

*When your money is in reliable hands,
life is a smooth sail.*



**MUTUAL
INTEREST**
An Update from LIC MUTUAL FUND

Marketing Associates

Bangalore :	S. R. Nair Kiran Raj M/s CRS Securities Pvt. Ltd.	☎ 6681078/6687379 ☎ 2215998/2275670 ☎ 6560438/6563873	Kanpur :	P. K. Sinha Rachit Consultants Sunrise Consultant S.P.N. Financial Services	☎ 255462/9838003721 ☎ 306721/9839084120 ☎ 580473/9839031073 ☎ 316035/9839031632
Chennai :	R. Hirachand P. Krishnan V. K. Sudharsan Satish Kumar	☎ 8266808/8259009 ☎ 4896016/9840076016 ☎ 4741559/3715771/9832704178 ☎ 4338788/9840189123	Kolkata :	Dilip Kumar Dey E.F. Securities	☎ 4666885/9830046444 ☎ 2205886
Delhi :	Anil Khera A. K. Capital Markets Ltd. Bajaj Capital Rashmi Madan Renu Gupta SPA Capital Services Ltd Shri. V. P. Mittal	☎ 4625777/4621060 ☎ 3381458 ☎ 6384352 ☎ 5786189/9810185009 ☎ 7216710/7113008 ☎ 5517371/5515086 ☎ 3722566/9810186081	Mumbai :	S.J. Investment ABN Investments Blue Chip Corporate Investment Centre Pioneer Investments SLJ Finance M/s Soba Infosec Pvt. Ltd. SPA Capital Services Ashwin Vajani	☎ 2855603/2023607/9820235285 ☎ 2674260/6996026 ☎ 2703494/5 ☎ 8623421/8010129 ☎ 2036623/2065739 ☎ 9820011398 ☎ 2338880 ☎ 2315056/3410097
Indore :	Harish Agrawal Vijay Kumar Agrawal	☎ 466667/9826062666 ☎ 411114/5/9826014145			

Our Registrars

Name & Addresses	Schemes Serviced by them	Telephone
1. M/s. Datamatics Financial & Software Services Ltd. Plot No. B-5, Street No. : 6 Off Part 'B' Cross Lane, Marol, Andheri (East), Mumbai - 400 093.	Dhanashree 89 - Redeemed Dhanavridhi 89 - Redeemed	Dhanaraksha '89 Dhanasamridhi upto 821 33 83 821 33 92
2. M/s. BigShare Services Pvt. Ltd. E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072	Dhan 80 CC (1) - Redeemed Dhanavarsha (1) - Redeemed Dhanavarsha (2) - Redeemed Dhanashree 90 - Redeemed Dhan 80 CC B (2) - Redeemed	Dhanvikas (1) Dhanavidya 856 06 52 856 06 53
3. M/s. Sharepro Services Satam Estate, 3 rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099	Dhan 80 CCB (1) - Redeemed Dhanavarsha (3) - Redeemed Dhanavarsha (5) - Redeemed Dhanashree 91 - Redeemed Dhanalakshmi (1) - Redeemed Dhanavarsha (4) - Redeemed	Dhanasahayog Dhan 88 (1) Dhan Tax Saver 95 821 51 68 832 98 28 834 82 18
4. M/s. MCS Ltd. Shri Padmavathi Bhavan, Plot No. 93, Road No. 16, MIDC Area, Andheri (East), Mumbai - 400 093.	Dhanavarsha (6) - Redeemed Dhanavarsha (7) - Redeemed Dhanavarsha (8) - Redeemed Dhanavarsha (9) - Redeemed Dhanavarsha (10) - Redeemed Dhanavarsha (11) - Redeemed Dhanavarsha (13) - Redeemed	Dhanavarsha (12) LICMF Tax Plan Dhan Tax Saver 96 LICMF Children's Fund LICMF Govt. Sec.Fund LICMF Bond Fund LICMF Liquid Fund LICMF Equity Fund 836 86 81 820 57 41 820 57 42 820 17 85



Investment Manager
**Jeevan Bima Sahayog
Asset Management Company Ltd.**

4th Floor, Industrial Assurance Bldg., Opp. Churchgate Station, Mumbai 400 020. Tel. : 2851661/63
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RISK FACTORS : Mutual Funds and Securities investments are subject to market risks and there is no assurance and no guarantee that the objectives of the Mutual Fund will be achieved. As with any investment in stocks and shares, the NAV of the units issued under the scheme can go up or down depending on the factors and forces affecting the capital markets. Past performance of the Sponsor/AMC/Mutual Fund does not indicate the future performance of the schemes of the Mutual Fund. The name of the scheme does not in any manner indicate either the quality of the scheme, its future prospects or returns. Please refer the offer documents of the schemes before investing.

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**LIC MUTUAL FUND WISHES ALL A VERY HAPPY
DIWALI & A PROSPEROUS NEW YEAR**

Market Review:

EQUITY MARKET

Selling pressure from foreign institutional investors (FIIs) in blue-chip stocks, sustained weakness in the US markets and a surge in global crude oil prices hit the market adversely during the first week of October. Stocks like HLL, RIL Hero Honda and ITC among others were hammered while select software stocks witnessed buying support at lower levels.

