

LICMF LIQUID FUND

An Open-ended Liquid Scheme

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

SCHEME FEATURES	
Launch Date	: 11 th March, 2002.
Objectives	: To generate reasonable returns with low risk and high Liquidity through judicious mix investment in money market instruments and quality debt instrument.
Type	: Debt
Option	: (a) Dividend Re-investment Plan (b) Growth Plan
Entry Load	: NIL
Exit Load	: NIL
Liquidity	: Redemption facility available on an ongoing basis on any business day.
Nomination	: Available

NAV (Rs.) as on 30/09/2002 Dividend: 10.2224; Growth : 10.3794

PORTFOLIO (as on 30/09/2002)		
Holdings	Rating	Mkt. Value (Rs.lakhs)
T N PETROPRODUCTS	AAA	500.00
PNATONE FINVEST	AAA	481.73
M A L C O	AAA	292.60
CHOLAMANDALAM FINANCE -A1	AAA	285.43
KOTAK MAHINDRA PRIMUS	AAA	200.00
GE CAPITAL MISOR	AAA	100.00
Cash & Call Money		1219.63

FUND SIZE (as on 30/09/2002) Rs. 3079.41 Lakhs

Avg Portfolio Duration: 0.24 Year

Avg Maturity : 0.24 Year

ANNUALISED RETURNS			
Last 3 Months	: 6.27%	Last 6 Months	: 6.70%
Since Inception	: 7.00%		

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

Chief Agents		
• AHMEDABAD	• N. S. Shah	☎ 6420623/6440573
• AMBALA	• Gulshan Kumar Sabharwal	☎ 2641798/3184661/9812129366
• AMRITSAR	• Kapil Kumar Khurana	☎ 540237/500782
• ASANSOL	• Hamam Singh	☎ 254719
• AURANGABAD	• Ashok K. Amrikar	☎ 350275
• BANGALORE	• M.K. Sarkar	☎ 55878
• BAREILLY	• R. A. Gupta	☎ 420263
• BARODA	• Hareesh Shah	☎ 361900/362030
• BHAGALPUR	• D.N. Mishra	☎ 983506532/400531
• BHILAI	• Harih Chandra Malik	☎ 395324/392156
• BHOPAL	• P. C. Gupta	☎ 671882/9826033883
• BILASPUR	• Ashish Agrawal	☎ 63832
• CALCUTTA	• Jayanth Kumar R.	☎ 386784
• CHANDIGARH	• MTL Share & Stock Brokers Ltd.	☎ 743777
• COCHIN	• Olive Capital & Services	☎ 369175/370545
• COIMBATORE	• P. Srinivasan	☎ 498872/496962/492530
• CUTTACK	• Manojan Acharya	☎ 300678/9861056678
• DEHRADUN	• Jeetendra Mohan Sharma	☎ 9837024453/712117
	• Kul Bhushan Rai Bhatia	☎ 767940/760334
• DELHI	• Vinod Kumar Anand	☎ 6124707/9810125871
• DEWAS	• Manoj Singhal	☎ 9827227430/23743
• DHANBAD	• Sanjay Shekhar	☎ 209126/205273
• DURGAPUR	• Kamlesh Agarwal	☎ 548037/9832163733
• ERODE	• V. Subramanian	☎ 259433/9842752445
• FARIDABAD	• Anju Sachdeva	☎ 5284361/5223431
• GHAZIABAD	• Priyanshu Jain	☎ 9810340392/4751576
• GURGAON	• Blue Circle Financial Services	☎ 6386761
• GUWAHATI	• Bhartia & Co	☎ 543612/523604
• HALDWAR	• R. P. Arora	☎ 324003/325285
• HOSUR	• R. Subramaniam	☎ 42866/9842743167
• HYDERABAD	• Santosh Kumar Jain	☎ 231047/652285
• JALANDHAR	• K. Narsimha Rao	☎ 6666883/9848012483
• JAMSHEDPUR	• Jagdish Nagdev	☎ 411488/9827056823
• JHANSI	• A.K. Shrivastava	☎ 742908/982920773
	• Rajesh Jajoo	☎ 407044
• JAJPUR	• Himansu Panda	☎ 21244
• JALANDHAR	• Akshay Kumar Marwah	☎ 225310/241310
• JAMNAGAR	• Jyotsna J.M.	☎ 660998
• JAMSHEDPUR	• Birendra Kumar Singh	☎ 487376/423733
• JHANSI	• Pawan Nagaria	☎ 330122/442175

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.

