

Board's Report

Dear Members,

The Directors of your Company have the pleasure in presenting the Twenty Sixth Annual Report together with the audited financial statements for the financial year ("FY") ended March 31, 2022.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance for FY22 as compared to the previous FY21 is given below:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross Income	7.18	8.08
Less: Gross Expenses	3.25	46.82
Profit before Tax / (Loss)	3.93	(38.74)
Tax Credit / (Expense)	—	—
Profit after Tax / (Loss)	3.93	(38.74)
Loss b/f from previous year	(80.60)	(41.86)
Surplus / (deficit) in the statement of Profit and Loss	(76.67)	(80.60)

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

The gross income of the Company (in form of Trustee fees) for FY22 was ₹ 5.00 Lakh.

The profit from continuing operations including extraordinary and exceptional items was ₹ 3.93 Lakh in FY22 as against loss of ₹ 38.74 Lakh in FY21.

The net worth of the Company has increased from ₹ 92.16 Lakh as at March 31, 2021 to ₹ 96.09 Lakh as at March 31, 2022.

The Board at its Meeting held on December 23, 2021 has approved the proposal for change in controlling interest of L&T Investment Management Limited ("LTIML"), a wholly-owned subsidiary of L&T Finance

Holdings Limited and the asset manager of L&T Mutual Fund pursuant to sale of 100% of the paid-up share capital of LTIML to HSBC Asset Management (India) Private Limited. The sale is subject to receipt of necessary approvals.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

DIVIDEND

In view of the accumulated losses, the Directors do not recommend any dividend for the year under review.

SHARE CAPITAL

During the year under review, your Company did not issue any further capital.

As on March 31, 2022, the authorised share capital of the Company was ₹ 25,00,000 (Rupees Twenty Five Lakh only), divided into 2,50,000 equity shares of ₹ 10 each.

As on March 31, 2022, the paid-up share capital of the Company was ₹ 15,00,000 (Rupees Fifteen Lakh only) divided into 1,50,000 equity shares of ₹ 10 each.

FIXED DEPOSITS

The Company has not accepted any deposits from the public since inception.

DIRECTORS

The composition of the Board is in accordance with the provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("SEBI MF Regulations").

During the year under review, Mr. Hemant Joshi, Independent Director of the Company, ceased to be the Director of the Company with effect from December 14, 2021 upon completion of his tenure as per SEBI MF Regulations.

The Board places on record its appreciation for the valuable services rendered by Mr. Hemant Joshi during his tenure as the Director of the Company.

During the year under review, the Company appointed Mr. Syed Waqar Abbas Naqvi as an Additional Director, in accordance with the provisions of Sections 152, 160 and 161 of the Act with effect from March 17, 2022.

He holds office as an Additional Director up to the date of the ensuing Annual General Meeting ("AGM"). His candidature for appointment as a Director liable to retire by rotation would be placed at the ensuing AGM.

As on March 31, 2022, the Board comprises the following Directors:

Name of Directors	Designation
Shailesh Haribhakti	Non-Executive Director and Chairperson
Shriniwas Joshi	Independent Director
Jayant Gokhale	Independent Director
Syed Waqar Abbas Naqvi ⁽¹⁾	Independent Director

Note:

⁽¹⁾ Appointed as an additional Director with effect from March 17, 2022

Mr. Shriniwas Joshi, Mr. Jayant Gokhale and Mr. Syed Waqar Abbas Naqvi are the Independent Directors of the Company in accordance with the requirements of SEBI MF Regulations.

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all the Directors at every AGM, not less than two-third of the total number of Directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of Directors by rotation, of which one-third are liable to retire by rotation. Accordingly, Mr. Shailesh Haribhakti, Director of the Company will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 (2) of the Act and the rules made thereunder, the Members at their Twenty Third AGM held on June 28, 2019, had appointed M/s Deloitte Haskins and Sells LLP, Chartered Accountants (ICAI Firm's Registration Number 117366W/W- 100018) as the Statutory Auditors of the Company for a term of five years, i.e. from the conclusion of Twenty Third AGM till the conclusion of the Twenty Eighth AGM.

AUDITORS' REPORT

The Auditors' Report to the Members for the year under review does not contain any qualification. The Notes to the Accounts referred to in the Auditors' Report are

self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act.

PARTICULARS OF EMPLOYEES

During the year under review, there were no employees covered by the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of activities which are being carried on by the Company, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to provisions of Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.

During the period under review, there are no foreign exchange earnings or outgo.

DISCLOSURE RELATING TO HOLDING, SUBSIDIARIES, ASSOCIATES COMPANIES AND JOINT VENTURES

The Company is a subsidiary of L&T Finance Holdings Limited. During the year under review, the Company did not have any subsidiaries or associate companies or joint ventures as defined under the Act.

Accordingly, disclosures under Rule 8(1) and Rule 8(5) (iv) of Companies (Accounts) Rules, 2014 relating to subsidiary, joint venture and associate companies are not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors confirm that, to the best of its knowledge and belief:

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 2) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the loss of the Company for that period;
- 3) the Directors have taken proper and sufficient care for the maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- 4) the Directors have prepared the annual accounts on a going concern basis;
- 5) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. Testing of such systems forms a part of review by the Internal Audit ("IA") function. The scope and authority of the IA function is defined in the "IA Charter".

The IA function of L&T Financial Services monitors and evaluates the efficacy and adequacy of the internal control system in the Company to ensure that financial reports are reliable, operations are effective and efficient and activities comply with applicable laws and regulations. Based on the report of the IA function, process owners undertake corrective action, if any, in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee ("AC") of the Company from time to time.

BOARD MEETINGS

The Agenda for the Meetings was circulated to the Directors well in advance. Further, the Minutes of the Meetings of the Board of Directors were also circulated for their perusal of the Members of the Board within the prescribed timelines.

During the year under review, 7 (seven) meetings of the Board of Directors were held on April 27, 2021, June 22, 2021, July 14, 2021, October 18, 2021, December 17, 2021, December 23, 2021 and January 12, 2022. All the Meetings during the year under review were held through electronic mode.

