unitholders should consult their own tax advisors regarding FATCA/CRS requirements with respect to their own situation. The AMC/Mutual Fund reserves the right to reject any application/freeze any folio(s) held directly or beneficially for transactions in the event the applicant/Unitholder(s) fail to furnish the relevant information and/or documentation in accordance with FATCA/CRS provisions and as requested by the AMC/Mutual Fund.

Ultimate Beneficial Ownership:

As a part of Client Due Diligence (CDD) Process under PMLA 2002 read with PMLA Rules, 2005 each of the SEBI registered entity, which inter-alia includes Mutual Funds, is required to obtain sufficient information from their clients to identify and verify the identity of persons who beneficially own or control the securities account.

Further, pursuant to SEBI Master Circular No. CIR/ISD/ AML/3/2010 dated December 31, 2010 on Anti Money Laundering Standards and Guidelines on identification of Beneficial Ownership issued by SEBI vide its Circular No. CIR/MIRSD/2/2013 dated January 24, 2013, investors (other than Individuals) are required to provide details of Ultimate Beneficial Owner(s) ('UBO') and submit proof of identity (viz. PAN with photograph or any other acceptable proof of identity prescribed in common KYC form) of UBO(s).

To comply with the above Act/Rules/Regulations, the following Client Due Diligence (CDD) process shall be implemented with effect from January 1, 2015.

I. Applicability:

1. Providing information about beneficial ownership will be applicable to the subscriptions received from all categories of investors except Individuals and a Company listed on a stock exchange or is a majority owned subsidiary of such a Company.
2. Proof of Identity of the UBO such as Name/s, Address & PAN/Passport together with self-attested copy along with the declaration for Ultimate Beneficial Ownership form is required to be submitted to the AMC/its RTA. The form is available on the website of the AMC i.e. www.licmf.com or the investor may visit any of the nearest investor service center's.
3. In case of any change in the beneficial ownership, the investor should immediately intimate the AMC / its Registrar / KRA, as may be applicable, about such changes.

II. Identification Process:

(A) For Investors other than Individuals or Trusts:

(i) If the investor is an unlisted company, partnership firm or unincorporated association / body of individuals, the beneficial owners are the natural person/s who is/are acting alone or together, or through one or more juridical person and exercising control through ownership or who ultimately has a controlling ownership interest.

(ii) Controlling ownership interest means ownership of / entitlement to:

a. more than 25% of shares or capital or profits of the juridical person, where juridical person is a company.

b. more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership firm; or

c. more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

(iii) In cases, where there exists doubt as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity details should be provided of the natural person who is exercising control over the juridical person through other means (i.e. control exercised through voting rights, agreement, arrangements or in any other manner).

(iv) In case no natural person is identified under any of the above criteria, the person who holds the position of senior managing official shall be provided.

(B) For Investor which is a Trust:

In case of a Trust, the settler of the trust, the trustee, the protector and the beneficiaries with 15% or more interest in the trust or any other natural person exercising ultimate effective control over the trust through a chain of control or ownership shall be considered as beneficial owner.

(C) For Foreign Investors:

The Know Your Client requirements in case of foreign investors viz. Foreign Institutional Investors (FIIs), Sub accounts and Qualified Foreign Investors (QFIs) as specified in SEBI Circular No. CIR/MIRSD/11/2012 dated September 5, 2012 shall be considered for identification of beneficial ownership of the investor.

The AMC/ Trustee reserves the right to reject application forms submitted without disclosing necessary information as prescribed under the aforesaid laws/ rules/ regulations.

Stamp Duty

Pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, stamp duty @0.005% of the transaction value would be levied on applicable mutual fund transactions. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase/switch-in transactions (including Reinvestment of Income Distribution cum capital withdrawal option) to the unitholders would be reduced to that extent.

C. GENERAL INFORMATION

BORROWING BY THE FUND

The Fund may borrow to meet temporary liquidity needs for 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, at a negotiated compensation.

The borrower will return the securities lent on expiry of the stipulated period. 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

Inter-scheme transfers shall be governed by the Inter-Scheme Transfer policy as formulated by the AMC from time to time.