A surge in stocks of oil public sector undertakings (PSUs) and recovery in technology scrips lifted the market for the week ended 11 October 2002. However, the market remained volatile during the week. Amid weakness in the global markets, especially in the US bourses pivots like RIL, HLL, along with Zee continued a bear run. Post Infosys Technologies' announcement of a sharp surge in its Q2 revenues, hectic buying was witnessed in frontline technology stocks. Shares of oil PSUs HPCL, BPCL ONGC surged during the week after the PMs statement in support of economic reforms. Buying was also witnessed in automobile scrips like Bajaj Auto, Hero Honda, and TVS Motor on hopes of a rise in sales volumes during the festive season. Among pharma stocks, buying was seen in scrips like Cipla and Ranbaxy Laboratories.

The market displayed extreme volatility during the 3rd week, ending with a modest gain. The trend in the quarterly results announced by various companies were encouraging. Select blue-chip stocks rose on signs of an improvement in the country's economy. Tech stocks were again in the limelight during the week, following the improved outlook for the Indian software sector and sustained recovery in the US markets. Dow Jones industrial average was up 13%, or more than 1,000 points. The Nasdaq composite index leaped by more than 15% in the same period, following bullish forecasts from blue-chip firms.

Selling in blue chips pulled down the Sensex to a new 52-week low (2,875.53) for the week ended 25 October 2002. The fall in the market was mainly the outcome of a pessimistic view taken by FIIs on Indian equities in general. Massive selling in heavyweights accounted significantly for the weakness in the Sensex amid fears that these companies may post poor July-September quarter results on account of the inadequate rainfall in several parts of the country. PSU

stocks declined amid the uncertainty about the progress of the government's divestment programme. The market remained volatile in the last few days of the month. However a strong Q2 performance by the index heavy weight Reliance Industries Ltd. and reports of its discovery of a massive gas field provided the much needed trigger. **The Sensex closed at 2949.32 and the Nifty ended at 951.40 on 31/10/02.**

DEBT MARKET

Prior to the announcement of the mid-term review of monetary and credit policy, the debt market witnessed a moderate rally in bond and gsec prices on expectations of repo/bank rate cut in the forthcoming credit policy. The inflation rate continued to fall, which boosted the hopes of a rate cut. Yield on the 10-year benchmark security, continued its fall from 7.18% at the beginning of the month to 7.04% before the credit policy on 29/10/02.

Highlights of monetary and credit policy announced on 29th October 2002.

- The RBI has cut the bank rate from 6.5% to 6.25%,
- Repo rate from 5.75% to 5.5% and
- CRR (cash reserve ratio) from 5% to 4.75%.
- The CRR cut with effect from 16th November 02 will release around Rs.3000 crores.
- In order to minimize volatility, banks will now be required to maintain a minimum of 80% of required CRR on a daily basis as against 65%.
- The rate cuts are in line with the stance of the monetary policy to provide adequate liquidity to meet credit growth, support investment demand and continue with the existing stance of a soft interest bias.
- RBI lowered its GDP growth estimate to 5-5.5%, expects inflation to average at 4% and interest rates to remain stable till the financial year-end.

The bond market reacted positively to the rate cuts and prices of govt. securities shot up by Rs. 0.50 to Re 1/- across the tenor. The yield on 10-year benchmark security fell below 7% and traded around 6.90%. Yield on AAA rated 5-year corporate paper has come down to around 6.85% to 6.95%. Yield on short-term money market instruments like commercial papers have fallen to 5.85% from 6.15%. The call money rates have also fallen from 5.75% to 5.5%.

Area Offices

Bangalore
10A, Chandra Kiran Bldg., Kasturba Rd., Bangalore.
☎ 9845172957/ 2210180.

Chennai
15, Anna Salai, Chennai.
☎ 9840050770/8555883.

Indore
U V Business Centre, 'Snehil', 9/1-A South Tukoganj, Indore.
☎ 9827039472/520262.

Kanpur
Jeevan Vikas, 16/98, M.G. Road, Kanpur.
☎ 9839034610/312285.

Kolkata
Hindustan Building, 4, Chittaranjan Avenue, Kolkata.
☎ 9831054132/2126710.

Mumbai
Industrial Assurance Building, Opp. Churchgate Station, Mumbai.
☎ 9869008496/2885971/2842439.

New Delhi
Jeevan Prakash, 25 K. G. Marg, New Delhi.
☎ 3359190/3314396.