The details of attendance of the Members of the Board at the Meetings held during the year under review are as follows:

Name of the Director	DIN	Nature of Directorship	Board Meetings held / conducted during the tenure of the Director / year	No. of Board Meetings attended
Shailesh Haribhakti	00007347	C – NED	7	7
Hemant Joshi ⁽¹⁾	01519739	ID	4	4
Shriniwas Joshi	05189697	ID	7	7
Jayant Gokhale	00190075	ID	7	7
Syed Waqar Abbas Naqvi ⁽²⁾	07146059	ID	-	-

⁽¹⁾ Ceased to be a Director with effect from December 14, 2021 on completion of tenure

⁽²⁾ Appointed as a Director on the Board of the Company with effect from March 17, 2022. Appointed as an Independent Director as per SEBI MF Regulations

C – Chairperson ID – Independent Director NED – Non-Executive Director

AUDIT COMMITTEE ("AC")

Terms of reference:

The role, terms of reference, authority and powers of the AC are in conformity with requirements under the SEBI MF Regulations.

The Board has duly accepted the recommendations made by the AC from time to time.

Composition:

The AC as on March 31, 2022 comprises of the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Shailesh Haribhakti	Member	NED
Shriniwas Joshi	Member	ID

Meetings and Attendance:

The AC met 4 (four) times during the year on April 27, 2021, July 14, 2021, October 18, 2021 and January 12, 2022. The details of attendance of Members at the meetings are as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Member / year	No. of Meetings attended
Shailesh Haribhakti	4	4
Hemant Joshi ⁽¹⁾	3	3
Shriniwas Joshi	4	4

Note:

⁽¹⁾ Ceased to be a Member of the Committee with effect from December 14, 2021 on completion of tenure.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

Details of loans given, investments made, guarantees given and security provided, if any, are covered under the provisions of Section 186 of the Act and are given in the Notes to the Financial Statements as applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors has approved a policy on transactions with related parties ("RPT Policy") pursuant to the recommendation of the AC. The RPT Policy is also available on the website of the Company at <http://www.ltfs.com>. The RPT Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

Key features of the RPT Policy are as under:

- All transactions with related parties ("RPTs") are referred to the AC of the Company for approval, irrespective of its materiality. The AC, also approves any subsequent modification in RPTs. All RPTs irrespective of whether they are in the ordinary course of business or at an arm's length basis requires approval of AC. The process of approval of RPTs by the AC, Board and Shareholders is as under:

a) Audit Committee

All RPTs irrespective of whether they are in the ordinary course of business or at an arm's length basis will require approval of Audit Committee Members as per the applicable regulations.

b) Board

Generally, all RPTs are in the ordinary course of business and at arm's length price.

RPTs which are not at arm's length and which are not in the ordinary course of business and / or which requires shareholders approval, are approved by the Board.

c) Shareholders

All material RPTs requires prior approval of the Shareholders, based on recommendation of the Board, through ordinary resolution passed at the general meeting.

Where any contract or arrangement is entered into by a Director or any other employee without obtaining the consent of the Board or approval by an ordinary resolution in the general meeting, it is required to be ratified by the Board or by the Shareholders at a meeting, as the case may be, within three months from the date on which such contract or arrangement was entered into.

TRANSACTIONS WITH RELATED PARTIES

All RPTs that were entered into during FY22 were at an arm's length basis and in the ordinary course of business and disclosed in the Financial Statements. There were no materially significant RPTs entered by the Company with Promoters, Directors or Body Corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPTs as required under the provisions of Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The Directors draw attention to Notes to the Financial Statements which sets out related party disclosures.

RISK MANAGEMENT FRAMEWORK

The Company has framed and implemented a risk management framework which deals with identification of risks in the business of the Company which may threaten the existence of the Company. Further, the said framework also lays down mitigants and periodical review to ensure that executive management controls risk by means of a properly designed framework.

ANNUAL RETURN AS PRESCRIBED UNDER THE ACT

The Annual Return in Form MGT-7 as required under Section 92(3) of the Act shall be hosted on the website of the Company at <https://www.ltfs.com>.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators / Courts which would impact the going concern status of the Company and its future operations.

Further, no penalties have been levied by the SEBI / any other regulators during the year under review.

OTHER DISCLOSURES

During the year under review, the Company has not obtained any registration / license / authorisation, by whatever name called from any other financial sector regulators.

ACKNOWLEDGEMENT

The Directors express their sincere gratitude to the Securities and Exchange Board of India, National Stock Exchange of India Limited, Ministry of Corporate Affairs, Company's Bankers, Custodians, Registrars and most of all, the investors of L&T Mutual Fund, for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company during the year under review.

**For and on behalf of the Board of Directors
L&T Mutual Fund Trustee Limited**

Shailesh Haribhakti
Chairperson
DIN: 00007347

Place: Mumbai
Date: April 27, 2022

Independent Auditor's Report

To The Members of L&T Mutual Fund Trustee Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of L&T Mutual Fund Trustee Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA"s). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 financial 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 adequate internal financial controls system 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Statement of Cash Flow and

Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, during the year ended March 31, 2022, no remuneration has been paid by the Company to its directors otherwise than by way of fee for attending meetings of the Board thereof, is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.

- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the
- Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)
- Sanjiv V. Pilgaonkar**
Partner
(Membership No. 039826)
(UDIN: 22039826AHXCCW8047)
- Mumbai, April 27, 2022

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of L&T Mutual Fund Trustee Limited (the “Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 over financial reporting 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 (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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing 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 over financial reporting 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 system over financial reporting and

their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting 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 over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner

(Membership No. 039826)

(UDIN: 22039826AHXCCW8047)

Mumbai, April 27, 2022

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanation provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) As the Company does not hold any property, plant and equipment, (capital work-in-progress, investment properties and right-of-use assets) and intangible assets, during the year ended March 31, 2022, reporting under clause 3(i) of the Order is not applicable.
- (ii)
 - (a) The Company is engaged primarily in providing trusteeship services to a specific mutual fund and therefore does not hold any inventory. Therefore, reporting under clause 3(ii)(a) of the Order is not applicable.
 - (b) The Company has not been sanctioned any working capital facility at any point of time of the year, by banks or financial institutions. Therefore, reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii)
 - (a) The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Therefore, reporting under clauses 3(iii)(a), (c), (d), (e) and (f) of the Order are not applicable.
 - (b) During the year, in the ordinary course of its business, the Company has made investments in mutual fund schemes. In our opinion, having regard to the nature of the Company's business, the investments made are not prejudicial to the Company's interest.
- (iv) The Company has not granted any loans or provided guarantees or securities and has not made investments to parties covered by section 185 and 186 of the Companies Act, 2013. Hence reporting under clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. Hence reporting under clause 3(vi) of the Order is not applicable.