ASSOCIATE TRANSACTIONS

- i. The schemes of the Mutual Fund have not entered into any underwriting obligation with respect to issues of associate companies and have no devolvement.
- ii. The schemes have not subscribed/tendered to certain privately placed/public issues of debentures/bonds/equity shares, lead managed by any of the associates.
- iii. The total business given to associate broker and Brokerage paid to associates/related parties/group companies of Sponsor/AMC, is as under (brokerage in line with the amounts paid to non-associate brokers):

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)	
NIL	NIL	2018-2019	NIL	NIL	NIL	NIL
IDBI Capital Market & Securities Ltd.	Group Company of Sponsor	2019-2020	12.64	0.28%	0.02	1.63%
IDBI Capital Market & Securities Ltd.	Group Company of Sponsor upto 3 rd March 2021	2020-2021	44.08	0.49%	0.05	3.94%

iv. Commission paid to sponsor or its associates / employees or their relatives of the Asset Management Company (AMC)

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)	
ICICI BANK LIMITED	Associate	2018-2019	0.01	0.00	3312.40	0.00
CORPORATION BANK	Associate		1.15	0.00	250227.65	0.11
LICHFL FINANCIAL SERVICES LTD	Group Company of Sponsor		17714.62	3.77	799319.30	0.37
IDBI BANK LIMITED	Associate	2019-2020	292.16	0.10	3443977.58	1.36
CORPORATION BANK	Associate		0.57	0.00	229488.16	0.09
LICHFL FINANCIAL SERVICES LTD	Group Company of Sponsor		25563.95	8.56	922916.86	0.37
IDBI BANK (ARN-0058)	Group Company of Sponsor	2020-2021	1016.28	0.67	15831706.19	5.48
LICHFL FINANCIAL SERVICES LTD (ARN-69252)	Group Company of Sponsor		27113.46	17.78	1812997.10	0.63
*SAANVI Financial Services (ARN-132635)	Relative of AMC employee		81.06	0.05	2637987.54	0.91

UNION BANK OF INDIA (ARN-4480)	Group Company Associate		0.21	0.00	96474.77	0.03
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*Relative of AMC employee

v. Investments made in the securities of Sponsors / Group Companies/ Associate Companies during the last 3 years:

YEAR	Name of the Company	Particulars	Transaction type	Scheme Name	Quantity (Nos.)	Grand Total (in Rs. Crs)
2018-2019	LIC HOUSING FINANCE LIMITED	EQUITY	BUY	LIC MF ETF-Nifty 100	127	59230.85
			SELL	LIC MF ETF-Nifty 100	19182	10350353.01
2019-2020	NIL					
2020-2021	Refer Annexure 1					

Transactions with group companies:

- a) The schemes of the Mutual Fund have not made any investments in the unlisted securities of group companies.
- b) The schemes will not invest in unlisted securities or securities issued by way of private placement by an associate or group company of the Sponsor or the AMC.
- c) The schemes will not invest in the listed securities of the group companies of the Sponsors in excess of 25% of the net assets.

The AMC, on behalf of the Fund, may utilise the services of Sponsors, group companies and any other subsidiary or associate company of the Sponsors established or to be established at a later date, in case such a company (including their employees or relatives) is in a position to provide the requisite services to the AMC. The AMC will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arms-length basis and at a mutually agreed terms and conditions to the extent and limits permitted under the SEBI Regulations. Appropriate disclosures, wherever required, shall be made by the AMC.

The AMC will, before investing in the securities of the group companies of the Sponsor, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Scheme. Investments by the Scheme in the securities of the group companies will be subject to the limits under the Regulations.

Disclosure to Unit holders

As per regulation 60 prescribed under SEBI (Mutual Fund) Regulations, 1996, investors are requested to refer the Fund's website (www.licmf.com) for information which may have an adverse bearing on investors investments e.g. - downgrade of securities or fair valuation.