SCHEME FEATURES	
Launch Date	: 1 st January, 1997. Open-ended from 17 th April, 2000.
Objectives	: To provide capital growth along with tax rebate to our investors through prudent investments in the stock markets.
Type	: ELSS
Option	: Growth
Minimum Investment	: Rs. 500/- and thereafter in multiples of Rs. 100/-
Tax Benefits	: Rebate u/s 88 on investment upto Rs.10,000/-
Entry Load	: 2%
Exit Load	: NIL
Liquidity	: Initial lock-in of 3 years and there after redemption available on any business day.
Nomination	: Available

NAV (Rs.) as on 30/09/2002 : 6.6476

PORTFOLIO (as on 30/09/2002)			
Holdings	Mkt. Value (Rs.lakhs)	Holdings	Mkt. Value (Rs.lakhs)
ACC LTD.	9.64	TELECO	2.65
DR REDDY'S LAB	8.34	TISCO	2.32
SATYAM COMPUTER	7.11	RELIANCE PETROL	2.31
ONGC	6.82	SBI	2.30
LNT	6.28	MTNL	2.20
HINDUSTAN LEVER	6.04	BPCCL	1.72
TATA POWER LTD.	5.70	INFOSYS TECH	1.70
BAJAJ AUTO LTD.	3.90	HPCL	1.68
ITC LTD.	3.57	GRASIM INDUSTRIES	1.55
NATIONAL ALUMIN	3.43	NIIT LIMITED	1.31
GUJARAT AMBUJA	3.27	HCL TECHNOLOGIES	1.04
HERO HONDA	3.25	PUNJAB TRACTORS	0.95
GAIL	3.14	UNION BANK OF INDIA	0.89
RANBAXY LABORATORIES	2.75	MONEY MKT. & OTHERS	2.34

FUND SIZE (as on 30/09/2002) Rs. 98.21 Lakhs

• KOLHAPUR	• Jagadshree Investments	☎ 680030/416003
• KORBA	• Rammath 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	• Multigam Investments	☎ 317742/320759
• MYSORE	• V. S. Ravish	☎ 541168
• NAGERCOIL	• K. G. Mahadev	☎ 230881/9842130881
• NAGPUR	• Swap Consultants Pvt. Ltd.	☎ 525584/535584
• NASHIK	• Pramod Purank	☎ 314997/314057
• NELLORE	• G. V. Nagesh	☎ 336801
• NOIDA	• Bharat Bhushan	☎ 4450921/4450773
• ONGOLE	• Balma Rao	☎ 31042
• PALAYAKOTTAI	• 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	☎ 538428
• RAIGARH	• Jawahar Motwani	☎ 22812/23293
• RAIPUR	• Vijay Kumar Parmar	☎ 526446/ 9827164351
• RAJAHMUNDRY	• Kodari Sidhar	☎ 42207
• RAJKOT	• Rajesh Kumar Mehta	☎ 224736/226439
• RAMPURHAT	• Sanjay K. Bhowmick	☎ 55602
• RATLAM	• Pushpendra Joshi	☎ 35300
• ROURKELA	• Animesh Chandra Ray	☎ 574992/4474992
• SALEM	• V. Kasinathan	☎ 210875/9842710875
• SATARA	• Bhawani Consultants	☎ 34142/9822057372
• SHIMOGA	• Laxmi Financials	☎ 20447/60447
• SILIGURI	• Sublime Financial Services	☎ 662463
• SURAT	• Bimal Shah	☎ 3472689/9825127620
• TIRUCHY	• A. M. Rajasekar	☎ 760334/984306334
• TRIVANDRUM	• Varnadevan V.	☎ 418139
• TUMKUR	• C. S. Prabhu Dev	☎ 257860
• UJJAIN	• Prayas Vyas	☎ 710450
• VARANASI	• Shree Prakash	☎ 451861/392169
• VELLORE	• Latha Thomas	☎ 220356
• VIJAYWADA	• Rama Brahman	☎ 9849333289/453474
• VIZAG	• Sublime Financial Services	☎ 666883
• WARDHA	• Tatvi Financial Services	

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. ☎ 9869008496/2855971/2842439.
New Delhi	Jeevan Prakash, 25 K. G. Marg, New Delhi. ☎ 3359190/3314396.