(vii) In respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Service tax, Income-tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Employees' State Insurance Act, 1948 and the Employees Provident Funds & Miscellaneous Provisions Act, 1952 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- (ix)
 - (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year. Therefore, reporting under clause 3(ix)(c) of the Order is not applicable.

- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion, based on the reports provided to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business, for the period covered by the internal audit report i.e. April 1, 2021 to September 30, 2021. We are unable to comment on the balance period of the financial year as this period was not required to be covered by the internal auditor.
- (b) We have considered, the internal audit reports issued to the Company during the year covering transactions entered into by the Company during the period April 1, 2021 to September 30, 2021. The scope of work did not include transactions entered into by the Company during the period October 1, 2021 to March 31, 2022.
- (xv) During the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In the group (in accordance with Core Investment Companies (Reserve Bank) Directions, 2016), there are 2 companies forming part of the promoter/promoter group of the Company which are CICs.
- (xvii) The Company has incurred cash losses amounting to ₹0.36 lakhs during the financial year and ₹17.03 lakhs in the immediately preceding financial year covered by our audit.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, asset liability maturity pattern, other information accompanying the financial statements and 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 indicating 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.

- (xx) The Company does not have net worth of rupees five hundred crore or more as at 31st March, 2021 and for the year ended on that date, its turnover (i.e. revenue from operations) was less than ₹ 1,000 crore and its net profit was less than ₹ 5 crore. Therefore, provisions of Section 135 of

the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner

(Membership No. 039826)

(UDIN: 22039826AHXCCW8047)

Mumbai, April 27, 2022

L&T Mutual Fund Trustee Limited

Balance Sheet as at March 31, 2022

(₹ in Lakh)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
A ASSETS			
1 Non-current assets			
(a) Deferred tax assets (net)	2	—	—
(b) Other non-current assets	3	—	—
(c) Income tax receivable (net)	4	23.68	19.49
Total Non - Current Assets		23.68	19.49
2 Current assets			
(a) Financial Assets			
(i) Investments	5	67.36	74.18
(ii) Trade receivables	6	8.22	1.38
(iii) Cash and cash equivalents	7	3.91	5.70
(iv) Others	8	0.16	—
(b) Other current assets	9	0.14	—
Total Current Assets		79.79	81.26
Total Assets		103.47	100.75
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	15.00	15.00
(b) Other equity			
(i) Reserves and surplus	11	81.09	77.16
Total equity		96.09	92.16
2 Non-current liabilities			
(a) Provisions	12	1.02	0.21
Total Non - Current liabilities		1.02	0.21
2 Current liabilities			
(a) Financial Liabilities			
(i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		—	—
- total outstanding dues of creditors other than micro enterprises and small enterprises	13	3.74	6.48
(ii) Other financial liabilities	14	2.30	1.67
(b) Provisions	12	0.04	0.01
(c) Other current liabilities	15	0.28	0.22
Total Current Liabilities		6.36	8.38
Total Equity and Liabilities		103.47	100.75
Significant accounting policies	1	—	—
See accompanying notes forming part of financial statements	21 to 41		

As per our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors
of **L&T Mutual Fund Trustee Limited**

Sanjiv V. Pilgaonkar
Partner

Shailesh Haribhakti
Chairperson
(DIN - 00007347)

Place : Mumbai
Date : April 27, 2022

Place : Mumbai
Date : April 27, 2022

L&T Mutual Fund Trustee Limited

Statement of Profit and Loss as at March 31, 2022

(₹ in Lakh)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
I INCOME			
(a) Revenue from operations	16	5.00	5.00
(b) Other income	17	2.18	3.08
Total income (a + b)		7.18	8.08
II EXPENSES			
(a) Employee benefit expense	18	–	5.84
(b) Other expenses	19	3.25	40.98
Total expenses		3.25	46.82
III Profit/(Loss) before tax (I - II)		3.93	(38.74)
IV Tax Expense	20		
(1) Current tax		–	–
(2) Deferred tax		–	–
Total tax expense (IV)		–	–
V Profit/(loss) for the year (III-IV)		3.93	(38.74)
VI Other comprehensive income for the year (net of tax)			
VII Total comprehensive income for the year		3.93	(38.74)
VIII Earnings per share:	30		
(1) Basic (₹)		2.62	(25.83)
(2) Diluted (₹)		2.62	(25.83)
Nominal value per share in ₹		10.00	10.00
Significant accounting policies	1		
See accompanying notes forming part of financial statements	21 to 41		

As per our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors
of **L&T Mutual Fund Trustee Limited**

Sanjiv V. Pilgaonkar
Partner

Shailesh Haribhakti
Chairperson
(DIN - 00007347)

Place : Mumbai
Date : April 27, 2022

Place : Mumbai
Date : April 27, 2022

L&T Mutual Fund Trustee Limited

Statement of change in equity as at March 31, 2022

a. Equity share capital

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	₹ in Lakh	Number of Shares	₹ in Lakh
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	150,000	15.00	150,000	15.00
- Changes in equity share capital due to prior period errors	—	—	—	—
Restated the balance at the beginning of the year	150,000	15.00	150,000	15.00
Issue of equity shares	—	—	—	—
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	150,000	15.00	150,000	15.00

b. Other equity

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	₹ in Lakh	Number of Shares	₹ in Lakh
Balance at the beginning of the year	157.76	(80.60)	157.76	(41.86)
Profit/(loss) for the year	—	3.93	—	(38.74)
Total comprehensive income for the year	—	3.93	—	(38.74)
Balance at the end of the year	157.76	(76.67)	157.76	(80.60)