Treatment of purchase/switch/Systematic Investment Plan (“SIP”) / Systematic Transfer Plan (“STP”) transactions received through distributors who are suspended by AMFI shall be as follows:

- (a) During the period of suspension, no commission shall be accrued or payable to the distributor whose ARN is suspended. During the period of suspension, commission on the business Sourced prior to the date of suspension shall stand forfeited, irrespective of whether the suspended distributor is the main AMFI Registration Number (“ARN”) holder or a sub-distributor.
- (b) All Purchase and Switch transactions, including SIP/STP registered prior to the date of suspension and fresh SIP / STP registrations received under the ARN code of a suspended distributor during the period of suspension, shall be processed under "Direct" Plan" and shall be continued under Direct Plan perpetually*. AMC shall suitably intimate to the unitholder(s).

*Note: If the AMC receives a written request / instruction from the first/sole unitholder to shift back existing assets, future SIP/STP instalments or both to Regular Plan under the ARN of the distributor post the revocation of suspension of ARN, the same shall be honored. Investors may be liable to bear capital gains taxes as per their individual tax position for such transactions.

- (c) All Purchase and Switch transactions including SIP/STP transactions received through the stock exchange platforms through a distributor whose ARN is suspended shall be rejected.
- (d) In cases where the ARN of the distributor is permanently terminated, the unitholders have the following options:
 - Switch their existing investments under the Regular Plan to Direct Plan (Investors may be liable to bear capital gains taxes as per their individual tax position for such transactions); or
 - Continue their existing investments under the Regular Plan under ARN of another distributor of their choice

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the office of the Mutual Fund at Industrial 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.

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

INVESTOR GRIEVANCES REDRESSAL / MECHANISM

At LIC Mutual Fund, we believe in providing the best of our services to our investors. We provide easy access to information on our products and services; we also help you to get your grievances redressed with ease. Resolving your problem helps us review our processes and take necessary steps to prevent recurrence. We aim to respond to your complaint with efficiency, courtesy and fairness. Investors may contact any of the Investor Service Centers (ISCs) of the AMC for any queries / clarifications, may call on **1800-258-5678** (toll free), e-mail: service@licmf.com. In case Investors do not receive a response within 30 business days of approaching the AMC, or if they are not satisfied with the resolution received from the AMC, they can escalate their issues to SEBI (Securities and Exchange Board of India) and update their complaints on SCORES. (SEBI Complaints Redress System). SCORES allow the investor to lodge his complaint online with SEBI and subsequently view its status at <http://scores.gov.in/>.

The investor complaint history for the last three years for existing schemes and the redressal mechanism thereof is as under (from 01/04/2018 to 31/03/2021).

FOR LAST 3 YEARS	SEBI	REGISTRAR
No. of complaints received upto 31/03/2021	67	116
No. of complaints disposed off	67	116
No. of complaints outstanding as on 31/03/2021	NIL	NIL

The data on the number of complaints received, redressed and pending required to be updated every two months as prescribed by SEBI is accordingly updated upto May 31,2021 is as follows:

Complaint Code	Type of Complaints	No. of Complaints				Ageing analysis of pending complaints						*Reason for pending Complaints
		(a) No. of complaints pending at the beginning of the month of April-2021	(b) No. of Complaints received during the month of April-May 2021	Redressed during Apr-May 2021	Pending at the end of May-2021	0-3 Days	04-07 Days	08 - 20 days	21-40 Days	41-60 Days	Beyond 60 days	
I A	Non receipt of Dividend on Units	0	0	0	0	0	0	0	0	0	0	
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	
I C	Non receipt of Redemption Proceeds	0	1	1	0	0	0	0	0	0	0	
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	
II A	Non receipt of Statement of Account/Unit Certificate	0	0	0	0	0	0	0	0	0	0	
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	
II C	Data corrections in Investor details	0	9	9	0	0	0	0	0	0	0	
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	1	1	0	0	0	0	0	0	0	
IV	Others	0	9	5	4	0	0	0	4	0	0	

Total	0	20	16	4	0	0	0	4	0	0
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* Investigation is under way by the AMC for 4 pending complaints.