Marketing Associates

Bangalore	S. R. Nair ☎ 6681078/6687379	Kanpur	P. K. Sinha ☎ 255462/9838003721
Kiran Raj ☎ 2215998/2275670	Rachit Consultants ☎ 306721/9839084120	Sunrise Consultant ☎ 580473/9839031073	S.P.N. Financial Services ☎ 316035/9839031632
M/s CRS Securities Pvt. Ltd. ☎ 6560438/6563873			
Chennai	R. Hirachand ☎ 8266808/8259009	Kolkata	Dilip Kumar Dey ☎ 4666885/9830046444
P. Krishnan ☎ 4896016/9840076016	E.F. Securities ☎ 2205886		
V. K. Sudharsan ☎ 4741559/3715771/9832704178		Mumbai	S.J. Investment ☎ 2855603/2023607/9820232585
Satish Kumar ☎ 4338788/9840189123		ABN Investments ☎ 2672290/26793031	Blue Chip Corporate Investment Centre ☎ 2703494/5
Delhi	Anil Khara ☎ 4625777/4621060		Pioneer Investments ☎ 8623421/8010129
A. K. Capital Markets Ltd. ☎ 3381458			SLJ Finance ☎ 2036623/2065739
Rashmi Madan ☎ 5786189/9810185009			M/s Soba Infosec Pvt. Ltd. ☎ 9820011398
Renu Gupta ☎ 7216710/7113008			SPA Capital Services ☎ 2338880
SPA Capital Services Ltd ☎ 5517371/5515086			Ashwin Vajani ☎ 2315056/3410097
Shri. V. P. Mittal ☎ 3722566/9810186081			
Indore	Harish Agrawal ☎ 4666667/9826062666		
Vijay Kumar Agrawal ☎ 4111445/9826014145			

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 Dhanavridhii 89 - Redeemed Dhanaraksha '89 - Redeemed Dhanasamidhii	821 33 83 upto 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. Investor Services of India Ltd. IDBI Building, 2nd Floor, A/ Wing, Sector - 11, Plot Nos. 39,40,41 CBD, Belapur, Navi Mumbai - 400 614.	Dhan 80 CCB (1) - Redeemed Dhanavarsha (3) - Redeemed Dhanavarsha (5) - Redeemed	Dhanasahayog Dhan 88 (1) Dhan Tax Saver 95 757 96 36 (8 lines)
4. M/s. Sharepro Services Satam Estate, 3 rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099	Dhanashree 91 - Redeemed Dhanalakshmi (1) - Redeemed Dhanavarsha (4) - Redeemed	821 51 68 832 98 28 834 82 18
5. 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 (12) - Redeemed	Dhanavarsha (13) LICMF Tax Plan Dhan Tax Saver 96 LICMF Children's Fund LICMF Govt. Sec.Fund LICMF Bond Fund LICMF Liquid 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
visit us at www.licmutual.com

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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.



MUTUAL INTEREST

An Update from LIC MUTUAL FUND

Market Review:

EQUITY MARKET
The market declined during the week ended 6th September 2002 as investors sold stocks, amid fears of a US-Iraq war and the concern over a likely setback to the government's disinvestment programme. The market also declined during the second week. There were no fresh inflows on the bourses. Tension in the Middle East further dragged down the global and local markets during the week. Index heavyweights, such as HLL, RIL, ITC, Glaxo SmithKline, Merck, Pfizer, Lupin, and Novartis witnessed some activity. The market declined once again for the week ended 20th September 2002, following the concern over disinvestment, weakness in the global markets and a downgrade of India's local currency sovereign rating by Standard & Poor (S&P).
HPCL, BPCCL, SCI slipped further on sustained selling pressure. Other PSU stocks like ONGC, IOC, Nalco, Neyveli Lignite, and Engineers India also lost ground. Two wheeler majors lost ground, following fears of declining sales post a disappointing monsoon and the recent rise in the prices of petrol and diesel. The last week of September was also pretty lackluster. Technology stocks remained range-bound on the back of weakness in the global markets, with the Nasdaq plunging to a 6-year low.
The market sustained itself despite the terrorist attack on the temple in Gandhinagar, and the following nationwide bandh. The highlight of the last week was the block deal on the ICICI Bank counter involving 10.1 crore shares worth Rs 1,300 crore, probably the biggest ever block deal executed in the secondary market. Bargain hunting was witnessed in auto stocks. Pivotal like Reliance, HLL moved in a narrow range. Among cement scrips, L&T was the major loser. Among other Old Economy stocks, Hindalco Industries, which was already on a downward spiral, mainly due to the sustained fall in aluminium prices on the London Metal Exchange (LME) slipped further. Pharma sector scrips like DRL and Ranbaxy witnessed some buying support.
On the last day of the month PSU's, techs pulled down the Sensex below the 3,000-mark. While PSUs led the fall, selling was seen across sectors including tech, automobile, cement, telecom, media and pharmaceuticals. The BSE Sensex ended below the 3,000-mark at 2,991.36. The NSE S & P CNX Nifty Index closed at 963.15. The fall to these levels has been in line with market expectations.

DEBT MARKET
The first fortnight of September 2002 started with a bearish note due to Open Market operations (OMO) auction of the 10 year benchmark security by RBI in last week of August wherein the cut-off yield of 7.18% was higher than market expectations. Despite ample liquidity, players were cautious. Call rates moved in a narrow band of 5.75% to 5.90%. Twin auction on 9th September 02 of 15-year security 7.46%, 2017 and 20-year security 8.35% 2022 totalling Rs. 7000 crore was fully subscribed. The cut-off yield of 7.44% for 15-year security and 7.70% for 20-year security was higher than the market expectations. The prices continued to move in a narrow range due to the cautious approach adopted by the traders ahead of advance tax outflows.
RBI converted Rs. 10,000 crore of special securities into marketable securities of 6.18% 2005 (Rs. 3000 crore), 7.27% 2013 (Rs. 4000 crore) and 7.38% 2015 (Rs. 3000 crore). The close to market yields of three converted papers indicated RBI's comfort with the existing yield curve and securities rallied taking the 10 year benchmark to 7.13%.
However, by the end of the week, all the week's gains evaporated on news of US attack on Iraq. Gil prices crashed by 40-60 paise across tenors on account of panic selling by some players. The 10-year benchmark yield inched up to 7.19% levels. Subsequently, sentiments improved marginally, due to the news of Iraq offering to allow access to UN weapons inspectors. Peaceful Kashmir elections, strong inflows in Repo even after tax outflows and strong rupee aided market sentiment further and gilts appreciated by 15-25 paise easing the 10 year benchmark to 7.16%. Downgrade of Indian currency from investment grade to junk by international rating agency Standard and Poor's had a temporary effect of hardening of yields for a very short period. However, considering the negligible FI investment in domestic currency debt and abundant liquidity in the system, the market recovered to pre-downgrade levels.
The short term outlook on the G-Sec market appears to be optimistic on the back of comfortable liquidity which is likely to be further augmented due to accretion to deposits of banks and inflows on account of CRR and food credit interest and strong forex reserves. The corporate bond market has rallied despite subdued gilt market and the yield on 5 year AAA rated paper fell to 7.23%. The stability in the underlying gilt's market coupled with more than comfortable liquidity has enabled the corporate bond spreads over gilts to come down to around 80/90 bps. Steady call rates in the band of 5.60% to 5.80% had led to fall in yields on the commercial paper to 6.10% for 90 days and 6.25% for 180 days. However, by the end of the month, the yields have hardened to 6.30% for 90 days due to resistance from investors.



When your investments are taken good care of, you don't realise how life goes by.



LIC Mutual Fund
With you, all the time

INSIDE

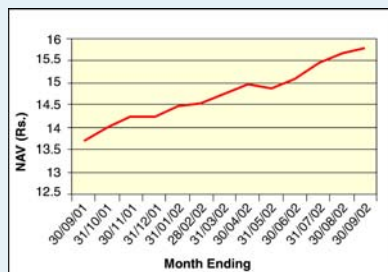
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LICMF Bond Fund

An Open-ended Debt Scheme

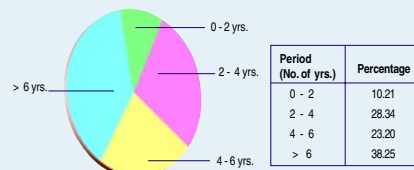
The Scheme generates reasonable returns through investment in quality debt and money market instruments. Liquidity through daily sale and repurchase facility is available on all business days.