The accompanying notes are integral part of the financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors
of **L&T Mutual Fund Trustee Limited**

Sanjiv V. Pilgaonkar
Partner

Shailesh Haribhakti
Chairperson
(DIN - 00007347)

Place : Mumbai
Date : April 27, 2022

Place : Mumbai
Date : April 27, 2022

L&T Mutual Fund Trustee Limited

Cash Flow Statement as at March 31, 2022

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit/(loss) before tax	3.93	(38.74)
Adjustments for:		
(Reversal)/ Provision for GST	(2.73)	16.72
Profit on sale of current investments (net)	(0.62)	(8.07)
Changes in the fair value of financial assets at fair value through profit and loss	(1.56)	4.99
Operating loss before working capital changes	(0.98)	(25.10)
Adjustment for increase in operating assets		
Trade receivables	(6.84)	(0.03)
Other current assets	2.43	(3.08)
Adjustment for increase / (decrease) in operating liabilities		
Trade payables	(2.74)	2.98
Other financial liabilities	0.63	0.67
Other current liabilities	0.06	0.11
Provisions	0.84	0.22
Changes in working capital	(5.62)	0.87
Cash used in operations	(6.60)	(24.23)
Net taxes paid	(4.19)	(0.37)
Net cash used in operating activities (A)	(10.79)	(24.60)
Cash flows from investing activities		
Purchase of investments	(33.00)	(74.00)
Proceeds on redemption of investments	42.00	99.08
Net cash generated from investing activities (B)	9.00	25.08
Cash flows from financing activities		
Net cash generated from financing activities (C)	—	—
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	(1.79)	0.48
Cash and cash equivalents as at the beginning of the year	5.70	5.22
Cash and cash equivalents as at the end of the year	3.91	5.70

As per our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors
of **L&T Mutual Fund Trustee Limited**

Sanjiv V. Pilgaonkar
Partner

Shailesh Haribhakti
Chairperson
(DIN - 00007347)

Place : Mumbai
Date : April 27, 2022

Place : Mumbai
Date : April 27, 2022

L&T Mutual Fund Trustee Limited

Notes forming part of Financial Statements - March 31, 2022

Background

L&T Mutual Fund Trustee Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's principal activity is to provide trusteeship service to L&T Mutual Fund having its registered office at L&T House, NM Marg, Ballard Estate, Mumbai 400001. The principal shareholder of the Company as at 31st March, 2022 is L&T Finance Holdings Limited.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors passed in their meeting held on April 27, 2022.

1 Summary of Significant Accounting Policies:

(a) Statement of compliance:

These financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 read with Section 133 of the Companies Act, 2013 with effect from April 1, 2016. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

(b) Presentation of financial statements:

The financial statements are presented in 'Indian Rupees'(INR), which is Company's functional and presentation currency and the same has been rounded off to the nearest lakh.

(c) Revenue Recognition

The Company is in the business of providing trusteeship services. Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Trusteeship fees is recognised in the statement of profit and loss over the period of service, net of GST.

(d) Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(e) Share Capital

Ordinary equity shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(f) Financial instruments

Financial instruments are recognised when the Company becomes party to a contract. At initial recognition, the Company measures a financial asset at its fair value plus the transaction costs that are directly attributable to the acquisition of the financial asset. In case of financial assets carried at fair value through profit or loss, transaction costs are expensed in Statement of profit and loss as incurred.

Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost or at fair value depending on the classification of the financial assets as follows:

- a) The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:
 - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
 - The Company currently classifies cash and cash equivalents, trade receivables and other financial assets that meet the above definition at amortised cost.
- b) Debt instruments that meet the following conditions shall be subsequently measured at fair value through other comprehensive income (FVOCI):
 - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

Notes forming part of Financial Statements - March 31, 2022

- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- c) Assets that do not meet the above criteria for amortised cost or FVOCI are measured at fair value through profit or loss (FVTPL). Investments in equity instruments are classified as at FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.

For financial assets that are measured at FVOCI, income by way of interest is recognised in profit or loss and changes in fair value (other than on account of such income) are recognised in Other Comprehensive Income and accumulated in other equity. On disposal of debt instruments measured at FVOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments measured at FVOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or
2. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the Company has transferred substantially all the risks and rewards of the asset, or b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

Impairment of financial assets: The Company

recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 - Impairment loss on investments.

Financial liabilities

- A. The Company measures all the financial liabilities including trade payables as measured at amortised cost using Effective Interest Rate (EIR) method.
- B. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

(g) Employee benefits

(i) Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(ii) Post-employment benefits:

(a) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(b) Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the company, the post-retirement medical care plan and the pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial

Notes forming part of Financial Statements - March 31, 2022

valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absences, long service award etc. is measured at present value of estimated future cash flows expected to be made by the Company

and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

(h) Taxation

Current Tax

The income tax expense or credit for the period is the tax payable on the current periods taxable income based on the applicable income tax rate adjusted by changes in deferred tax asset and liabilities attributable to temporary differences and to unused tax losses.

Current tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals. This is assessed periodically by the management.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head

Notes forming part of Financial Statements - March 31, 2022

“capital gains” are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intend either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or direct in equity, respectively.

(i) Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised only when:

- (i) an entity has a present obligation (legal or constructive) as a result of a past event; and
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:
(i) a present obligation arising from past events, when it is not probable that an outflow of resources

will be required to settle the obligation; and
(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(j) Earning Per Share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(k) Cash and cash equivalents

For the purposes of presentation in the statement of cash flow, cash and cash equivalents comprise cash on hand and balance with banks.

(l) Statement of cash flow

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i) changes during the period in operating receivables and payables transactions of a non-cash nature;
- ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and
- iii) all other items for which the cash effects are investing or financing cash flows.

(m) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 20 for segment information.

Notes forming part of Financial Statements - March 31, 2022

(n) Fair value Measurement

The Company measures financial instruments such as investments in mutual funds 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy (refer note 21).

(o) Critical Estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires that the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The estimates and underlying assumptions are reviewed on an ongoing basis. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised

in the periods in which the results are known / materialise.

