

INDEPENDENT AUDITOR'S REPORT

To the Members of LICHFL Asset Management Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LICHFL Asset Management Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit/loss changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. As informed to us, the Company does not have any other information to be included in the annual report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting



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records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



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- iv.
- (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons / entities, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (2) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons / entities, including foreign entities, that the Company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.
- v. The Company has declared and paid dividend during the year which is in compliance with section 123 of the Act.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison

Srividya Vaidison
Partner
Membership No. 207132
UDIN: 23207132BGQRZB8058



Mumbai
April 17, 2023

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF LICHFL ASSET MANAGEMENT COMPANY LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i.
- (a) A. The Company has maintained proper records showing full particulars including quantitative details and the situation of Property, Plant and Equipment.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management on an annual basis and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) (a) to (b) of the Order are not applicable to the Company.
- iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.



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- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, income-tax, cess have been regularly deposited by the Company with appropriate authorities in all cases during the year.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix.
- (a) The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) (a) to (f) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion, according to the information explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Hence reporting under the clause (ix)(e) of the order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Hence, reporting under the clause 3(ix)(f) of the order is not applicable to the Company.



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x.

- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

- (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of our audit of the financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. In our opinion and based on our examination, the Company has an internal audit system, however, the Company is not required to have an internal audit system as per the provisions of the Companies Act.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company.

xvi.

- (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

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- (d) The Group does not have any CIC as part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall- due due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of section 135 of the act read with schedule VII. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of the audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison

Srividya Vaidison
Partner
Membership No. 207132
UDIN: 23207132BGQRZB8058



Mumbai
April 17, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF LICHFL ASSET MANAGEMENT COMPANY LIMITED

[Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of LICHFL Asset Management Company Limited on the Financial Statements for the year ended March 31, 2023

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of LICHFL Asset Management Company Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the



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assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls With reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison

Srividya Vaidison
Partner
Membership No. 207132
UDIN:23207132BGQRZB8058



Mumbai
April 17, 2023

LICHFL Asset Management Company Limited
Balance Sheet as at March 31, 2023

(Amount in Lakhs)

Particulars	Note No	As at 31st March 2023	As at 31st March 2022
		Rs Audited	Rs Audited
ASSETS			
Financial Assets			
Cash and Cash Equivalents	6	579.55	4.42
Bank Balance other than cash and cash equivalents		-	-
Receivables	7	10.67	0.43
Investments	8	5,926.12	5,772.71
Other Financial Assets	9	86.73	48.17
Non-Financial Assets			
Current Tax Assets (Net)		84.68	48.28
Deferred Tax Assets (Net)	10	48.55	100.46
Property, Plant and Equipment	11(a)	19.69	13.04
Intangible Assets	11(b)	0.05	0.19
Right of use Asset	12	390.51	245.06
Other Non-Financial Assets	13	17.90	5.74
TOTAL ASSETS		7,164.45	6,238.50
LIABILITIES AND EQUITY			
Financial Liabilities			
Payables			
Trade Payables	14	-	-
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of other than micro enterprises and small enterprises		-	-
Other Payables		-	-
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of other than micro enterprises and small enterprises		355.78	14.74
Non-Financial Liabilities			
Provisions	15	37.50	32.80
Deferred Tax Liabilities (Net)	10	-	-
Lease Liability	16	382.68	269.77
Other Non Financial Liabilities	17	440.72	476.18
EQUITY			
Equity Share Capital	18	919.44	919.44
Other Equity	19	5,028.33	4,525.57
TOTAL LIABILITIES AND EQUITY		7,164.45	6,238.50

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.: 105047W

Srividya Vaidison

Srividya Vaidison
Partner
Membership No.: 207132

For and on behalf of the Board of Directors of
LICHFL Asset Management Company Limited

M. Jagannath
M. Jagannath
Chairman
DIN: 10090437

Dhananjay N. Mungale
Dhananjay N. Mungale
Director
DIN: 00007563

Rajiv Gupta
Rajiv Gupta
Director & CEO
DIN No. 08532421

Surinder Mohan
Surinder Mohan
CFO

G. G. Sambayyanamath
G. G. Sambayyanamath
Company Secretary

Place: Mumbai
Date: 17th April 2023



LICHFL Asset Management Company Limited
Statement of Audited Financial Results for the period ended March 31, 2023

Particulars	Note No	For the year ended (Audited)	
		31st March 2023 Rs	31st March 2022 Rs
Income from operations			
Interest Income	20	97.89	100.08
Fees and commission income	21	1,217.61	1,225.08
Net Gain on fair value changes	22	273.55	115.71
Total revenue from operations		1,589.05	1,440.87
Other Income	23	38.86	0.22
Total Income (I)		1,627.91	1,441.09
Expenses			
Finance Cost	24	21.46	23.47
Employee benefits expense	25	338.81	317.03
Depreciation and amortisation expense	26	123.06	99.28
Other expenses	27	144.10	147.10
Total Expenses (II)		627.43	586.88
Profit/(loss) before tax (III) = (II-I)		1,000.48	854.21
Tax expenses			
Current tax		192.97	226.70
Deferred tax		51.90	(31.75)
Total tax expense		244.87	194.95
Profit for the year		755.61	659.26
Other Comprehensive income for the year		-	-
Total Comprehensive income for the year		755.61	659.26

Earnings per equity share (nominal value of share Rs.10)

- Basic	8.22	7.17
- Diluted	8.22	7.17

Summary of significant accounting policies 3

The accompanying notes are an intergral part of the financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.: 105047W

Srividya Vaidison

Srividya Vaidison
Partner
Membership No.: 207132

For and on behalf of the Board of Directors of
LICHFL Asset Management Company Limited

M. Jagannath

M. Jagannath
Chairman
DIN: 10090437

Dhananjay N. Mungale

Dhananjay N. Mungale
Director
DIN: 00007563

Rajiv Gupta

Rajiv Gupta
Director & CEO
DIN No. 08532421

Sunder Mohan

Sunder Mohan
CFO

G. G. Sambayyanamath

G. G. Sambayyanamath
Company Secretary

Place: Mumbai
Date: 17th April 2023



LICHFL Asset Management Company Limited
Statement of changes in Equity for the year ended 31st March 2023