MONTH ON MONTH NAV MOVEMENT



NAV (Rs.) as on 30/09/2002 Dividend: 11.0601; Growth: 15.7880

Maturity Profile (In years)



Avg Portfolio Duration: 5.06 Years

Avg Maturity : 5.64 Years

DIVIDEND HISTORY

Month	Year	Dividend (%)
October	1999	4.00%
March	2000	4.50%
May	2000	3.00%
Nov.	2000	3.50%
March	2001	4.50%
July	2001	4.00%
Nov.	2001	3.50%
July	2002	3.00%
Oct.	2002	3.00%

RETURNS

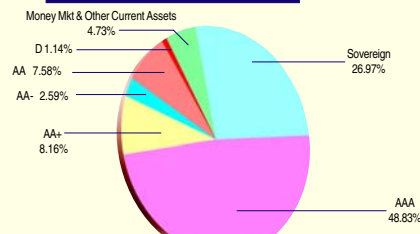
Period	Annualised Return
Last 1 year	15.38%
Last 3 years	14.38%
Since inception (09.05.1999)	14.36%

SCHEME COMMENTARY

The rally in corporate bonds has helped the fund to perform better. We are happy to note that the inflows in the fund are on the rise and the fund has grown to Rs. 1638 crores by end of September.

We have been tracking the bond and gilt markets to take opportunity of rise/fall in the yields to our advantage and generate stable and consistent returns to our investors.

PORTFOLIO RATING ANALYSIS



PORTFOLIO (as on 30/09/2002)

Holdings	Rating	Mkt. Value (Rs. lakhs)
GSECS	Sovereign	44178.63
RELIANCE INDUSTRIES	AAA	16289.37
I C I C I BANK	AAA	7529.95
POWER FINANCE CORP.	AAA	5678.55
I O C	AAA	5664.55
POWER GRID CORP.	AAA	3344.25
H D F C	AAA	3252.93
MARUTI UDYOG	AAA	3180.30
I R F C	AAA	3126.99
BANK OF BARODA	AAA	2666.83
S B I	AAA	2255.75
N P C	AAA	2153.04
G A C L	AAA	1673.05
M A L C O	AAA	1633.13
ALLAHABAD BANK	AAA	1335.57
STANDARD CHARTERED	AAA	1264.85
N T P C (PTC)	AAA	1253.95
ANZ GRINDLAYS	AAA	1193.01
ABN AMRO BANK	AAA	1175.43
I O C (PTC)	AAA	1122.55
R E C	AAA	1109.60
EXIM BANK	AAA	1029.83
ALFLA1(PPTC)	AAA	1001.80
GRASIM INDUSTRIES	AAA	995.10
T E L C O (PTC)	AAA	988.26
GE CAPITAL	AAA	966.29
ALFLA2(PPTC)	AAA	916.87
CITIBANK	AAA	609.89
CITICORP FINANCE -A3	AAA	518.85
CITIBANK -A2(SERIES2002)	AAA	517.09
CITICORP FINANCE	AAA	510.90
ALFLA3(PPTC)	AAA	508.05
CHOLAMANDLAM FINANCE -A3	AAA	507.49
CITICORP FINANCE -A2	AAA	506.90
CITICORP MARUTI FINANCE	AAA	502.29
K M F L (ABS) SERIES-IID	AAA	501.83
K M F L (ABS) SERIES-IIA	AAA	499.05
K M F L (ABS) SERIES-IIC	AAA	495.68
K M F L (ABS) SERIES-IIB	AAA	492.52
ALFLA4(PPTC)	AAA	484.37
PANATONE FINVEST	AAA	476.91
CITICORP FINANCE -A1	AAA	476.91
T E L C O	AA-	1990.35
ASHOK LEYLAND	AA-	1590.46
I P C L	AA-	656.05
LARSEN & TOUBRO	AA+	3537.23
TATA POWER	AA+	3313.47
FINOLEX CABLES	AA+	1849.41
H U D C O	AA+	1748.84
T I S C O	AA+	1179.78
HINDUSTAN INKS	AA+	617.79
ELECTROSTEEL CASTING	AA+	566.60
BALLARPUR INDUSTRIES	AA+	550.99
TATA CHEMICALS	AA	2727.51
ESSEL PROPAC	AA	2612.70
MADRAS CEMENT	AA	2224.01
MAHINDRA & MAHINDRA	AA	1636.61
A C C	AA	1120.62
L G ELECTRONICS	AA	1046.68
INOX AIR PRODUCTS	AA	538.64
ASHOK LEYLAND	AA	511.59
B P L	D	1875.00
MONEY MKTS & OTHER CURRENT ASSETS		7739.31