The areas involving critical estimates or judgements are:

- (i) Recognition of deferred tax assets for carried forward tax losses :- The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.
- (ii) Goods and Services tax input credit is recognised for in the books in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

2 Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Provision for Expenses	—	—
Business losses	0.44	(0.05)
Deferred tax Liabilities		
Gain on FVTPL of investments made in mutual fund	(0.44)	0.05
Total	—	—

Notes forming part of Financial Statements - March 31, 2022

3 Other non-current assets (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current Assets		
Statutory dues recoverable	—	16.72
Less : Provision for GST Input credit receivable	—	(16.72)
Total	—	—

4 Income tax receivable (net) (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax	23.68	19.49
Total	23.68	19.49

5 Investments (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments carried at fair value through Profit & Loss		
Mutual Fund - Liquid Funds		
- L&T Overnight Fund (G) Direct Plan -CY 2,530.043 units (PY 4,620.116 units) NAV as on March 31, 2022 : 1,658.3830 (NAV as on March 31, 2021: 1,605.6674)	41.96	74.18
- L&T Liquid Fund (G) Direct Plan - CY 871.520 units (PY Nil units) NAV as on March 31, 2022 : 2,914.9581 (NAV as on March 31, 2021: NA)	25.40	—
Total	67.36	74.18

Notes forming part of Financial Statements - March 31, 2022

6 Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Receivables considered good - Unsecured	8.22	1.38
Total	8.22	1.38

Particulars	As at March 31, 2022						Total
	Not due	Outstanding for following periods from the due date of payment					
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed							
- Considered good	–	8.22	–	–	–	–	8.22
- Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	–	–	–	–	–	–	–
Disputed							
- Considered good	–	–	–	–	–	–	–
- Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	–	–	–	–	–	–	–
Gross trade receivables	–	8.22	–	–	–	–	8.22
Less : Allowance for Doubtful debts	–	–	–	–	–	–	–
Total trade receivables (net of allowance for doubtful debts)	–	8.22	–	–	–	–	8.22

Particulars	Not due	As at March 31, 2021					Total
		Outstanding for following periods from the due date of payment					
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed							
- Considered good	–	1.38	–	–	–	–	1.38
- Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	–	–	–	–	–	–	–
Disputed							
- Considered good	–	–	–	–	–	–	–
- Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	–	–	–	–	–	–	–
Gross trade receivables	–	1.38	–	–	–	–	1.38
Less : Allowance for Doubtful debts	–	–	–	–	–	–	–
Total trade receivables (net of allowance for doubtful debts)	–	1.38	–	–	–	–	1.38

*Date of the transaction is considered as due date of payment.

Notes forming part of Financial Statements - March 31, 2022

7 Cash and cash equivalents (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Bank balances in current accounts	3.91	5.70
Total	3.91	5.70

8 Others (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Due from related party	0.16	–
Total	0.16	–

9 Other current assets (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to suppliers	0.14	–
Total	0.14	–

10 Equity Share Capital

The Company has issued equity share capital, the details in respect of which are given below

(a) Share capital authorised, issued, subscribed and paid up:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity shares of ₹ 10 each	250,000	25.00	250,000	25.00
	250,000	25.00	250,000	25.00
Issued, subscribed and paid up				
Equity shares of ₹ 10 each	150,000	15.00	150,000	15.00
	150,000	15.00	150,000	15.00

(b) Reconciliation of the number of equity shares and share capital:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	150,000	15.00	150,000	15.00
Add: Shares issued during the year	–	–	–	–
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	150,000	15.00	150,000	15.00

Notes forming part of Financial Statements - March 31, 2022

(c) Shares held by Holding Company (L&T Finance Holdings Limited)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of ₹ 10 each	150,000	15.00	150,000	15.00
	150,000	15.00	150,000	15.00

(d) Details of shareholders holding more than five percent equity shares in the Company as at the reporting date are as under:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of holding	No. of Shares held	% of holding
L&T Finance Holdings Limited	150,000	100%	150,000	100%
	150,000	100%	150,000	100%

(e) Shares held by Promoters :

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of holding	No. of Shares held	% of holding
L&T Finance Holdings Limited (including its nominee) (Equity Shares of ₹ 10/- each fully paid)	150,000	15.00	150,000	15.00

(f) Shares held by Promoters at the end of the year :

Particulars	No. of Shares	% of total shares	% change during the year
L&T Finance Holdings Limited (including its nominee) (Equity Shares of ₹ 10/- each fully paid)	150,000	100%	NIL

(g) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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.

Notes forming part of Financial Statements - March 31, 2022

- (h) There are no shares allotted for consideration other than cash during 5 years immediately preceding March 31, 2022.
- (i) There are no shares allotted as fully paid up by way of bonus shares during 5 years immediately preceding March 31, 2022.
- (j) There are no shares bought back during 5 years immediately preceding March 31, 2022.

11 Other Equity

Reserves and surplus		(₹ in Lakhs)
Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	157.76	157.76
Retained earnings	(76.67)	(80.60)
Other comprehensive income	–	–
Total	81.09	77.16

11.1 Capital Reserve (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	157.76	157.76
Addition during the year	–	–
Balance at end of year	157.76	157.76

Non-distributable Reserve created in accordance with the Scheme of Arrangement approved by the Honourable High Court of Judicature at Bombay, upon amalgamation of an erstwhile subsidiary (viz. L&T Trustee Services Private Limited) with the Company.