The data on the number of complaints received, redressed and pending required to be updated every two months as prescribed by SEBI is accordingly updated upto July 31,2021 is as follows:

Compl aint Code	Type of Complaints	No. of Complaints				Ageing analysis of pending complaints						
		(a) No. of complai nts pendi ng at the beginni ng of the month of June -2021	(b) No. of Compl aints receiv ed during the month of June- July 2021	Redr esse d duri ng June - July 2021	Pend ing at the end of July - 2021	0-3 Da ys	04- 07 Da ys	08-20 days	21- 40 Da ys	41- 60 Days	Beyon d 60 days	Reaso n for pendi ng Compl aints
I A	Non receipt of Dividend on Units	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	5	4	1	1	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	2	1	1	0	1	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	5	5	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0

III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	0	0	0	0	0	0	0	0	0	
IV	Others	4	4	4	4	0	0	0	0	0	4	
	Total	4	16	14	6	*1	**1	0	0	0	***4	

*Resolved on 5th August 2021

**Resolved on 23rd July 2021 but status pending on SEBI scores portal

***Investigation is under way by the AMC for 4 pending 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.

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

Sd/-

**Place: Mumbai
Date: 29th June 2021**

**Dinesh Pangtey
Whole Time Director & Chief Executive officer**

Annexure - 1

YE AR	Name of the Company	Parti cular s	Transact ion type	Scheme Name	Quantit y (Nos.)	Grand Total (in Rs. Crs)
2020 - 2021	ACC Ltd.	EQUI TY	BUY	LIC MF ETF-Nifty 100	3	5220.78
2020 - 2021	LIC Housing Finance Ltd.	EQUI TY	BUY	LIC MF Banking and Financial Ser Fund LIC MF Large & Mid Cap Fund	3472 54191	1527537.44 23954683.3 6
2020 - 2021	Adani Ports & Special Economic Zone Ltd.	EQUI TY	BUY	LIC MF ETF-Nifty 100 LIC MF ETF-Nifty 50 LIC MF Index Fund- Nifty Plan	1153 30 1006	865165.8 21355.78 729464.87
2020 - 2021	Coal India Ltd.	EQUI TY	BUY	LIC MF ETF-Nifty 100 LIC MF ETF-Nifty 50 LIC MF Index Fund- Nifty Plan	81 87 2165	11491.69 12702.67 291027.75
2020 - 2021	Grasim Industries Ltd.	CP	BUY	LIC MF Liquid Fund	250000 0	249932500
2020 - 2021	Grasim Industries Ltd.	EQUI TY	BUY	LIC MF ETF-Nifty 100 LIC MF ETF-Nifty 50 LIC MF Index Fund- Nifty Plan	14 16 397	19185.12 21838.72 553411.05
			BUY	LIC MF ETF-Nifty 100 LIC MF ETF-Nifty 50 LIC MF ETF-Sensex	344 364 68314	72363.51 73795.25 15071999.5 2

2020 - 2021	ITC Ltd.	EQUI TY		LIC MF Index Fund- Nifty Plan	8988	1952504.76
				LIC MF Index Fund- Sensex Plan	3907	836376.8
			SELL	LIC MF ETF-Sensex	44096	9110069.35
2020 - 2021	Larsen & Toubro Ltd.	CP	SELL	LIC MF Savings Fund	250000 0	249932250
2020 - 2021	Larsen & Toubro Ltd.	EQUI TY	BUY	LIC MF ETF-Nifty 100	47	67981.15
				LIC MF ETF-Nifty 50	50	74368.66
				LIC MF ETF-Sensex	9698	13448881.2
				LIC MF Index Fund- Nifty Plan	1253	1732696.23
				LIC MF Index Fund- Sensex Plan	536	757185.23
			SELL	LIC MF ETF-Sensex	6261	9736922.74
2020 - 2021	Mahindra & Mahindra Ltd.	EQUI TY	BUY	LIC MF ETF-Nifty 100	36	29921.35
				LIC MF ETF-Nifty 50	39	32443.26
				LIC MF ETF-Sensex	7677	6390132.76
				LIC MF Index Fund- Nifty Plan	992	814578.44
				LIC MF Index Fund- Sensex Plan	425	348349.79
			SELL	LIC MF ETF-Sensex	4957	4309564.69
2020 - 2021	NMDC Ltd.	EQUI TY	BUY	LIC MF ETF-Nifty 100	35	4614.94
				LIC MF ETF-Nifty 100	190	20431.78
				LIC MF ETF-Nifty 50	202	22003.34