Chief Agents

- **AHMEDABAD** - N. S. Shah ☎ 6420623/ 6440573
- **ALLAHABAD** - Amarnath Vaish ☎ 401758
- **AMBALA** - Gulshan Kumar Sabharwal ☎ 2641798/3184661/9812129366
- **AMRITSAR** - Kapil Kumar Khurana ☎ 540237/500782
- **ASANSOL** - Harnam Singh ☎ 254719
- **AURANGABAD** - Ashok K. Amritkar ☎ 350275
- **BANKURA** - M.K. Sarkar ☎ 55878
- **BAREILLY** - R. A. Gupta ☎ 420263
- **BARODA** - Hareesh Shah ☎ 361900/362030
- **BHAGALPUR** - D.N. Mishra ☎ 9835066532/400531
- **BHILAI** - Harish Chandra Malik ☎ 393324/392156
- **BHOPAL** - P. C. Gupta ☎ 671882/9826033883
- **BILASPUR** - Ashish Agrawal ☎ 63832
- **CALICUT** - Jayanth Kumar R. ☎ 366784
- **CHANDIGARH** - MTL Share & Stock Brokers Ltd. ☎ 743777
- **COCHIN** - Olive Capital & Services ☎ 369175/370545
- **COIMBATORE** - P. Srinivasan ☎ 498872/496962/492530
- **CUTTACK** - Manoranjan Acharya ☎ 300678/9861050678
- **DEHRADUN** - Jeetendra Mohan Sharma ☎ 9837024453/771217
- **DELHI** - Kul Bhushan Rai Bhatia ☎ 767940/760334
- **DEWAS** - Vinod Kumar Anand ☎ 6124707/9810125871
- **DHANBAD** - Manoj Singhal ☎ 9827227430/23743
- **DURGAPUR** - Sanjay Shekhar ☎ 209126/205273
- **DURGAPUR** - Kamlesh Agarwal ☎ 548037/9832163733
- **ERODE** - V. Subramani ☎ 259433/9842752445
- **FARIDABAD** - Anju Sachdeva ☎ 5284361/5223431
- **GHAZIABAD** - Priyanshu Jain ☎ 9810340302/4751576
- **GURGAON** - Blue Circle Financial Services ☎ 6366782
- **GUWAHATI** - Bhartia & Co ☎ 543612/523604
- **GWALIOR** - R. P. Arora ☎ 324003/325285
- **HOSUR** - R. Subramaniam ☎ 42886/9842743167
- **HOWRAH** - Santosh Kumar Jain ☎ 2310047/6652285
- **HYDERABAD** - K. Narsimha Rao ☎ 6666883/9848012483
- **JABALPUR** - Jagdish Nagdev ☎ 411486/9827066823
- **JAIPUR** - A.K. Shrivastava ☎ 742808/9828020773
- **JAIPUR** - Rajesh Jajoo ☎ 407044
- **JAIPUR** - Himansu Panda ☎ 21244
- **JALANDHAR** - Akshay Kumar Marwah ☎ 225310/241310
- **JAMNAGAR** - Jadeja J.M ☎ 660098
- **JAMSHEDPUR** - Birendra Kumar Singh ☎ 487376/423733
- **JHANSI** - Pawan Nagaria ☎ 330122/442175
- **KOLHAPUR** - Jagadshree Investments ☎ 680030/416003
- **KORBA** - Ramnath Ojha ☎ 42548
- **KOTA** - Shashank Jain ☎ 331150/9829124854

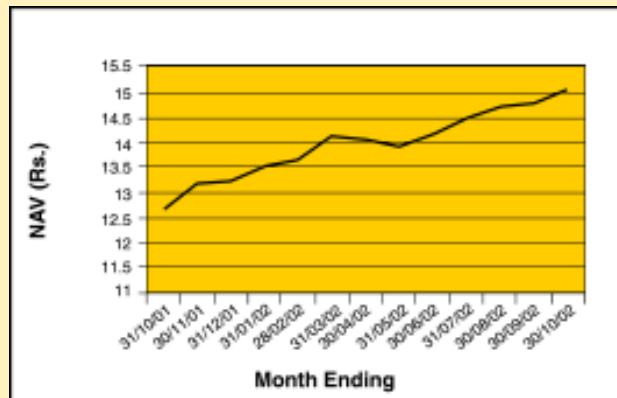
- **KOTTAYAM** - K.P. Aravindaksha Panicker ☎ 567339
- **LUCKNOW** - Ajay Mohan Shrivastava ☎ 9839064947/787525
- **LUDHIANA** - A.K. Arora ☎ 701302/9814104767
- **MADURAI** - A.S. Kannapan ☎ 586966/9843075295
- **MANGALORE** - Adelia T. Rodrigues ☎ 435161/434171
- **MEERUT** - Vijay Kumar Jain ☎ 9837052732/520835
- **MORADABAD** - Multigain Investments ☎ 317174/320759
- **MORADABAD** - Madan Mohan Bhatia ☎ 312189
- **MYSORE** - V. S. Ravish ☎ 541168
- **NAGERCOIL** - K. G. Mahadev ☎ 230881/9842130881
- **NAGPUR** - Swap Consultants Pvt. Ltd. ☎ 525584/535584
- **NASHIK** - Pramod Puranik ☎ 314997/314057
- **NAVARI** - M/s. NJ India Investment Pvt. Ltd. ☎ 53782/9824114952
- **NELLORE** - G. V. Nagesh ☎ 336801
- **NOIDA** - Bharat Bhushan ☎ 4450921/4450773
- **ONGOLE** - Brahma Rao ☎ 31042
- **PALAYAMKOTTAI** - S.Balasubramanian ☎ 577604/531251/9842158207
- **PATHANKOT** - Marwah Financial Consultants ☎ 22201/22205
- **PATNA** - Right Choice Securities Pvt Ltd ☎ 23579/222017
- **PONDICHERRY** - M. Ramesh Kumar ☎ 224133
- **PUNE** - A. M. Shah ☎ 5386428
- **PUNE** - Kamalakar Badbade ☎ 6139159/6053069
- **RAIGARH** - Jawahar Motwani ☎ 22812/23293
- **RAIPUR** - Vijay Kumar Parmar ☎ 526446/ 9827164351
- **RAJAHMUNDRY** - Koduri Sridhar ☎ 422207
- **RAJKOT** - Rajesh Kumar Mehta ☎ 224736/226439
- **RAMPURHAT** - Sanjay K. Bhowmick ☎ 55602
- **RANCHI** - Shubham Capital ☎ 9835116774
- **RATLAM** - Pushpendra Joshi ☎ 35300
- **ROURKELA** - Animesh Chandra Ray ☎ 574992/4474992
- **SALEM** - V. Kasinathan ☎ 210875/9842710875
- **SATARA** - Bhawani Consultants ☎ 34142/9822057372
- **SHIMOGA** - Laxmi financiers ☎ 20447/60447
- **SURAT** - Bimal Shah ☎ 3472689/9825127620
- **TIRUCHY** - A. M. Rajasekar ☎ 760334/9843066334
- **TRIVANDRUM** - Vamadevan V. ☎ 418139
- **TUMKUR** - C. S. Prabhu Dev ☎ 257860
- **UJJAIN** - Prayas Vyas ☎ 710450
- **VARANASI** - Shree Prakash ☎ 451861/392169
- **VELLORE** - Latha Thomas ☎ 220356
- **VIJAYWADA** - Rama Brahman ☎ 984933289/453474
- **VIJAYWADA** - Sublime Financial Services ☎ 662483
- **VIZAG** - Sublime Financial Services ☎ 666883
- **WARDHA** - Tanvi Financial Services ☎ 40341/50341