11.2 Retained earnings (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	(80.60)	(41.86)
Addition during the year	3.93	(38.74)
Balance at end of year	(76.67)	(80.60)

Retained Earnings represents the Company's cumulative losses

11.3 Other comprehensive income (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Remeasurement of defined benefit plans	(0.04)	–
Reimbursement of Income	0.04	–
Balance at end of year	–	–

Notes forming part of Financial Statements - March 31, 2022

12 Provisions	(₹ in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Non Current :		
Gratuity (Note No: 24)	0.38	—
Compensated absences	0.64	0.21
Total	1.02	0.21
Current :		
Gratuity (Note No: 24)	—	—
Compensated absences	0.04	0.01
Total	0.04	0.01

13 Trade payables	(₹ in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Mircro enterprises and small enterprises	—	—
Trade payables	3.74	6.48
Due to related parties	—	—
Total	3.74	6.48

Particulars	Unbilled dues	Not due	As at March 31, 2022				Total
			Outstanding for following periods from the due date of payment				
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed							
- MSME	—	—	—	—	—	—	—
- Others	3.74	—	—	—	—	—	3.74
Disputed							
- MSME	—	—	—	—	—	—	—
- Others	—	—	—	—	—	—	—
Total trade payable	3.74	—	—	—	—	—	3.74

Notes forming part of Financial Statements - March 31, 2022

Particulars	Unbilled dues	Not due	As at March 31, 2021				Total
			Outstanding for following periods from the due date of payment				
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed							
- MSME	-	-	-	-	-	-	-
- Others	6.48	-	-	-	-	-	6.48
Disputed							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total trade payable	6.48	-	-	-	-	-	6.48

14 Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefits payable	2.30	0.67
Due to a related party	-	1.00
Total	2.30	1.67

15 Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	0.28	0.22
Total	0.28	0.22

16 Revenue From Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contracts with customers		
Trusteeship Fees	5.00	5.00
Total	5.00	5.00

Notes forming part of Financial Statements - March 31, 2022

17 Other income (₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Realised Profit on Sale of Investments	0.62	8.07
Unrealised Gain on Fair value of Investments	1.56	(4.99)
Total	2.18	3.08

18 Employee benefit expense (₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries	17.78	5.48
Contribution to provident and other funds	(0.01)	0.01
Staff welfare expenses	0.74	0.35
Gratuity (Note No: 24)	0.42	—
Reimbursement of expenses	(18.93)	—
Total	—	5.84

19 Other expenses (₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Directors sitting fees	18.00	15.50
Reimbursement of expenses	(18.00)	—
Bank charges	0.03	0.10
Legal and Professional charges	2.22	4.87
Auditor's remuneration		
Audit Fees	1.65	1.65
Limited review fees	1.95	1.95
Reimbursement of expenses	0.03	0.08
Miscellaneous expenses	—	0.01
Provision/(reversal) of GST Credit Receivable	(2.73)	16.72
Filing fees	0.10	0.10
Total	3.25	40.98

Notes forming part of Financial Statements - March 31, 2022

20 Tax Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax expense	–	–
Total	–	–

21 Fair value measurements

Financial instruments by category

(₹ in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments				
- Mutual funds	67.36	–	74.18	–
Trade receivables	–	8.22	–	1.38
Cash and cash equivalents	–	3.91	–	5.70
Other financial assets	–	0.16	–	–
Total financial assets	67.36	12.29	74.18	7.08
Financial liabilities				
Trade payables				
(i) total outstanding dues to micro enterprises and small enterprises	–	–	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	–	3.74	–	6.48
Other financial liabilities	–	2.30	–	1.67
Total financial liabilities	–	6.04	–	8.15

FVTPL : Fair value through profit and loss account

Notes forming part of Financial Statements - March 31, 2022

Items of Income, expense, gains or losses				(₹ in Lakhs)	
Particulars	March 31, 2022		March 31, 2021		
	FVTPL	Amortised cost	FVTPL	Amortised cost	
Net gain/ (losses) on financial assets and financial liabilities					
Gain/ (loss) on redemption of investment in mutual fund units	0.62	–	8.07	–	
Gain/ (loss) on fair valuation of mutual fund units	1.56	–	(4.99)	–	

(i) Fair value hierarchy

This Section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

				(₹ in Lakhs)	
Financial assets and liabilities measured at fair value - recurring fair value measurements		Level 1	Level 2	Level 3	
As at March 31, 2022					
Financial assets					
Financial Investments at FVTPL					
Mutual funds		67.36	–	–	
As at March 31, 2021					
Financial assets					
Financial Investments at FVTPL					
Mutual funds		74.18	–	–	

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between levels 1 and 2 during the year.

(ii) Valuation processes:

The carrying amounts of trade receivables, cash and cash equivalents, other financial assets, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

Notes forming part of Financial Statements - March 31, 2022

22 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets measured at amortised cost	Aging analysis	High quality credit rating of Bank
Liquidity risk	Trade payables and other financial liabilities	Rolling cash flow forecasts	Working Capital Management
Market Risk – security prices	Investments in units of mutual funds	Sensitivity analysis	Portfolio diversification

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including deposits with banks. On account of Ind AS 109, the Company uses simplified approach for recognition of impairment loss allowance under the expected credit loss model.

Trade receivable

The Company renders services to related entities only and as such credit risk of trade receivable is not expected to be significant considering the credit worthiness of the related entities. The Company closely monitors the ageing of its trade receivables to ensure the non-receipt of payment is escalated and recovered. The Company uses a provision matrix to compute impairment loss allowance for trade receivable.

Deposits with banks

The Company performs a qualitative assessment of credit risk on its cash and cash equivalents. The Company maintains its current deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities as and when they are due. The Company aims to maintain an adequate level of its cash and cash equivalent at an amount in excess of expected cash outflows, arising from operations. Currently, the Company's financial liabilities only include trade payables and other financial liabilities which are payable within a period of 12 months.

(C) Market Risk

The Company's exposure to investment in mutual funds held as FVTPL exposes it to price risk. To manage this risk, the Company diversifies its portfolio. The Company's total exposure in investments in mutual fund carried at FVTPL is ₹ 67.36 Lakh (Previous Year: ₹ 74.18 Lakh).