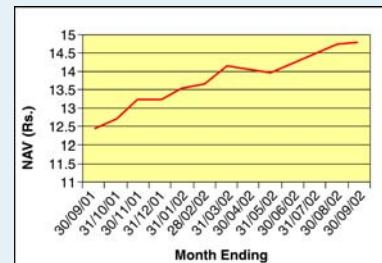
FUND SIZE (as on 30/09/2002) Rs. 163777.92 Lakhs

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 30/09/2002 Dividend: 11.0852; Growth: 14.7912

SCHEME COMMENTARY

Yields on government securities have been fluctuating due to the various national/international events. We have been utilising these opportunities to our advantage to generate better returns to our investors. The short term outlook on the gsec market is positive as the second half of the fiscal is likely to see rise in prices on expectations built up ahead of the mid term review of credit policy by RBI in the second fortnight of October 2002.

PORTFOLIO (as on 30/09/2002)

HOLDINGS	MKT. VAL. (Rs. lakhs)
GSECS 09.85% 2015	844.13
GSECS 09.81% 2013	595.00
GSECS 11.03% 2012	1267.30
GSECS 07.40% 2012	2544.50
GSECS 11.50% 2011 A	645.30
GSECS 09.39% 2011	573.45
GSECS 07.55% 2010	1562.25
GSECS 11.40% 2008	1236.10
MONEY MARKETS & OTHER CURRENT ASSETS	762.54

FUND SIZE (as on 30/09/2002) Rs.10030.57 Lakhs

Avg Portfolio Duration: 6.14 Years

Avg Maturity : 9.10 Years

DIVIDEND HISTORY

Month	Year	Dividend (%)
March	2000	2.50%
May	2000	2.50%
Nov.	2000	2.50%
March	2001	3.50%
July	2001	3.00%
Oct.	2002	3.50%

ANNUALISED RETURNS

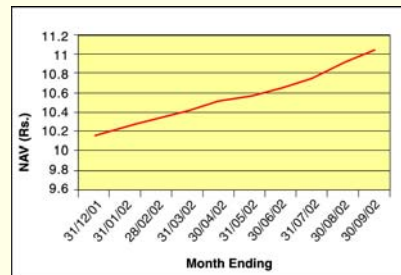
Last 1 year	19.31%
Since inception (29.11.1999)	14.79%

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 30/09/2002 :11.0438

PORTFOLIO (as on 30/09/2002)

HOLDINGS	RATING	MKT. VAL. (Rs. lakhs)
RELIANCE INDUSTRIES	AAA	211.82
H D F C	AAA	165.53
R E C	AAA	156.59
I C I C I BANK	AAA	114.82
GE CAPITAL	AAA	107.37
BALLARPUR INDUSTRIES	AAA	102.91
POWER GRID CORP.	AAA	96.73
MADRAS CEMENT	AA	112.67
GLENMARK PHARMACEUTICALS	AA	104.10
TATA CHEMICALS	AA	80.84
MONEY MARKETS & OTHER CURRENT ASSETS		42.27

FUND SIZE (as on 30/09/2002) Rs. 1295.63 Lakhs

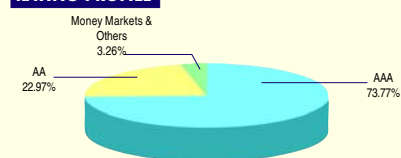
Avg Portfolio Duration: 2.15 Years

Avg Maturity : 2.64 Years

ABSOLUTE RETURNS

Since inception (11 months) 10.43%

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.