Equity Share Capital

1) Equity Share capital for the year ending 31st March 2023

(Amount in Lakhs)

Balance at the beginning of the reporting year Rs	Changes in equity share capital during the year Rs	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the reporting year Rs
919.44	-	-	-	919.44

2) Equity Share capital for the year ending 31st March 2022

(Amount in Lakhs)

Balance at the beginning of the reporting year Rs	Changes in equity share capital during the year Rs	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the reporting year Rs
919.44	-	-	-	919.44

Other Equity

1) Other Equity for the year ending 31st March 2023

(Amount in Lakhs)

Particulars	General Reserves Rs	Retained earnings Rs	Total Rs
Balance as at 1st April 2022	72.74	4,452.83	4,525.57
Profit for the period	-	755.61	755.61
Dividends	-	(252.85)	(252.85)
Dividend Distribution Tax	-	-	-
Balance as at 31st March 2023	72.74	4,955.59	5,028.33

2) Other Equity for the year ending 31st March 2022

(Amount in Lakhs)

Particulars	General Reserves Rs	Retained earnings Rs	Total Rs
Balance as at 1st April 2021	72.74	4,046.42	4,119.16
Profit for the period	-	659.26	659.26
Dividends	-	(252.85)	(252.85)
Dividend Distribution Tax	-	-	-
Balance as at 31st March 2022	72.74	4,452.83	4,525.57

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

As per our report of even date

For M S K A & Associates
 Chartered Accountants
 ICAI Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
 LICHFL Asset Management Company Limited

Srividya Vaidison

Srividya Vaidison
 Partner
 Membership No.: 207132

M. Jagannath

M. Jagannath
 Chairman
 DIN: 10090437

Dhanaraj N. Mungale

Dhanaraj N. Mungale
 Director
 DIN: 00007563

Rajiv Gupta

Rajiv Gupta
 Director & CEO
 DIN No. 08532421

Surinder Mohan

Surinder Mohan
 Chief Financial Officer

G G Sambayagamath

G G Sambayagamath
 Company Secretary

Place: Mumbai
 Date: 17th April 2023



LICHFL Asset Management Company Ltd.

Notes to financial statements for the year ended March 31, 2023

1. Background and Nature of Operations

LICHFL Asset Management Company Limited (“the Company”) is a public limited company domiciled in India and incorporated on February 14, 2008 as a private limited company. The Company has entered into an investment management agreement on August 27, 2010 (“Agreement 1”) with LICHFL Trustee Company Private Limited (Trustees to LICHFL Urban Development Fund) and the Company has entered into an Investment Management Agreement on June 5, 2017 (“Agreement 2”) with LICHFL Trustee Company Private Limited (Trustees to LICHFL Housing and Infrastructure Trust). Further the company has entered into an Investment Management Agreement on March 31, 2021 (“Agreement3”) with LICHFL Trustee Company Private Limited (Trustees to LICHFL Real Estate Debt Opportunities Trust). As per the said Agreement 1, Agreement 2 and Agreement 3 the Company has been appointed as the ‘Investment Manager’ to manage the LICHFL Urban Development Fund (‘LUDF’), LICHFL Housing and Infrastructure Fund (‘LHIF’) & LICHFL Real Estate Debt Opportunities Fund - I (‘LRDO’). The registered address of the company is Bombay Life Building, 2nd floor, 45/47, Veer Nariman Road, Mumbai 400 001.

The Financial statements for the year ended 31st March 2023 were authorized for issue in accordance with a resolution of the Directors on 17th April 2023.

2. Basis of preparation of Ind AS Financial Statements

The financial statements of the Company have been prepared in accordance with the provisions of Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by ministry of corporate affairs in exercise of the powers conferred by Section 133 of the Companies Act, 2013.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. The financial statements are presented in Indian Rupees (INR). All amounts have been rounded off to the nearest lakhs unless otherwise indicated.

3. Significant Accounting Policies

3.1. Recognition of interest income

3.1.1. The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost.

The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of financial asset. Hence, it recognizes the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle.



If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

3.1.2. Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

3.2. Financial instruments - initial recognition

3.2.1. Date of recognition

Financial assets and liabilities are initially recognised on the date at which the Company becomes a party to the contractual provisions of the instrument.

3.2.2. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

3.2.3. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- FVOCI
- FVTPL

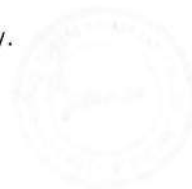
3.3. Financial assets and liabilities

3.3.1. Financial assets at amortised cost such as Public Deposits, Fixed Deposits, Bank Balances, Security Deposit, etc.

The Company measures Bank balances, Public Deposits, Fixed Deposits, Trade receivables and other financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.



3.3.1.1. Business model assessment

The Company determines its business model at the level that best reflects how it manages group of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

3.3.1.2. The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimize exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

3.3.1.3. Fair Value through Other Comprehensive Income (FVTOCI):

During the year, there are no income / loss on fair value recognized in other comprehensive income.

3.3.2. Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:



- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis, or
- The liabilities are part of the Company's financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

3.4. Impairment of financial assets

3.4.1. Trade receivables

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost.
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

ECL is the difference between all contractual cash flows that are due to the entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on average of historical loss rate adjusted to reflect current and available forward-looking information affecting the ability of the customers to settle the receivables. The Company has also computed expected credit loss due to significant delay in collection.

3.4.2 Other financial assets

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Life-time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.



ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

3.5 Determination of fair value

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarized below:

▶ Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

▶ Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument.

However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

▶ Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.



For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.6 Foreign currency translation

3.6.1 Functional and presentational currency

The financial statements are presented in INR which is also functional currency of the company.

3.6.2 Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non-trading activities are taken to other income/expense in the statement of profit and loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

3.7 Leases

The Company assesses each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves-

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.



For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in consolidated statement of income.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and Lease payments have been classified as Cash flow used in Financing activities.