LICMF Govt. Securities Fund

An Open-ended Gilt Scheme

A zero credit risk investment opportunity ideally suited for risk averse investors through investment in Govt. Securities. Liquidity through daily sale and repurchase facility.

MONTH ON MONTH NAV MOVEMENT



NAV (Rs.) as on 30/10/2002 Dividend: 10.9414; Growth : 15.0740

SCHEME COMMENTARY

In line with the falling interest rates, we have increased the duration of the portfolio. In view of the strong fundamentals of the economy, ample liquidity which will be boosted further as a result of the CRR cut, the yields are expected to fall in the short to medium term. This will augur well for the Gsec fund. LICMF Gsec fund has been ranked first on the basis of six month return out of 32 similar funds as on 31st October 2002 by Value Research (India) Pvt. Ltd.

PORTFOLIO (as on 30/10/2002)

SECURITIES	MKT. VAL. (Rs. lakhs)
GSECS 10.25% 2021	1282.50
GSEC 07.46% 2017	512.15
GSECS 10.71% 2016	647.50
GSECS 09.85% 2015	245.28
GSECS 09.81% 2013	603.35
GSECS 11.03% 2012	640.45
GSECS 07.40% 2012	1032.90
GSECS 11.50% 2011 A	651.85
GSECS 09.39% 2011	580.20
GSECS 07.55% 2010	1579.95
GSECS 11.40% 2008	1243.00
NET CURRENT ASSETS	-113.96

FUND SIZE (as on 30/10/2002) Rs. 8905.17 Lakhs

Avg Portfolio Duration: 6.87 Years

Avg Maturity : 10.63 Years

DIVIDEND HISTORY

March 2000	-	2.50%	Nov. 2001	-	3.50%
May 2000	-	2.50%	March 2002	-	7.00%
Nov. 2000	-	2.50%	July 2002	-	3.00%
March 2001	-	3.50%	Oct. 2002	-	3.50%
July 2001	-	3.00%			

ANNUALISED RETURNS

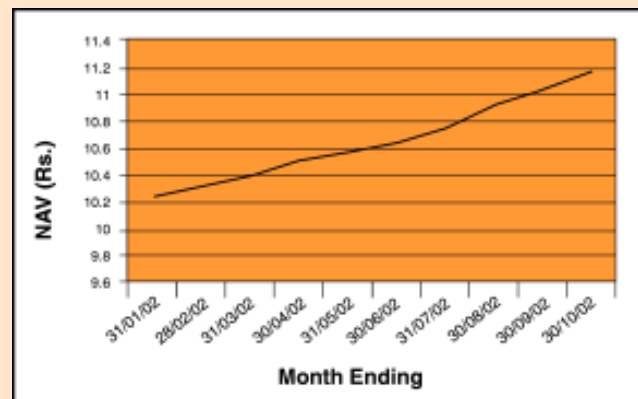
Last 1 year	19.08%
Since inception (29.11.1999)	15.09%

LICMF Children's Fund

An Open-ended Debt Scheme for Children

LICMF Children's Fund provides long term growth of capital through a judicious mix of Investments mainly in quality debt Securities with relatively low levels of risk.