2020 - 2021	NTPC Ltd.	EQUITY	BUY	LIC MF ETF-Sensex	37195	4021005.87
				LIC MF Index Fund-Nifty Plan	4972	534785.2
				LIC MF Index Fund-Sensex Plan	2137	228979.18
			SELL	LIC MF ETF-Sensex	24005	2660940.81
2020 - 2021	Oil & Natural Gas Corporation Ltd.	EQUITY	BUY	LIC MF ETF-Nifty 100	143	15963.06
				LIC MF ETF-Nifty 50	152	17359.53
				LIC MF ETF-Sensex	28698	3046186.54
				LIC MF Index Fund-Nifty Plan	3816	404812.8
				LIC MF Index Fund-Sensex Plan	1631	174080.89
			SELL	LIC MF ETF-Sensex	18525	2150138.7
2020 - 2021	Small Industries Development Bk of India	Corporate Bonds / Debentures	SELL	LIC MF Banking & PSU Debt Fund	500000	51504737.67
				LIC MF Short Term Debt Fund	2000000	206018950.7

LIST OF ADDENDUMS TO STATEMENT OF ADDITIONAL INFORMATION (SAI)

Date of Addendum	Particulars
30.06.2021	Re-designation of Mr. Mayank Arora as Chief Compliance, Financial Officer & Company Secretary w.e.f. June 28, 2021
03.09.2021	Change in fund management responsibilities



**LIC Mutual Fund Asset Management Limited
(Investment Managers to LIC Mutual Fund)
CIN No: U67190MH1994PLC077858**

Registered Office: Industrial Assurance Bldg. 4th Floor, Opp. Churchgate Station, Mumbai – 400 020
Tel.No.022-66016000 Toll Free No. 1800 258 5678 Fax No.022-22835606
Email: service@licmf.com Website: www.licmf.com

NOTICE – CUM- ADDENDUM No. 13 of 2021-2022

1. Re-designation of Key Personnel of LIC Mutual Fund Asset Management Ltd (“LIC MF AMC”):-

Notice is hereby given to all the investors/unitholders that Mr. Mayank Arora, Chief Compliance Officer & Company Secretary at LIC MF AMC, a Key Personnel has been re-designated as Chief Compliance, Financial Officer & Company Secretary **w.e.f. June 28, 2021.**

2. Change in the location of branch of Investor Service Centre (ISC) and Official Point of Acceptance of KFin Technologies Private Limited (“KFin”):-

Investors/Unitholders are requested to take note of the change in the address of the below mentioned ISC of KFin which is Official Point of Acceptance of the Schemes of LIC Mutual Fund.

Branch	Effective Date	Old Address	Old Land line#	New Address	New Land line#
Junagadh	05-Jul-21	KFin Technologies Pvt. Ltd 124-125 Punit Shopping Center, M.G Road, Ranavav Chowk, Junagadh 362001 Gujarat	0285- 2652220	KFin Technologies Pvt. Ltd Shop No. 201, 2nd Floor, V- ARCADE Complex, Near vanzari chowk, M.G. Road, Junagadh, - 362001 Gujarat	0285- 2652220

Please note that above branch office will be an Official Point of Acceptance for Transactions of LIC Mutual Fund.

This Notice cum addendum shall form an integral part of the Statement of Additional Information (SAI), Scheme Information Document (SID) and Key Information Memorandum (KIM) of the scheme(s) of LIC Mutual Fund as amended from time to time.

All other terms & conditions of SAI, SID and KIM remains unchanged.

For LIC MUTUAL FUND ASSET MANAGEMENT LIMITED

Date: 30/06/2021
Place: Mumbai

**Sd/-
Authorized Signatory**

As part of Go-Green initiative, investors are encouraged to register/update their email ID and Mobile Number with us to support paper-less communication.