3.8 Recognition of income and expenses

Revenue (other than for those items to which Ind AS 109 *Financial Instruments* is applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 *Revenue from contracts with customers* outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.



Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

3.8.1 Income from services

Revenues from investment management services is recognized in accordance with the Investment Management Agreement read with Contribution Agreement entered by the Fund with its Investors.

Non-refundable upfront set-up fees charged from investor:

The Company has identified investor as its customer for its Alternative investment fund. The Company charge a non-refundable upfront set-up fee, which is to compensate Company for the cost incurred in setting up of fund or other administrative costs. These activities are administrative task and do not depict transfer of service to customer. These non-refundable up-front set-up fees are considered as an advance payment for future services and amortised using straight line method over the expected agreement period with customer.

Unamortised amount is disclosed as “Deferred one time set up fees” under other non-financial liabilities.

3.9 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.10 Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2017 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

The estimated useful lives are, as follows:

- ▶ Computer hardware - 3 years
- ▶ Office Equipment - 5 years
- ▶ Vehicles - 5 years
- ▶ Furniture - 10 years

The Company, based on management estimate, depreciates certain items over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate



Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.11 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible assets recognized as at 1st April 2017 measured as per the Indian GAAP and use that carrying value as the deemed cost of the Intangible assets.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follows:

- ▶ Computer software - 5 years

3.12 Impairment of Non-Financial assets

The Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.



The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

3.13 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company's contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

The Company had more than ten employees during the year and hence The Payment of Gratuity Act, 1972 is applicable to the Company. Accordingly, the Company has taken a gratuity policy from LIC of India in the FY 2022-23 and paid the applicable premium and contribution to LIC of India. Same is recorded in the books for benefit of the employees of the Company.

No provision has been made for Leave Encashment as the same is paid on actual basis.

With respect to personnel on deputation to the Company, the accrual of retirement benefits for such personnel is done by their respective employers. The respective employers instruct the amount to be remitted towards Gratuity, Provident Fund, Insurance, etc. and the amount is reimbursed as per the instructions of the employers every month.

3.14 Provisions, Contingent liabilities, commitments and leasing arrangements

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

To meet the financial needs of customers, the company enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend. Further the company is also exposed to contingent liabilities arising from legal claims.

Onerous contracts: Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation



of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.16 Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.17 Taxes

3.17.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.17.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ▶ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ▶ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that



it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained in above para.

3.18 Dividends on ordinary shares

The Company recognises a liability of dividend to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note 3.5 and Note 36.



4.2 Provisions

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

5 Useful life of Property, Plant and Equipment including intangible assets

Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Assumption also need to be made, when company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised.

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of plant and equipment. The value in use calculation requires the Management to estimate the future cash flows expected to arise from the property, plant and equipment and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.



LICHFL Asset Management Company Limited
Notes forming part of the Financial statement for the period ended 31st March 2023

Particulars	(Amount in Lakhs)	
	31st March 2023 Rs	31st March 2022 Rs
Cash & Cash Equivalents		
Cash on hand	0.02	0.02
Balance with Banks - Bank current accounts	579.53	4.40
	579.55	4.42

Particulars	(Amount in Lakhs)	
	31st March 2023 Rs	31st March 2022 Rs
Trade Receivables:(Note 7.1)		
- Receivables considered good, unsecured	10.67	0.43
	10.67	0.43

Note: 7.1

Particulars	31st March 2023	31st March 2022
	Rs	Rs
Disputed		
(a)Secured, considered good;	-	-
(b)Unsecured, considered good;	-	-
(c)Doubtful	-	-
Undisputed		
(a)Secured, considered good;*	-	-
<u>Outstanding for following periods from due date of payment</u>		
-Less than 6 months	10.24	-
-6 Months to 1 Year	-	-
-1 to 2 Years	0.43	0.43
-2 to 3 Years	-	-
- More than 3 Years	-	-
(b)Unsecured, considered good;		
<u>Outstanding for following periods from due date of payment</u>		
-Less than 6 months	-	-
-6 Months to 1 Year	-	-
-1 to 2 Years	-	-
-2 to 3 Years	-	-
- More than 3 Years	-	-
(c)Doubtful	-	-
Total	10.67	0.43

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non interest bearing to be received from the Fund managed by the Company. There is no impairment allowance and therefore related disclosures required by Ind AS 109 are not given in the financial statements.

Particulars	(Amount in Lakhs)	
	31st March 2023 Rs	31st March 2022 Rs
8. Investments		
Investments measured at Amortised Cost		
Public deposits	1,700.16	1,601.27
Investments measured at fair value through Profit or loss		
Investment in Shares	0.03	1.44
Mutual funds	3,626.94	3,802.12
Venture Capital Funds	2.88	2.14
Alternative Investment Funds	596.11	365.74
Total - Gross (A)	5,926.12	5,772.71
(i) Investments outside India	5,926.12	5,772.71
(ii) Investments in India	-	-
Total (B)	5,926.12	5,772.71
Less: Allowance for Impairment loss (C)	-	-
Total = (A)-(C)	5,926.12	5,772.71



Particulars	(Amount in Lakhs)	
	31st March 2023	31st March 2022
	Rs	Rs
9. Other Financial Assets		
Unsecured, considered good		
Security deposit	55.69	47.22
Other Deposits	0.95	0.95
Other receivable	0.09	-
Other Assets	30.00	-
Total Other Financial Assets	86.73	48.17

Particulars	(Amount in Lakhs)	
	31st March 2023	31st March 2022
	Rs	Rs
10. Deferred Tax Assets		
Deferred Tax Asset		
Impact of Difference between Book base and Tax base of Property, Plant & Equipment and Intangible Assets	1.99	1.83
Difference between ROU Asset and Lease Liability	(2.28)	7.20
Impact of Deferred One time Fees	112.96	135.56
Total Deferred Tax Asset	112.67	144.59
Deferred Tax Liability		
Reversal of DTL on unrealised gain	125.44	81.67
Impact of Financial assets measured at fair value	(189.56)	(125.80)
Total Deferred Tax Liability	(64.12)	(44.13)
Net Deferred Tax Asset	48.55	100.46