SCHEME FEATURES

- Launch Date** : 19th June, 1989
- Objectives** : To generate long term capital appreciation and current income along with additional benefits of a life insurance cover as well as a free accident insurance cover.
- Type** : Insurance Linked Tax Saving
- Options/Term** : (a) Single Premium - 5/10 years (b) Regular Premium - 10/15 years. Both the options are under Dividend Reinvestment Plan.
- Target Investment** : (a) Single Premium option- Minimum investment: Rs. 10,000 under 5 year as well as 10 year term. Maximum investment: No limit. (b) Regular Contribution option- Rs. 10,000 under 10 year and Rs. 15,000 for 15 year term. Maximum investment: Rs. 2,00,000 under both the terms.
- Entry Load** : 1%*
- Exit Load** : Nil*
- Liquidity** : Initial lock-in of 3 years and thereafter redemption available on any business day.
- Reward on Maturity** : 10% of target amount for 10 yr. term & 15% of target amount for 15 yr. term

* On a prospective basis from 19/02/2002

NAV (Rs.) as on 30/09/2002 : 10.346

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	17.0%
(18 months)		2002-2003	7.5%
1994-95	7.5%		

EQUITY PORTFOLIO

Top 10 Holdings	Market Value (Rs. in Lakhs)	Top 10 Holdings	Rating	Mkt Value (Rs. in Lakhs)
DR REDDY'S LAB	180.65	RELIANCE IND.	AAA	802.55
LARSEN AND TOUBRO	172.85	N T P C (PTC)	AAA	626.98
INFOSYS TECHNOLOGY	127.92	CORP	AAA	328.84
INFOSYS TECHNOLOGY	111.21	UTI INSTITUTIONAL		
RANBAXY LABORATORIES	108.02	INVESTOR	AAA	296.72
SATYAM COMPUTER	105.35	N H P C	AAA	280.59
A C C	92.56	S B I	AAA	225.58
BAJAJ AUTO	76.01	G N F C	AA-	80.10
H P C L	64.39	T I S C O	AA+	524.35
B H E L	56.05	MADRAS CEMENT	AA	450.66
		GLENMARK		
		PHARMACEUTICALS	AA	312.29

PORTFOLIO BREAK-UP	Rs. Lakhs
AAA	2561.25
AA	1367.40
A & OTHERS	1554.21
EQUITY	1572.67
MONEY MKTS & CURRENT ASSETS	-144.49

FUND SIZE (as on 30/09/2002) Rs. 6911.04 Lakhs

Avg Portfolio Duration: 2.10 Years

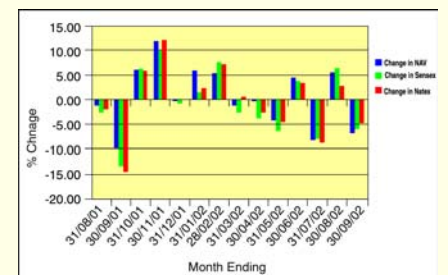
Avg Maturity : 2.71 Years

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 30/09/2002 : 5.5143

PORTFOLIO (as on 30/09/2002)

Holdings Top 25	Mkt Value (Rs. lakhs)
INFOSYS TECHNOLOGY	197.96
RELIANCE INDUSTRIES	192.75
A C C	180.78
H P C L	169.14
HINDUSTAN LEVER	168.03
RANBAXY LABORATORIES	157.62
I T C	153.89
CONCOR	150.61
LARSEN AND TOUBRO	128.15
CIPLA	122.47
SATYAM COMPUTER	122.37
G A C L	100.12
RELIANCE PETROLEUM	90.72
B H E L	90.30
M T N L	74.53
HERO HONDA	67.24
HCL TECHNOLOGIES	63.10
BAJAJ AUTO	62.72
B P C L	54.95
T I S C O	45.73
WIPRO	44.81
N I I T	43.35
T E L C O	42.02
GRASIM	39.83
G A I L	38.12
MONEY MARKET & OTHER CURRENT ASSETS	126.05

FUND SIZE (as on 30/09/2002) Rs. 2727.34 Lakhs

SECTORAL ALLOCATION