Notes forming part of Financial Statements - March 31, 2022

Financial instruments by category	FY 21-22 Impact on profit or (loss)	FY 20-21 Impact on profit or (loss)
Investment in mutual fund (impact of increase and decrease)		
Liquid mutual funds-NAV increased by 1%	0.67	0.74
Liquid mutual funds-NAV decreased by 1%	(0.67)	(0.74)

23 Income Taxes

(a) Major components of tax expense/(income): (₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consolidated statement of Profit and Loss:		
Profit and Loss section:		
(i) Current Income tax :		
Current income tax expense	—	—
	—	—
(ii) Deferred Tax:	—	—
Income tax expense reported in the statement of profit or loss[(i)+(ii)]	—	—

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India: (₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(loss) before tax (a)	3.93	(38.74)
Corporate tax rate as per Income tax Act, 1961 (b)	25.17%	25.17%
Tax on accounting profit/(loss) (c)=(a)*(b)	0.99	(9.75)
Total effect of tax adjustments		
(i) Unrecognised temporary differences (losses on which no deferred tax asset is recognised)	0.09	4.03
(ii) Adjustment in respect to deferred tax of previous years	(0.39)	0.97
(iii) Unrecognised temporary differences (provisions on which no deferred tax asset is recognised)	(0.69)	4.75
Total effect of tax adjustments (d)	(0.99)	9.75
Less: Mat Credit Entitlement	—	—
Tax expense recognised during the year (e)=(c)-(d)	—	—

Notes forming part of Financial Statements - March 31, 2022

- (c) (i) Unused tax losses and unused tax credits for which no deferred tax asset is recognised in Balance Sheet.

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹ in lakh	Expiry year	₹ in lakh	Expiry year
Tax losses (Business loss and unabsorbed depreciation)				
Business losses on which no DTA is created				
- Amount of losses having expiry				
AY2015-16	–	AY 2023-24	0.07	AY 2023-24
AY2017-18	0.13	AY 2025-26	1.62	AY 2025-26
AY2018-19	11.56	AY 2026-27	11.56	AY 2026-27
AY2019-20	13.70	AY 2027-28	13.70	AY 2027-28
AY2020-21	14.83	AY 2028-29	14.83	AY 2028-29
AY2021-22	16.03	AY 2029-30	16.03	AY 2029-30
AY2022-23	0.34	AY 2030-31		
Total	56.60		57.81	

- (ii) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance Sheet

(₹ in Lakhs)

Particulars	As at 31-3-2022	As at 31-3-2021
(a) Towards provision for exp	1.12	–
(b) Towards provision for Gratuity	0.38	–
(c) Towards provision for Leave encashment	0.46	–
Total	1.96	–

- (d) Major components of Deferred Tax Liabilities and Deferred Tax Assets:

(₹ in Lakhs)

Particulars	Deferred tax liabilities/(assets) as at April 01, 2021	Charge/(credit) to Statement of Profit and Loss	Deferred tax liabilities/(assets) as at March 31, 2022
Deferred tax liabilities:			
—Fair value of investments (routed through FVTPL)	0.05	0.39	0.44
Deferred tax liabilities	0.05	0.39	0.44
Offsetting of deferred tax liabilities with deferred tax (assets)	–	–	–
Net Deferred tax liabilities (A)	0.05	0.39	0.44
Deferred tax (assets):			
–Unutilised MAT credit	–	–	–
–Other items giving rise to temporary differences	–	–	–
–Deferred Tax asset created to the extent of brought forward losses	(0.05)	(0.39)	(0.44)
Deferred tax (assets)	(0.05)	(0.39)	(0.44)
Offsetting of deferred tax (assets) with deferred tax liabilities	–	–	–
Net Deferred tax (assets) (B)	(0.05)	(0.39)	(0.44)
Net deferred tax liability/(assets) (A) + (B)	–	–	–

Notes forming part of Financial Statements - March 31, 2022

(₹ in Lakhs)

Particulars	Deferred tax liabilities/(assets) as at April 01, 2020	Charge/(credit) to Statement of Profit and Loss	Deferred tax liabilities/(assets) as at March 31, 2021
Deferred tax liabilities:			
--Fair value of investments (routed through FVTPL and FVTOCI)	1.30	(1.25)	0.05
Deferred tax liabilities	1.30	(1.25)	0.05
Offsetting of deferred tax liabilities with deferred tax (assets)	—	—	—
Net Deferred tax liabilities (A)	1.30	(1.25)	0.05
Deferred tax (assets):			
-Unutilised MAT credit	—	—	—
-Other items giving rise to temporary differences	(0.34)	0.34	—
-Deferred Tax asset created to the extent of brought forward losses	(0.96)	0.91	(0.05)
Deferred tax (assets)	(1.30)	1.25	(0.05)
Offsetting of deferred tax (assets) with deferred tax liabilities	—	—	—
Net Deferred tax (assets) (B)	(1.30)	1.25	(0.05)
Net deferred tax liability/(assets) (A) + (B)	—	—	—

24 Disclosure pursuant to Ind AS 19 “Employee Benefits”

(i) Defined benefits Gratuity Plan

(a) The amounts recognised in Balance Sheet are as follows: (₹ in Lakhs)

Particulars	Gratuity Plan	
	As at March 31, 2022	As at March 31, 2021
(A) Present Value of Defined Benefit Obligation		
- Wholly funded		—
- Wholly unfunded	0.38	—
	0.38	—
Less : Fair Value of plan assets	—	—
Amount to be recognised as liability or (asset)	0.38	—
B) Amounts reflected in Balance Sheet		
Liabilities	0.38	—
Assets	—	—
Net liability/(asset)	0.38	—
Net liability/(asset) - current*	0.00	—
Net liability/(asset) - non-current	0.38	—

*Amount is less than ₹ 1000/-

Notes forming part of Financial Statements - March 31, 2022

(b) The amounts recognised in the Statement of Profit and Loss are as follows: (₹ in Lakhs)

Particulars	Gratuity Plan	
	As at March 31, 2022	As at March 31, 2021
1 Current Service Cost	0.42	—
2 Interest Cost	—	—
3 Interest Income on Plan Assets	—	—
4 Actuarial losses/(gains) - others	(0.04)	—
5 Actuarial losses/(gains) - difference between actuarial return on plan assets and interest income	—	—
Total (1 to 5)	0.38	—
Amount included in "employee benefits expenses"	0.42	—
Amount included in as part of "finance cost"	—	—
Amount included as part of "Other Comprehensive income"	(0.04)	—
Total (i + ii + iii)	0.38	—