Particulars	(Amount in Lakhs)	
	31st March 2023	31st March 2022
	Rs	Rs
The balance comprises temporary differences attributable to:		
Depreciation	6.85	6.31
ROU Asset & Liability	(7.83)	24.71
Deferred one time set up fees	387.92	465.51
Reversal of unrealised gain	430.77	280.45
Unrealised gain on investments	(650.97)	(431.99)
	166.74	344.99

Particulars	(Amount in Lakhs)	
	31st March 2023	31st March 2022
	Rs	Rs
Movement in Deferred Tax Assets/(Liabilities)		
Opening Balance	100.46	68.71
Deferred Tax income during the year recognised in Profit or Loss	(51.91)	31.75
Net Deferred Tax Asset/ (Liability)	48.55	100.46

Particulars	(Amount in Lakhs)	
	31st March 2023	31st March 2022
	Rs	Rs
Net Profit Before tax	1,000.48	854.21
At Statutory Income Tax rate of 29.12% (2022: 29.12%)	291.34	248.75
Expenses not allowed	2.02	1.83
Adjustment of tax pertaining to earlier years	-	-
Tax rate difference	-	-
Long term Capital gain (Taxable at different rate)	-	-
	293.36	250.58
	29.32%	29.33%



(Amount in Lakhs)

11. (a) Property, Plant & Equipment

Particulars	Office equipment	Computer hardware	Vehicles	Furniture and fixtures	Total
At March 31, 2020	1.89	7.58	19.88	-	29.35
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2021	1.89	7.58	19.88	-	29.35
Additions	-	4.19	-	-	4.19
Disposals	-	-	-	-	-
At March 31, 2022	1.89	11.77	19.88	-	33.54
Additions	7.89	5.02	-	0.59	13.50
Disposals	-	-0.72	-	-	-0.72
At March 31, 2023	9.78	16.07	19.88	0.59	46.32
Depreciation					
At March 31, 2020	1.27	4.59	3.10	-	8.96
Charge for the year	0.18	1.61	3.97	-	5.76
Disposals	-	-	-	-	-
At March 31, 2021	1.45	6.20	7.07	-	14.72
Charge for the year	0.16	1.64	3.97	-	5.77
Disposals	-	-	-	-	-
At March 31, 2022	1.61	7.84	11.05	-	20.49
Charge for the year	0.36	1.85	3.97	0.02	6.20
Disposals	-	-0.07	-	-	-0.07
At March 31, 2023	1.97	9.62	15.02	0.02	26.62
Net Block					
At March 31, 2021	0.44	1.38	12.81	-	14.63
At March 31, 2022	0.28	3.93	8.83	-	13.04
At March 31, 2023	7.81	6.45	4.86	0.57	19.69

11. (b) Intangible Assets

(Amount in Lakhs)

Particulars	Computer software
At March 31, 2021	1.28
Additions	-
Disposals	-
At March 31, 2022	1.28
Additions	-
Disposals	-
At March 31, 2023	1.28
Depreciation	
At March 31, 2021	0.95
Charge for the year	0.14
Disposals	-
At March 31, 2022	1.09
Charge for the year	0.14
Disposals	-
At March 31, 2023	1.23
Net Block	
At March 31, 2021	0.33
At March 31, 2022	0.19
At March 31, 2023	0.05

12. Right of Use Asset

(Amount in Lakhs)

Particulars	ROU Asset
At March 31, 2021	466.79
Additions	-
Disposals	-
At March 31, 2022	466.79
Additions	449.13
Disposals	466.79
At March 31, 2023	449.13
Depreciation	
At March 31, 2021	128.37
Charge for the year	93.36
Disposals	-
At March 31, 2022	221.73
Charge for the year	116.71
Disposals	-279.82
At March 31, 2023	58.62
Net Block	
At March 31, 2021	338.42
At March 31, 2022	245.06
At March 31, 2023	390.51

13. Other Non-Financial Assets

(Amount in Lakhs)

Particulars	31st March 2023	31st March 2022
	Rs	Rs
GST input credit	17.26	5.40
Prepaid expenses	0.64	0.34
Advance to staff	-	-
	17.90	5.74



14. Payables	(Amount in Lakhs)	
	31st March 2023	31st March 2022
Particulars	Rs	Rs
Other Payables:(Note 14.1)		
Liabilities for expenses	18.19	14.74
Advance received from customer	337.59	-
	355.78	14.74

Note: 14.1	(Amount in Lakhs)	
	31st March 2023	31st March 2022
Particulars	Rs	Rs
a. Micro, Small & Medium Enterprises (MSME)		
Outstanding for following periods from due date of payment		
- Less than 1 year	-	-
-1 to 2 Years	-	-
-2 to 3 Years	-	-
-More than 3 Years	-	-
b. Others		
Outstanding for following periods from due date of payment		
-Less than 1 year	-	-
-1 to 2 Years	-	-
-2 to 3 Years	-	-
-More than 3 Years	-	-
c. Disputed dues - MSME	-	-
d. Disputed dues - Others	-	-
Total	-	-

Liabilities for expenses include provision for expenses.