MONTH ON MONTH NAV MOVEMENT



NAV (Rs.) as on 30/10/2002 :11.1711

PORTFOLIO (as on 30/10/2002)

SECURITIES	RATING	MKT. VAL. (Rs. lakhs)
RELIANCE INDUSTRIES	AAA	212.39
H D F C	AAA	168.46
R E C	AAA	157.24
I C I C I BANK	AAA	113.46
GE CAPITAL	AAA	107.34
BALLARPUR INDUSTRIES	AAA	101.58
POWER GRID CORP.	AAA	98.54
MADRAS CEMENT	AA	114.65
GLENMARK PHARMACEUTICALS	AA	105.01
TATA CHEMICALS	AA	80.80
MONEY MARKETS & OTHER CURRENT ASSETS		8.74

FUND SIZE (as on 30/10/2002) Rs. 1268.21 Lakhs

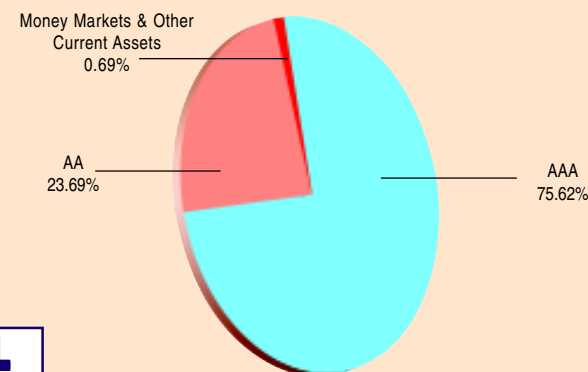
Avg Portfolio Duration: 2.12 Years

Avg Maturity : 2.58 Years

ANNUALISED RETURNS

Since Inception 11.41%

RATING PROFILE



DHANARAKSHA'89

An Open-ended Insurance linked Tax Saving Scheme

A unique Insurance linked Tax Savings Scheme. • Life insurance cover • Free accident insurance cover • Income Tax Rebate on contributions u/s 88 • Maturity Bonus.

EQUITY PORTFOLIO

Top Holdings	Market Value (Rs. in Lakhs)
DR REDDY'S LAB	254.57
LARSEN AND TOUBRO	194.06
RELIANCE INDUSTRIES	127.37
BAJAJ AUTO	126.36
SATYAM COMPUTER	111.53
RANBAXY LABORATORIES	88.37
A C C	88.17
H P C L	80.52
GRASIM	74.12
B H E L	55.11
B P C L	50.52
G A C L	49.79
HERO HONDA	48.16
ZEE TELEFILMS	38.57
I T C	36.75
HINDUSTAN LEVER	32.58
T I S C O	23.33
N A L C O	22.11
S C I	19.64
G A I L	18.28
PADMALAYA TELEFILMS	15.70
T E L C O	13.58
INFOSYS TECHNOLOGY	13.26
O N G C	12.75
N I I T	12.38
POLARIS SOFTWARE	7.76
UNION BANK OF INDIA	3.51

DEBT PORTFOLIO

Top Holdings	Rating	Mkt Value (Rs. in Lakhs)
RELIANCE INDU.	AAA	806.98
N T P C (PTC)	AAA	624.89
POWER FINANCE		
CORP.	AAA	330.48
UTI INSTITUTIONAL		
INVESTOR	AAA	300.00
N H P C	AAA	280.38
S B I	AAA	227.86
T I S C O	AA+	532.99
G N F C	AA-	80.49
MADRAS CEMENT	AA	458.62
GLENMARK		
PHARMACEUTICALS	AA	315.03
SPECIAL STEELS	A-	10.19
BOROSIL		
GLASSWORKS	A	429.36
EICHER	A	299.99
SHYAM TELECOM	A	138.32

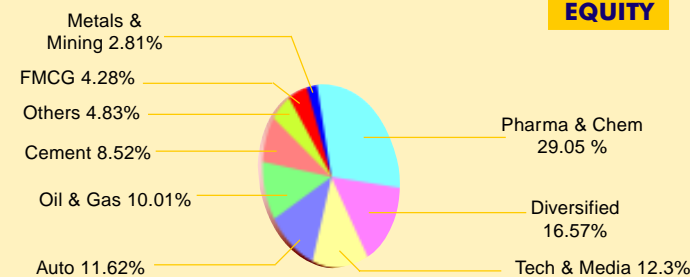
FUND SIZE (as on 30/10/2002) Rs. 6801.59 Lakhs

NAV (Rs.) as on 30/10/2002 :10.356

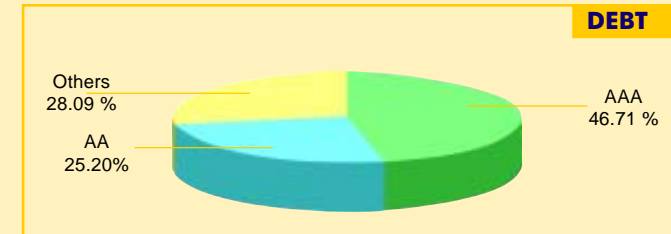
DIVIDEND RECORD

Year	Rate	Year	Rate
1989-90	12.5%	1996-97	6.5%
1990-91	13.0%	1997-98	10.0%
1991-92	13.5%	1998-99	10.0%
1992-94	21.0%	1999-2000	10.0%
(18 months)		2002-2003	7.5%
1994-95	7.5%		