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



**LIC Mutual Fund Asset Management Limited
(Investment Managers to LIC Mutual Fund)
CIN No: U67190MH1994PLC077858**

Registered Office: Industrial Assurance Bldg. 4th Floor, Opp. Churchgate Station, Mumbai – 400 020
Tel.No.022-66016000 Toll Free No. 1800 258 5678 Fax No.022-22835606
Email: service@licmf.com Website: www.licmf.com

NOTICE – CUM- ADDENDUM No. 21 of 2021-2022

Notice cum Addendum to the Scheme Information Document (SID), Key Information Memorandum (KIM) and Statement of Additional Information (SAI) of Schemes of LIC Mutual Fund ('the Fund')

Investors are requested to note that Ms. Ritu Modi ceases to be the Fund Manager for the following schemes - LIC MF Exchange Traded Fund - Nifty 50, LIC MF Exchange Traded Fund -Sensex, LIC MF Exchange Traded Fund -Nifty 100, LIC MF Index Fund - Nifty Plan, LIC MF Index Fund-Sensex Plan, LIC MF Arbitrage Fund (Equity Portion) and Co-Fund Manager for the Schemes - LIC MF Large Cap Fund and LIC MF Unit Linked Insurance Scheme (Equity Portion) from the close of business hours of 3rd September 2021 on account of her resignation from the services of LIC Mutual Fund Asset Management Limited (AMC). Consequently, she ceases to be a Key Personnel for the AMC.

1. Appointment of Fund Manager:

Mr. Jaiprakash Toshniwal is being appointed as Fund Manager - Equity for the following schemes w.e.f 6th September 2021 - LIC MF Banking and Financial Services Fund, LIC MF Arbitrage Fund, LIC MF Exchange Traded Fund - Nifty 50, LIC MF Exchange Traded Fund -Nifty 100, LIC MF Exchange Traded Fund -Sensex, LIC MF Index Fund-Nifty Plan and LIC MF Index Fund-Sensex Plan. He will be designated as Senior Equity Research Analyst & Fund Manager. He will be a Key Personnel of the AMC. The details of Mr. Jaiprakash Toshniwal are as under:

Name	Age (Years)	Qualification	Key Personnel Experience for the last 10 years
Mr. Jaiprakash Toshniwal	36	<ul style="list-style-type: none"> CFA - CFA Institute, USA MS Finance (CFA) - ICFAI, India B.com - Gujarat University 	<ul style="list-style-type: none"> Senior Equity Research Analyst - LIC Mutual Fund Asset Management Ltd. (28th January 2021 onwards) Equity Research Analyst - India First Life Insurance (16th August 2011 - 27th January 2021) Equity Research Analyst - Taurus Mutual Fund (December 2009 - August 2011)

2. Appointment of Co- Fund Manager:

Mr. Dikshit Mittal is being appointed as Co- Fund Manager - Equity for the following scheme w.e.f. 6th September 2021 - LIC MF Unit Linked Insurance Scheme. He will be designated as Senior Equity Research Analyst & Co- Fund Manager. He will be a Key Personnel of the AMC. The details of Mr. Dikshit Mittal are as under:

Name	Age (Years)	Qualification	Key Personnel Experience for the last 10 years
Mr. Dikshit Mittal	40	<ul style="list-style-type: none"> MBA (Finance) - ICFAI Business School, Hyderabad 	<ul style="list-style-type: none"> Senior Equity Research Analyst - LIC Mutual Fund Asset Management Ltd. (15th December 2020 onwards) Equity Research Analyst - Subhkam Ventures Pvt. Limited. (November 2012 - December 2020) Equity Research Analyst - SBI Capital Securities (July 2011 - October 2012)

	<ul style="list-style-type: none"> • B-Tech (Chemical) - Punjab Technical University 	<ul style="list-style-type: none"> • Equity Research Analyst - Alchemy Shares and Stock Brokers (June 2009 - July 2011)
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3. **Mr. Karan Doshi**, currently designated as Senior Equity Research Analyst & Co-Fund Manager for the following schemes - LIC MF Children's Gift Fund and LIC MF Debt Hybrid Fund is being redesignated as Fund Manager for the aforesaid schemes and Co-Fund Manager for the scheme - LIC MF Equity Hybrid Fund w.e.f 6th September 2021. He will be designated as Senior Equity Research Analyst & Fund Manager. He will continue to be a Key Personnel of the AMC.