15. Provisions	(Amount in Lakhs)	
	31st March 2023	31st March 2022
Particulars	Rs	Rs
Provision for employee benefits		
Provision for bonus	37.50	32.80
	37.50	32.80

16. Lease Liability	(Amount in Lakhs)	
	31st March 2023	31st March 2022
Particulars	Rs	Rs
Lease Liability- ROU Asset	382.68	269.77
	382.68	269.77

17. Other Non financial liabilities	(Amount in Lakhs)	
	31st March 2023	31st March 2022
Particulars	Rs	Rs
Statutory dues	51.46	9.33
Deferred One time Fees	387.92	465.51
Others	1.34	1.34
	440.72	476.18

18. Share capital	(Amount in Lakhs)	
	31st March 2023	31st March 2022
Particulars	Rs	Rs
Authorised shares		
10,000,000 (31st March, 2022: 10,000,000) equity shares of Rs.10 each	1,000.00	1,000.00
Issued, subscribed and fully paid-up shares		
9,194,400 (31st March, 2022: 9,194,400) equity shares of Rs.10 each	919.44	919.44
Total issued, subscribed and fully paid-up share capital	919.44	919.44



Reconciliation of equity shares outstanding at the beginning and at the end of the year
(Amount in Lakhs)

Particulars	Amount Rs
As at 1st April 2021	919.44
Changes in Equity Share Capital	-
As at 31 March 2022	919.44
Changes in Equity Share Capital	-
As at 31st March 2023	919.44

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

a. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its holding company and enterprise having significant influence are as below:

Particulars	(Amount in Lakhs)	
	31st March 2023 Rs	31st March 2022 Rs
LIC Housing Finance Limited, the holding company and its Nominees 8,700,000 (31st March 2022: 8,700,000) equity shares of Rs. 10 each,	870.00	870.00
Life Insurance Corporation of India, enterprise having significant influence 494,400 (31st March 2022: 494,000) equity shares of Rs. 10 each, fully	49.44	49.44

b. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	31st March 2023			31st March 2022		
	Nos.	% of holding	% of changes during the year	Nos.	% of holding	% of changes during the year
Equity shares of Rs. 10 each, fully paid-up						
LIC Housing Finance Limited, the holding company and its Nominees	87.00	94.63%	0.00%	87.00	94.63%	0.00%
Life Insurance Corporation of India, enterprise having significant influence	4.94	5.37%	0.00%	4.94	5.37%	0.00%
	91.94	100.00%	0.00%	91.94	100.00%	0.00%

As per records of the Company, including its register of shareholders'/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

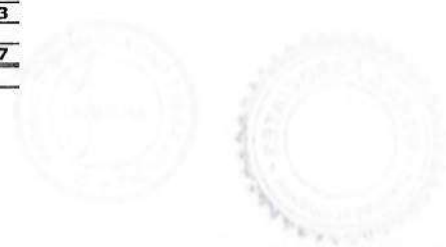
c. Proposed dividend on equity shares

Particulars	(Amount in Lakhs)	
	31st March 2023 Rs	31st March 2022 Rs
Declared and paid during the year		
Final Dividend for 2021-22 Rs. 2.75 per share (2020-21 Rs. 2.75 per share)	252.85	252.85
	252.85	252.85

Proposed for approval at Annual General Meeting (Not recognised as a liability as at 31st March 2023)

Proposed Dividend for 2022-23 Rs. 3.00 per share (Amt in lakhs) 275.83

Particulars	(Amount in Lakhs)	
	31st March 2023 Rs	31st March 2022 Rs
19. Other Equity		
General Reserve		
Opening balance	72.74	72.74
Add : Additions/Deductions	-	-
Closing balance	72.74	72.74
Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	4,452.83	4,046.42
Profit for the year	755.61	659.26
Dividends	-252.85	-252.85
Dividend Distribution Tax	-	-
Closing balance	4,955.59	4,452.83
Total Other Equity	5,028.33	4,525.57



LICHFL Asset Management Company Limited
Notes forming part of the Financial statement for the period ended 31st March 2023

Revenue from operations

(Amount in Lakhs)

Particulars	31st March 2023			31st March 2022		
	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit & loss	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit & loss
Other Interest income						
- Interest on public deposits	-	94.10	-	-	96.68	-
- Interest on Security Deposit	-	3.79	-	-	3.40	-
- Income From A Units of LICHFLHIF	-	-	-	-	-	-
	-	97.89	-	-	100.08	-

21. Fees and Commission Income (Amount in Lakhs)

Particulars	31st March 2023	31st March 2022
	Rs	Rs
Management fees	1,140.03	1,147.50
One Time Fees	77.58	77.58
	1,217.61	1,225.08

22. Net Gain/ (Loss) on fair value changes (Amount in Lakhs)

Particulars	31st March 2023	31st March 2022
	Rs	Rs
Net gain/(Loss) on financial assets (Mutual Funds, Venture Capital and AIF) at fair value through profit or Loss		
- Unrealised	218.98	110.17
- Realised	54.57	5.54
	273.55	115.71

23. Other Income (Amount in Lakhs)

Particulars	31st March 2023	31st March 2022
	Rs	Rs
Interest on Income Tax refund		-
Miscellaneous Income	0.08	0.22
Other income	38.78	-
	38.86	0.22

24. Finance Cost (Amount in Lakhs)

Particulars	31st March 2023	31st March 2022
	Rs	Rs
Interest expense on Lease Liability	21.46	23.47
	21.46	23.47

25. Employee Benefits Expense (Amount in Lakhs)

Particulars	31st March 2023	31st March 2022
	Rs	Rs
Salaries, allowances and bonus	312.16	291.20
Contribution to Provident Fund	16.12	18.02
Staff Welfare Expenses	10.53	7.81
	338.81	317.03

26. Depreciation and Amortization Expenses (Amount in Lakhs)

Particulars	31st March 2023	31st March 2022
	Rs	Rs
Depreciation on property, plant and equipment	6.21	5.78
Depreciation on Intangible Assets	0.14	0.14
Amortization of ROU Asset	116.71	93.36
	123.06	99.28



27. Other Expenses

(Amount in Lakhs)

Particulars	31st March	31st March
	2023	2022
	Rs	Rs
Rent- Electricity & water	8.52	12.03
Fund establishment Expenses	14.96	27.51
Dematerialization Fees	0.23	0.23
Legal and professional fees	56.72	51.58
Travelling and conveyance	6.11	3.07
CSR expenditure [refer note (a) below]	20.50	22.13
Stamp duty and filing fees	1.47	0.39
Settlor Fees	-	-
Office maintenance	4.21	9.51
Communication costs	1.62	1.69
Printing and stationery	6.20	3.64
Staff training expenses	1.00	1.00
Payment to auditor	-	-
- Audit fee	6.00	5.00
- Tax audit fee	0.60	0.50
Internal Audit Fees	1.25	1.10
Directors sitting fees	5.70	5.55
Insurance	0.35	0.40
Advertisement Expenses	1.42	-
Profession tax - Company	0.03	0.03
Repairs and maintenance - others	0.47	0.20
Miscellaneous expenses	3.37	1.54
Interest on delayed payment of tax deducted at source	3.37	-
	144.10	147.10