EQUITY



DEBT



Avg Portfolio Duration: 2.08 Years

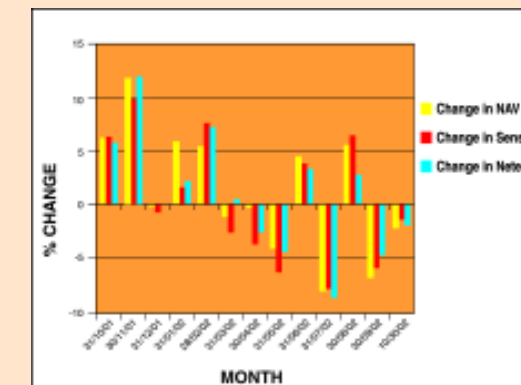
Avg Maturity : 2.66 Years

LICMF EQUITY FUND

Formerly known as Dhanvikas (1) An Open-ended Equity Scheme

Originally launched as a Close Ended Growth Scheme in January'93 the scheme, has been made Open Ended from 16/04/98. The objective of the Scheme is to provide capital appreciation through investment in equity. High liquidity through daily sale and repurchase facility available.

MONTH ON MONTH NAV CHANGE COMPARISON V/s CHANGE IN BENCHMARK



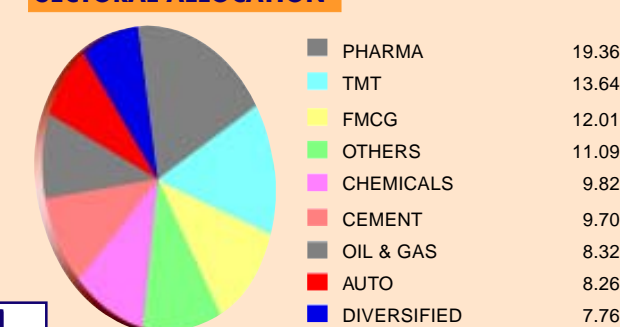
NAV (Rs.) as on 30/10/2002 : 5.3896

PORTFOLIO (as on 30/10/2002)

Holdings	Mkt. Value (Rs. lakhs)
RANBAXY LABORATORIES	208.90
I T C	183.75
RELIANCE INDUSTRIES	182.64
A C C	172.40
CIPLA	171.95
DR REDDY'S LAB	151.79
HINDUSTAN LEVER	146.61
H P C L	144.03
SATYAM COMPUTER	135.80
CONCOR	132.05
LARSEN AND TOUBRO	130.52
BAJAJ AUTO	126.36
B H E L	100.71
G A C L	94.41
RELIANCE PETROLEUM	87.48
GRASIM	83.01
INFOSYS TECHNOLOGY	78.40
HERO HONDA	60.20
B P C L	48.58
T I S C O	43.16
T E L C O	40.73
M T N L	39.27
N I I T	37.13
HCL TECHNOLOGIES	36.53
G A I L	36.44
ZEE TELEFILMS	26.92
WIPRO	21.13
ICICI BANK	19.96
UNION BANK OF INDIA	5.26
NEYVELI LIGNITE	4.12
NET CURRENT ASSETS	-95.92

FUND SIZE (as on 30/10/2002) Rs. 2654.32 Lakhs

SECTORAL ALLOCATION



LICMF LIQUID FUND

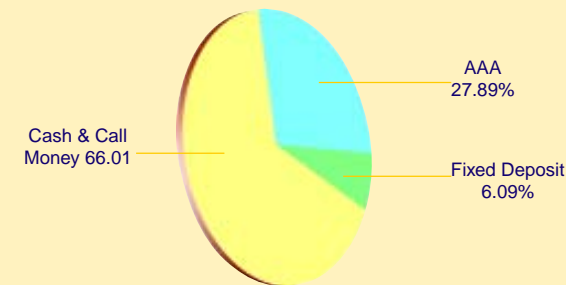
An Open-ended Liquid Scheme

The Scheme seeks to generate reasonable returns with low risk and high Liquidity.

PORTFOLIO (as on 30/10/2002)

Holdings	Rating	Mkt. Value (Rs. lakhs)
Ford Credit Kotak Mahindra	P1+	160.00
GE Capital Mibor	AAA	100.00
PANATONE FINVEST	AAA	489.73
M A L C O	AAA	294.96
CHOLAMANDALAM FINANCE -A1	AAA	287.02
KOTAK MAHINDRA PRIMUS	AAA	200.00
Fixed Deposit		300.00
CASH (CALL MONEY)		3246.82

NAV (Rs.) as on 30/10/2002 Dividend: 10.2927; Growth : 10.4508



FUND SIZE (as on 30/10/2002) Rs. 4918.53 Lakhs

Avg Portfolio Duration: 0.22 Year

Avg Maturity : 0.22 Year

ANNUALISED RETURNS

Since Inception - 7.38%

DIVIDEND HISTORY

March 2002 - Rs. 0.0204 per unit April 2002 - Rs. 0.0831 per unit
May 2002 - Rs. 0.0472 per unit

LICMF TAX PLAN

An Open-ended Equity linked Tax Saving Scheme

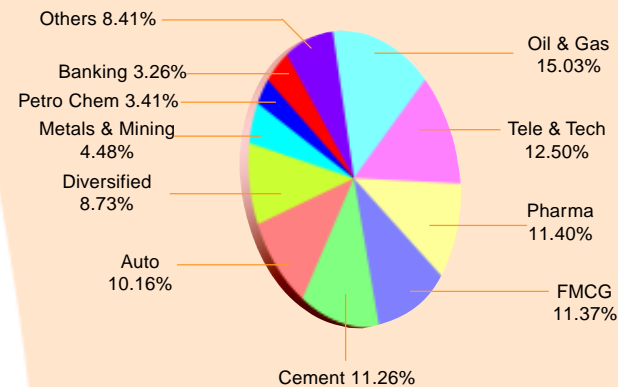
Seeks to provide capital growth along with tax rebate through prudent investments in the stock market.