4. **Change in Fund Management responsibilities**

The Fund Management responsibilities of the following Schemes of the Fund are being changed **with effect from 6th September 2021**:

Scheme Name	Existing Fund Manager (s)	New Fund Manager (s)
LIC MF Equity Hybrid Fund	<ul style="list-style-type: none"> • Mr. Yogesh Patil - Fund Manager (Equity Portion) • Mr. Marzban Irani – Fund Manager (Debt Portion) 	<ul style="list-style-type: none"> • Mr. Yogesh Patil - Fund Manager (Equity Portion) • Mr. Karan Doshi - Co Fund Manager (Equity Portion) • Mr. Marzban Irani – Fund Manager (Debt Portion)
LIC MF Banking and Financial Services Fund	<ul style="list-style-type: none"> • Mr. Yogesh Patil - Fund Manager 	<ul style="list-style-type: none"> • Mr. Jaiprakash Toshniwal - Fund Manager
LIC MF Exchange Traded Fund - Nifty 50 LIC MF Exchange Traded Fund - Sensex LIC MF Exchange Traded Fund - Nifty 100 LIC MF Index Fund-Nifty Plan LIC MF Index Fund-Sensex Plan	<ul style="list-style-type: none"> • Ms. Ritu Modi - Fund Manager 	<ul style="list-style-type: none"> • Mr. Jaiprakash Toshniwal - Fund Manager
LIC MF Arbitrage Fund	<ul style="list-style-type: none"> • Ms. Ritu Modi - Fund Manager (Equity Portion) • Mr. Marzban Irani – Fund Manager (Debt Portion) 	<ul style="list-style-type: none"> • Mr. Jaiprakash Toshniwal - Fund Manager (Equity Portion) • Mr. Marzban Irani – Fund Manager (Debt Portion)
LIC MF Children's Gift Fund	<ul style="list-style-type: none"> • Mr. Yogesh Patil - Fund Manager (Equity Portion) • Mr. Karan Doshi - Co Fund Manager (Equity Portion) • Mr. Marzban Irani – Fund Manager (Debt Portion) 	<ul style="list-style-type: none"> • Mr. Karan Doshi - Fund Manager (Equity Portion) • Mr. Marzban Irani – Fund Manager (Debt Portion)
LIC MF Debt Hybrid Fund	<ul style="list-style-type: none"> • Mr. Yogesh Patil - Fund Manager (Equity Portion) • Mr. Karan Doshi - Co Fund Manager (Equity Portion) • Mr. Marzban Irani – Fund Manager (Debt Portion) 	<ul style="list-style-type: none"> • Mr. Karan Doshi - Fund Manager (Equity Portion) • Mr. Marzban Irani – Fund Manager (Debt Portion)

LIC MF Unit Linked Insurance Scheme	<ul style="list-style-type: none"> • Mr. Yogesh Patil - Fund Manager (Equity Portion) • Ms. Ritu Modi - Co Fund Manager (Equity Portion) • Mr. Marzban Irani – Fund Manager (Debt Portion) 	<ul style="list-style-type: none"> • Mr. Yogesh Patil - Fund Manager (Equity Portion) • Mr. Dikshit Mittal - Co Fund Manager (Equity Portion) • Mr. Marzban Irani – Fund Manager (Debt Portion)
LIC MF Large Cap Fund	<ul style="list-style-type: none"> • Mr. Yogesh Patil - Fund Manager • Ms. Ritu Modi - Co Fund Manager 	<ul style="list-style-type: none"> • Mr. Yogesh Patil - Fund Manager

This Notice cum addendum shall form an integral part of the SID, KIM of the schemes and SAI of LIC Mutual Fund as amended from time to time.

All other contents of the SIDs, KIMs and SAI will remain unchanged.

For LIC MUTUAL FUND ASSET MANAGEMENT LIMITED

Sd/-

Authorized Signatory

Date: 03/09/2021

Place: Mumbai

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