Note (a): Corporate Social Responsibility

(Amount in Lakhs)

Particulars	31st March	31st March
	2023	2022
	Rs	Rs
a) Gross amount required to be spent by the Company during the year:	20.50	22.13
b) Amount spent during the year ending on 31-Mar-23	In Cash	In Cash
(i) Construction/Acquisition of an asset	-	-
(ii) On purposes other than (i) above	20.50	22.13
c) Amount spent during the year ending on 31-Mar-22	In Cash	In Cash
(i) Construction/Acquisition of an asset	-	-
(ii) On purposes other than (i) above	-	-

Note: Amount expended to P M Care Fund during the FY 2022-23

Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares.

(Amount in Lakhs)

Particulars	31st March	31st March
	2023	2022
	Rs	Rs
Net Profit attributable to Equity Shareholders	755.61	659.26
Weighted average number of Equity Shares	91.94	91.94
Basic	8.22	7.17
Diluted	8.22	7.17



28. Retirement Benefit Plan:

Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. Retirement benefit in the form of provident fund is a defined contribution scheme applicable to company.

With respect to personnel on deputation to the Company, the accrual of retirement benefits for such personnel is done by their respective employers. The respective employers instruct the amount to be remitted towards Gratuity, Provident Fund, Insurance, etc. and the amount is reimbursed as per the instructions of the employers every month.

The total expense charged to income of INR 16.12 lakhs (2022: INR 18.02 lakhs) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

29 Lease:

- a) Actual Payment of Rent form 01.04.2022 to 31.03.2023 is Rs. 126.80 Lakhs (Previous Year Rs. 102.14 Lakhs).
- b) The following is the breakup of current and non-current portion of Lease Liability as on 31.03.2023:

(Amount in Lakhs)

Particulars	31st March 2023	31st March 2022
Current	138.26	90.60
Non-Current	244.42	179.17
Total Lease Liability	382.68	269.77

- c) The following is the movement of Lease Liability as on 31.03.2023.

(Amount in Lakhs)

Particulars	31st March 2023	31st March 2022
Opening Value of Lease Liability	269.77	348.45
Additions	436.01	-
Terminated	217.76	-
Interest Expense on Lease Liability	21.46	23.46
Actual Payment of Rent	126.80	102.14
Closing Value of Lease Liability	382.68	269.77



- d) The following represents the Contractual Maturity of the Lease Liability as on 31.03.2023 on an undiscounted basis

(Amount in Lakhs)

Particulars	31st March 2023	31st March 2022
Upto 3 months	33.63	20.61
Above 3 months to 12 months	104.63	69.99
Above 1 Year -3 Years	244.42	179.17
Above 3 Years-5 Years	-	-
Above 5 Years-10 Years	-	-
Above 10 Years	-	-
Total	382.68	269.77

30. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.



(Amount in Lakhs)

ASSETS	31st March 2023			31st March 2022		
	Rs			Rs		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	579.55	-	579.55	4.42	-	4.42
Bank Balance other than (a) above	-	-	-	-	-	-
Trade Receivables	10.67	-	10.67	0.43	-	0.43
Investments	5,139.12	787.00	5,926.12	4,569.54	1,203.17	5,772.71
Other Financial assets	-	86.73	86.73	-	48.17	48.17
Non-financial Assets						
Current tax assets (Net)		84.68	84.68	-	48.28	48.28
Deferred tax Assets (Net)		48.55	48.55	-	100.46	100.46
Property, Plant and Equipment		19.69	19.69	-	13.04	13.04
Intangible Assets		0.05	0.05	-	0.19	0.19
Right of use asset		390.51	390.51	-	245.06	245.06
Other non-financial assets		17.90	17.90	-	5.74	5.74
Total Assets	5,729.34	1,435.11	7,164.45	4,574.39	1,664.11	6,238.50
LIABILITIES						
Financial Liabilities						
Trade Payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	355.78	-	355.78	14.74	-	14.74
Non-Financial Liabilities						
Provisions	37.50	-	37.50	32.80	-	32.80
Deferred tax liabilities (net)	-	-	-	-	-	-
Lease Liability	138.26	244.42	382.68	90.60	179.17	269.77
Other Non Financial Liabilities	129.04	311.68	440.72	86.91	389.27	476.18
Total liabilities	660.58	556.10	1,216.68	225.05	568.44	793.49
Net	5,068.76	879.01	5,947.77	4,349.34	1,095.67	5,445.01



31. Related party disclosures

31.1 Transaction with related parties

Transactions of the Company with the Holding Company and its fellow subsidiaries meet the definition of related party transactions.

Relationship where control exists		Names of related parties
Holding company		LIC Housing Finance Limited
Fellow subsidiary		LICHFL Care Homes Limited
Fellow subsidiary		LICHFL Financial Services Limited
Fellow subsidiary		LICHFL Trustee Company Private Limited
Enterprise having significant influence		Life Insurance Corporation of India
Key management personnel ('KMP')	Nominee Director	Mr. Raj Kumar (Upto 31.01.2023)
	Nominee Director	Mr. M. Jagannath (From 31.3.2023)
	Nominee Director & Chief Executive Officer	Mr. H S Shashikumar - Director & Chief Executive Officer (Upto 30.05.2022)
	Nominee Director & Chief Executive Officer (Whole time Director)	Mr. Rajiv Gupta - Director & Chief Executive Officer (As CEO from 31.05.2022 and Director from 24.6.2022)
	Nominee Director	Mr. Y. Viswanatha Gowd (From 10.02.2021)
	Director	Mr. Dhananjay Mungale (From 28.08.2020)
	Director	Mr. Ashwani Kumar (From 28.8.2020)
	Director	Mr. P.S. Jayakumar(up to 6.12.2022)
	Company Secretary	Mr. G.G Sambayyanamath
	Chief Financial Officer	Mr. Surinder Mohan

a. Transactions during the year

(Amount in Lakhs)