PORTFOLIO (as on 30/10/2002)

Holdings	Mkt. Value (Rs. lakhs)	Holdings	Mkt. Value (Rs. lakhs)
A C C	7.90	RELIANCE PETROLEUM	2.16
HINDUSTAN LEVER	7.74	H P C L	2.16
DR REDDY'S LAB	7.60	N A L C O	2.05
SATYAM COMPUTER	7.36	B P C L	1.94
O N G C	7.28	M T N L	1.87
LARSEN AND TOUBRO	7.03	B H E L	1.57
TATA POWER	5.77	GRASIM	1.50
BAJAJ AUTO	4.21	N I T	1.24
I T C	3.37	RELIANCE INDUSTRIES	1.17
G A I L	3.31	INFOSYS TECHNOLOGY	0.95
G A C L	3.11	UNION BANK OF INDIA	0.88
RANBAXY LABORATORIES	3.11	PUNJAB TRACTORS	0.88
HERO HONDA	3.01	HCL TECHNOLOGIES	0.80
T E L C O	2.71	CIPLA	0.43
T I S C O	2.33		
S B I	2.31	NET CURRENT ASSETS.	-1.21

NAV (Rs.) as on 30/10/2002 : 6.5979

FUND SIZE (as on 30/10/2002) Rs. 96.54 Lakhs



FUND NEWS

LAUNCH OF LICMF INDEX FUND

INITIAL PUBLIC OFFER

OPENS : 14th November 2002
CLOSES : 28th November 2002
RE-OPENS : 5th December 2002

Since its inception in 1989 LIC Mutual Fund has earned the trust of more than 17 lakh investors across the country, and is successfully managing assets over 2600 crores under 14 different schemes.

Taking further our commitment to evolve into a One Stop Mutual Fund Investment Solutions Centre to suit varying investment needs LIC Mutual Fund proudly presents a new investment option- the LICMF INDEX FUND.

Combining its decade long experience in fund management with the astuteness in understanding investor needs this latest offering from LIC Mutual Fund is targeted at Investors wishing to earn high returns from quality stock market investments, by owning Index scrips with as little an investment as Rs. 5000/-.

The performance of LICMF INDEX FUND like that of any other index fund will reflect the performance of the underlying benchmarks subject to tracking error.

HIGHLIGHTS: • OBJECTIVE: An open ended Index linked equity scheme seeking to provide capital growth by investing in index stocks. • CHOICE OF PLANS: Sensex Plan, Nifty Plan and Sensex Advantage Plan • ISSUE PRICE: Units of face value Rs. 10/- will be available for sale during the IPO, and subsequently at NAV related prices. • ENTRY/EXIT LOAD: There will be no entry load during the IPO. There will be an exit load of 0.75% for repurchases within 1 year from the date of investment. • MINIMUM INVESTMENT: Minimum investment Rs. 5000/- and additional investments in multiples of Rs. 500/- thereafter. • PRESET TRIGGER OPTION: Benefit from timely encashment of appreciation.

SIMULATED AMFI TEST ON WEBSITE:

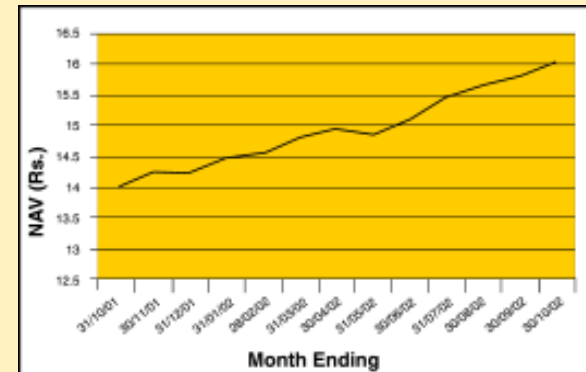
The simulated AMFI Test for DISTRIBUTORS is now available on our website www.licmutual.com. Distributors can benefit by practicing the test online so as to get a hands on experience for the actual certification.

LICMF Bond Fund

An Open-ended Debt Scheme

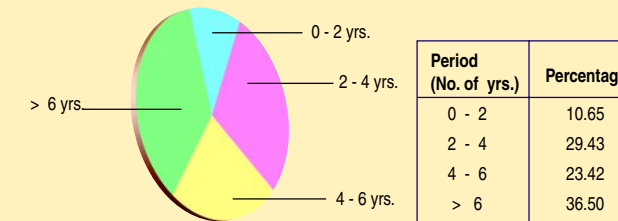
The Scheme generates reasonable returns through investment in quality debt and money market instruments. Liquidity through daily sale and repurchase facility is available on all business days.

MONTH ON MONTH NAV MOVEMENT



NAV (Rs.) as on 30/10/2002 Dividend: 10.9467; Growth: 16.0612

Maturity Profile (In years)



Avg Portfolio Duration: 4.95 Years

Avg Maturity : 5.51

DIVIDEND HISTORY

October 1999	- 4.00%	July 2001	- 4.00%
March 2000	- 4.50%	Nov. 2001	- 3.50%
May 2000	- 3.00%	March 2002	- 3.50%
Nov. 2000	- 3.50%	July 2002	- 3.00%
March 2001	- 4.50%	Oct. 2002	- 3.00%

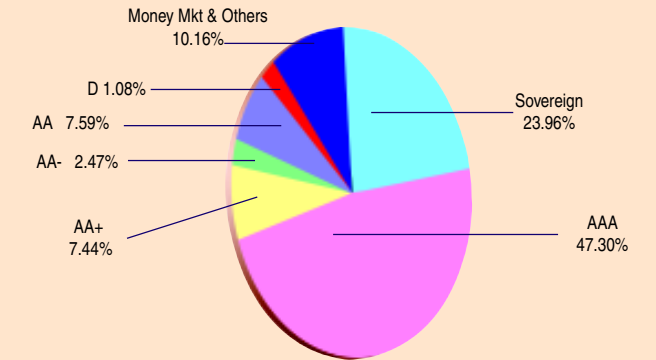
RETURNS

	Annualised
Last 1 year	14.89%
Last 3 years	14.70%
Since inception (09.05.1999)	14.55%

SCHEME COMMENTARY

The measures announced in the credit policy have given a clear signal towards softening of interest rates. This has boosted the NAV of our bond fund. We have tried to take advantage of the rally and booked profits. It is expected that the interest rates will remain stable till the end of the current financial year. LICMF Bond fund has been ranked second on the basis of six month return out of 38 similar funds as on 31st October 2002 by Value Research (India) Pvt. Ltd.

PORTFOLIO RATING ANALYSIS



PORTFOLIO (as on 30/10/2002)

Holdings	Rating	Mkt. Value (Rs. lakhs)
GSECS	Sovereign	41625.82
RELIANCE INDUSTRIES	AAA	16463.66
I C I C I BANK	AAA	7649.77
I O C	AAA	5748.31
POWER FINANCE CORP.	AAA	5725.15
POWER GRID CORP.	AAA	3406.64
H D F C	AAA	3293.67
MARUTI UDYOG	AAA	3205.79
I R F C	AAA	3178.28
BANK OF BARODA	AAA	2710.15
S B I	AAA	2278.63
N P C	AAA	2168.84
G A C L	AAA	1681.60
M A L C O	AAA	1651.43
ALLAHABAD BANK	AAA	1351.13
STANDARD CHARTERED	AAA	1306.60
N T P C (PTC)	AAA	1249.79
ANZ GRINDLAYS	AAA	1216.06
ABN AMRO BANK	AAA	1187.70
I O C (PTC)	AAA	1134.77
R E C	AAA	1123.70
EXIM BANK	AAA	1029.23
ALFL-A1(PTC)	AAA	1001.51
GRASIM INDUSTRIES	AAA	996.60
T E L C O (PTC)	AAA	988.27
GE CAPITAL	AAA	966.05
JET AIRWAYS(PTC)	AAA	869.88
ALFL-A2(PTC)	AAA	819.37
CITIBANK	AAA	621.17
CITICORP FINANCE -A3	AAA	525.41
CITIBANK -A2(SERIES2002)	AAA	522.36
CHOLAMANDALAM FINANCE -A3	AAA	512.93
CITICORP FINANCE	AAA	512.36
CITICORP FINANCE -A2	AAA	512.12
K M F L (ABS) SERIES-IID	AAA	507.93
ALFL-A3(PTC)	AAA	502.99
CITICORP MARUTI FINANCE	AAA	501.46
K M F L (ABS) SERIES-IIC	AAA	500.70
T N PETROPRODUCTS	AAA	500.00
K M F L (ABS) SERIES-IIB	AAA	496.43
K M F L (ABS) SERIES-IIA	AAA	492.44
PANATONE FINVEST	AAA	489.73
ALFL-A4(PTC)	AAA	473.41
CITICORP FINANCE -A1	AAA	102.66
LARSEN & TOUBRO	AA+	3583.04
TATA POWER	AA+	3365.49
FINOLEX CABLES	AA+	1861.84
H U D C O	AA+	1787.73
T I S C O	AA+	1199.23
ELECTROSTEEL CASTING	AA+	572.41
BALLARPUR INDUSTRIES	AA+	558.02
T E L C O	AA-	2020.88
ASHOK LEYLAND	AA-	1608.98
I P C L	AA-	659.29
TATA CHEMICALS	AA	2766.36
ESSEL PROPACK	AA	2629.54
MADRAS CEMENT	AA	2258.60
MAHINDRA & MAHINDRA	AA	1666.34
A C C	AA	1137.87
L G ELECTRONICS	AA	1053.91
HINDUSTAN INKS	AA	615.99
INOX AIR PRODUCTS	AA	542.19
ASHOK LEYLAND	AA	511.99
B P L	D	1875.00
MONEY MKTS & OTHERS		17651.94

FUND SIZE (as on 30/10/2002) Rs. 173729.12 Lakhs