Name of related parties	Nature of transaction	31st March 2023	31st March 2022
LIC Housing Finance Limited	Expenses reimbursement (Salary Deduction)	7.59	9.36
	Dividend paid	239.25	239.25
	Interest earned on public deposit	94.10	96.68
	Investments made during the year in Public Deposit	787.00	1,193.85
	Redemptions made during the year in Public Deposit	670.00	1,091.60
Life Insurance Corporation of India	Expenses reimbursement (Salary Deduction)	21.06	18.80
	Expenses reimbursement	0.31	-
	Expenses reimbursement (Inclusive of GST)	8.82	-
	Placement Fees (Inclusive of GST)	35.40	-
	Dividend paid	13.60	13.60
	Gratuity	22.09	-
LICHFL Trustee Company Private Limited	Expenses reimbursement	0.33	0.35
	Settlor Fees	-	-



b. Balance at the year end

Name of related parties	Nature of transaction	31st March 2023	31st March 2022
LIC Housing Finance Limited	Expenses reimbursement payable	1.27	1.27
	Total outstanding in Public deposit	1620.85	1,503.85
	Interest accrued on public deposit	79.30	97.43
Life Insurance Corporation of India	Expenses reimbursement payable	0.08	0.08
LICHFL Trustee Company Private Limited	Expenses reimbursement payable	-	-

There are no terms and conditions of the transactions with the related parties.

31.2 Transactions with key management personnel of the Company

Remuneration to key managerial personnel

(Amount in lakhs)

	31 st March 2023	31 st March 2022
<u>Employee Benefits:</u>		
Remuneration paid during the year	119.74	141.38
Professional Fees (Inclusive of GST)	38.01	34.56
<u>Non-Executive director:</u>		
Director Sitting Fees	5.70	5.55

32. Revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

(Amount in lakhs)

	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Type of service		
Investment Management services	1,217.61	1,225.08
Total revenue from contracts with customers	1,217.61	1,225.08
Geographical markets		
India	1,217.61	1,225.08
Outside India	-	-
Total revenue from contracts with customers	1,217.61	1,225.08
Timing of revenue recognition		
Services transferred at a point of time	1,140.03	1,147.50
Services transferred over time	77.58	77.58
Total revenue with customers	1217.61	1225.08

The non-refundable set up fees are deferred and amortised as income over the period of agreement.



During the year, Rs. 77,58,440 have been recognised in Statement of profit and loss from the Opening deferred one-time fee of Rs. 4,65,50,631. Remaining Deferred one-time fee of Rs. 3,87,92,191 will be recognised over a period of balance 5 years.

Management fee is recognised as per the terms of agreement as and when it is accrued.

Performance obligation for the same will be as per the terms of agreement.

33. Fair value measurement

This note describes the fair value measurement of both financial and non-financial instruments and is structured as follows:

33.1	Valuation principles	33.2	Valuation governance
33.3	Financial instruments by fair value hierarchy	33.4	Valuation techniques

33.1 Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 3.5.

33.2 Valuation governance

Valuation of Financial assets

33.2.1 Mutual Funds

The units held in Mutual fund schemes are valued at NAV as published by the respective mutual funds relating to the particular scheme. Details of Mutual fund investment mentioned below:

(Amount in lakhs)

Particulars	31st March 2023	31st March 2022
Mutual Fund	3,626.94	3,802.12

33.2.2 Investment in B units (Venture Capital Fund)

The investment in B units of LICHFL Urban Development Fund (Venture Capital Fund) is valued at NAV as on the reporting date as declared by the Fund.

(Amount in lakhs)

Particulars	31st March 2023	31st March 2022
Investment in VCF	2.88	2.14



33.2.3 Investment in A & D units (Alternate Investment Fund)

The investment in A & D units of LICHFL Housing & Infrastructure Fund (Alternate Investment Fund) is valued at NAV as on the reporting date as declared by the Fund.

(Amount in lakhs)

Particulars	31st March 2023	31st March 2022
Investment in AIF	596.11	365.74

33.2.4 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy measured at recurring basis:

The carrying amount of cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, fixed deposits, other deposits, trade payables and other payables are considered to be the same as their fair values. The fair value of security deposits is calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

31st March 2023

(Amount in Lakhs)

	Level 1	Level 2	Level 3
<u>Financial assets designated at fair value through Profit or loss</u>			
Investment in Mutual Funds	3,626.94	-	-
Investment in Shares	-	-	0.03
Venture Capital Funds	-	-	2.88
Alternate Investment Funds	-	-	596.11

31st March 2022

(Amount in Lakhs)

	Level 1	Level 2	Level 3
<u>Financial assets designated at fair value through Profit or loss</u>			
Investment in Mutual Funds	3,802.12	-	-
Investment in Shares	-	-	1.44
Venture Capital Funds	-	-	2.14
Alternate Investment Funds	-	-	365.74



The following table presents the changes in Level 3 items for the year ended 31st March 2023 and 31st March 2022
(Amount in Lakhs)

	Venture Capital Funds	Alternative Investment Funds
As at 31 st March 2021	4.18	155.08
Purchase	-	210.66
Gain/(Loss)	(2.04)	-
As at 31 st March 2022	2.14	365.74
Purchase	-	196.55
Redemption	-	(2.61)
Gain/(Loss) recognized in profit or loss.	0.74	36.43
As at 31 st March 2023	2.88	596.11

Valuation techniques and specific considerations for Level 3 inputs are further explained below.

Fair value of Security Deposit:

(Amount in Lakhs)

Particulars	31 st March 2023		31 st March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Security Deposits	67.28	55.69	57.46	47.22

The Fair value for security deposit was calculated based on cash flows discounted using market rate of interest. The security deposit is classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

34 Earning Per Share (EPS):

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars	31st March 2023	31st March 2022
Net Profit attributable to Equity Shareholders (Amount in Lakhs)	755.61	659.26
Weighted average number of Equity Shares	91,94,400	91,94,400
Basic and Diluted Earnings per equity share (Rs)	8.22	7.17
Face Value Per Equity Share (Rs)	10.00	10.00

35. Segment Reporting

The Company is primarily engaged in investment management services which is the only reportable business segment.



The Chief operating decision maker monitors the operating results of its investment management business as a whole for the purpose of making decisions about resource allocation and performance assessment.

The Company is operating only at one geographical location (i.e. India).

The amount of revenue from each customer:

(Amount in Lakhs)

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Investment Management services		
LICHFL Urban Development Fund	-7.47	-
LICHFL Housing & Infrastructure Fund	286.09	1,147.50
Lal Gebi Infra Pvt Ltd	289.23	-
Adarsh Haven Pvt Ltd	572.18	-
Total (a)	1140.03	1147.50
One Time Fees		
LICHFL Housing & Infrastructure Fund (b)	77.58	77.58
Total (a) + (b)	1,217.61	1,225.08

36. Risk Management

The Company's business activities expose it to a variety of financial risks, namely market risks, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

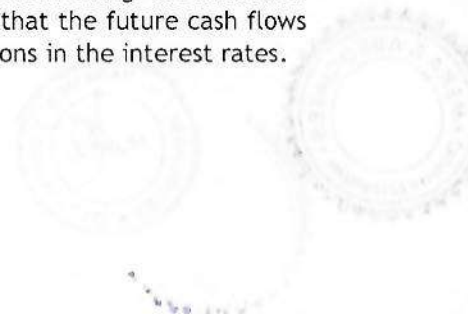
The Company's financial liabilities comprise of other payable and other liabilities to manage its operation and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation.

36.1 Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: Foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk.

Foreign currency risk: Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. There is no foreign currency exposure in the Company.

Interest rate risk: Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest-bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest-bearing investments will fluctuate because of fluctuations in the interest rates.



The Company's fixed interest-bearing financial instruments (At cost) are reported as below:

Particulars	As at 31 st March 2023	As at 31 st March 2022
Financial Assets	1,620.85	1,503.85
Financial Liabilities	-	

The Company does not have any variable interest-bearing instruments.

36.2 Credit risk:

Credit risk arises from the possibility that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, investments, deposits with Banks and other financial institutions as well as credit exposures to outstanding receivables resulting in financial loss to the Company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

Trade receivables: Our historical experience of collecting receivables is that credit risk is low. The trade receivables which are Management Fees receivable as on the reporting date are generally received within 90-180 days from the reporting date. Hence the credit risk pertaining to Trade receivables is low.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and/or domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and deposit for a specified time period.

36.3 Liquidity risk:

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

Since the Company invests in Liquid schemes of Mutual funds which are highly liquid and can be redeemed at any point of time the liquidity risk is very low.

37. Capital Commitment and Contingent Liability

There are no capital commitments and contingent liability as at March 31, 2023

38. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.



Particulars		31st March 2023	31st March 2022
Equity Share Capital		919.44	919.44
Other Equity		5,028.33	4,525.57
Total Equity	(i)	5,947.77	5,445.01
Borrowings			
Total Debt	(ii)		
Overall financing	(i) + (ii) = (iii)	5,947.77	5,445.01
Gearing Ratio	(ii) / (iii)	-	-

39. Trading in Crypto Currency / Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

40. Benami Property

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

41. Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

42. Corporate Social Responsibility

Details of CSR expenditure during the financial year:

- Gross amount required to be spent by the Company during the year is Rs. 20.50 Lakhs (FY 2021-22 Rs. 22.13 Cr)
- Amount spent during the year

Particulars	31st March 2023 Rs	31st March 2022 Rs
a) Gross amount required to be spent by the Company during the year:	20.50	22.13

During the year the Company has spent Rs 20.50 lakhs to P M Care Fund.



43. Ratios:

Particulars		FY 2022-23	FY 2021-22	% Changes
Current Ratio: Current Assets / Current Liabilities	Current Assets	6,603.07	5,825.73	
	Current Liabilities	393.28	47.54	
		16.79	122.54	-86.30%
Return on Equity Ratio: NP after Tax / Net Worth	NP after Tax	755.61	659.26	
	Net Worth	5,947.77	5,445.01	
		0.13	0.12	4.93%
Net Capital Turnover Ratio: Sale or Revenue / Net Assets or Capital	Sale or Revenue (Total Income)	1,627.91	1,441.09	
	Net Assets or Capital	5,947.77	5,445.01	
		0.27	0.26	3.42%
Net profit ratio: Net Profit (Before Tax) / Total Income	Net Profit (Before Tax)	1,000.48	854.21	
	Total Income	1,627.91	1,441.09	
		0.61	0.59	3.68%
Net capital turnover ratio: Total Income / Equity	Total Income	1,627.91	1,441.09	
	Equity	5,947.77	5,445.01	
		0.27	0.26	3.42%

Note:

- Current Assets include investment, cash & cash equivalent, Receivable, and other Financial Asset
- Current liabilities include financial liabilities and provision.
- Total Income include Management Fees, set up fees, Interest Income, realized and unrealized gain on MF and other income.
- Equity includes Equity share capital and other equity.
- Net Assets or Capital - Net Fixed assets plus Net Current Assets (i.e., Current Assets - Current Liabilities)
- Net worth includes Equity share capital and other equity or Assets minus liabilities.



44. Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

45. Comparative Figures

Figures for the previous year have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number:
105047W

For and on behalf of the Board of Directors of
LICHFL Asset Management Company Limited

Srividya Vaidison

Srividya Vaidison
Partner
Membership Number: 207132

M. Jagannath

M. Jagannath
Chairman
DIN: 10090437

Dhananjay N Mungale

Dhananjay N Mungale
Director
DIN: 00007563

Place: Mumbai
Date: 17th April 2023

Rajiv Gupta

Rajiv Gupta
Director & CEO
DIN: 08532421

Surinder Mohan
Surinder Mohan
Chief Financial Officer

G G Sambayyanamath
G G Sambayyanamath
Company Secretary