(c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

Particulars	Gratuity Plan	
	As at March 31, 2022	As at March 31, 2021
Opening balance of the present value of defined benefit obligation	—	—
Add : Current Service Cost	0.42	—
Add : Interest Cost	—	—
Add : Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in financial assumptions	(0.03)	—
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	—	—
ii) Actuarial (gains)/losses arising from changes in experience adjustments	(0.01)	—
Less : Benefits paid	—	—
Add : Past service cost	—	—
Add : Liability assumed/(settled)	—	—
Add/(less) : Translation adjustments	—	—
Closing balance of the present value of defined benefit obligation	0.38	—

Notes forming part of Financial Statements - March 31, 2022

(d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows

Particulars	Gratuity Plan	
	As at March 31, 2022	As at March 31, 2021
Opening balance of the fair value of the plan assets	—	—
Add : interest income of plan assets	—	—
Add/(less) : Actuarial gains/(losses)		
(Difference between actual return on plan assets and interest income)	—	—
Add : Contribution by the employer	—	—
Add/(less) : Contribution by plan participants	—	—
Less : Benefits paid	—	—
Closing balance of plan assets	—	—

(e) The fair value of major categories of plan assets are as follows:

Particulars	Gratuity Plan	
	As at March 31, 2022	As at March 31, 2021
1 Government of India Securities	—	—
2 Corporate Bonds	—	—
3 Special Deposit Scheme	—	—
4 Insurer Managed Funds (Unquoted)	—	—
5 Others	—	—

(f) Principal actuarial assumptions at the valuation date:

Particulars	Gratuity Plan	
	As at March 31, 2022	As at March 31, 2021
1 Discount rate (per annum)	7.35%	6.95%
2 Salary escalation rate (per annum)	9.00%	9.00%

(A) Discount rate:

Discount rate based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

(B) Salary escalation rate:

The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

(g) Mortality:

Published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

(h) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes forming part of Financial Statements - March 31, 2022

(i) Sensitivity Analysis

One percentage point change in actuarial assumption would have the following effects on the defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity Plan			
	Effect of 1% increase		Effect of 1% decrease	
	2021-22	2020-21	2021-22	2020-21
1 Discount rate (per annum)	(0.07)	—	0.09	—
2 Salary escalation rate (per annum)	0.09	—	(0.07)	—

25 Disclosure pursuant to Ind AS 115 “Revenue from contracts with customers”

1 Disaggregation of revenue for the year ended March 31, 2022 - Following table covers the revenue segregation in to Operating segments and Geographical areas

(₹ in Lakhs)

Particulars	Revenue from contracts with customers	Total as per P&L for the year ended March 31, 2022
Segment	Domestic	Total
Trusteeship Fee Income	5.00	5.00
Total	5.00	5.00
Revenue recognised based on performance obligations satisfied over a period of time	5.00	5.00
Revenue recognised based on performance obligations satisfied at a point in time	—	—

Disaggregation of revenue for the year ended March 31, 2021 - Following table covers the revenue segregation in to Operating segments and Geographical areas

(₹ in Lakhs)

Particulars	Revenue from contracts with customers	Total as per P&L for the year ended March 31, 2021
Segment	Domestic	Total
Trusteeship Fee Income	5.00	5.00
Total	5.00	5.00
Revenue recognised based on performance obligations satisfied over a period of time	5.00	5.00
Revenue recognised based on performance obligations satisfied at a point in time	—	—

2 Reconciliation of contracted price with revenue during the year

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue recognised in statement of profit & loss	5.00	5.00
Contracted prices	5.00	5.00

Notes forming part of Financial Statements - March 31, 2022

3 Movement of trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	1.38	1.35
Revenue recognised during the year	5.00	5.00
Invoices raised during the year for point in time sale	5.00	5.00
Amount recovered	5.00	4.97
Closing Balance	1.38	1.38

- 4 The Company has not recognised any assets as on March 31, 2022 and March 31, 2021 from the costs to obtain or fulfil a contract with a customer.

26 Capital management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure.

27 Contingent liabilities and Capital commitments

The Company does not have any contingent liabilities / capital commitments as at March 31, 2022 (Previous Year: Nil)

28 Segment Reporting

The Board of directors are the Company's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the chief operating decision-maker for the purposes of allocating resources and assessing performance.

The Company operates in only one segment viz 'providing trusteeship services' to L&T Mutual fund. Further all activities are carried out within India. As such, there are no separate reportable segments as per Ind AS 108 'Operating Segments'. There exists concentration risk as 100 percentage of revenue (Trusteeship Fees) is from one single customer i.e. L&T Mutual Fund.

29 Micro and Small Enterprises

There are no dues to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 which are outstanding as at the Balance Sheet date. This information has been determined on the basis of information available with the Company.

30 Earnings Per Share:

EPS is computed by dividing the net profit after tax by the weighted average number of equity shares.

		(₹ in Lakhs)	
Particulars	Unit	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit available to equity shareholders (A)			
Profit/(loss) after tax	₹	3.93	(38.74)
Weighted average number of equity shares			
Number of shares at the beginning of the year	No.	150,000	150,000
Shares issued during the year	No.	—	—
Total number of equity shares outstanding at the end of the year	No.	150,000	150,000
Weighted average number of equity shares (B)	No.	150,000	150,000
Nominal value of equity shares	₹	10/-	10/-
Basic and Diluted earnings per share [(A)/(B)]	₹	2.62	(25.83)

Notes forming part of Financial Statements - March 31, 2022

31 Related party disclosures

A Name of the related parties and description of relationship (With whom transactions are carried out during current / previous period)

(i) Ultimate Holding Company	Larsen & Toubro Limited
(ii) Holding Company	L&T Finance Holdings Limited*
(iii) Fellow Subsidiary	L&T Investment Management Limited*
(iv) Key Managerial Personnel	Mr. S. V. Haribhakti - Chairman & Non Executive Director Mr. Shriniwas Joshi - Independent Director Mr. Jayant Gokhale - Independent Director Mr. Hemant Joshi - Independent Director (ceased to be a director w.e.f December 14, 2021) Mr. Syed Waqar Abbas Naqvi - Independent Director (appointed w.e.f March 17, 2022)

*No Transactions during the year

B Details of Transaction with Related Parties (₹ in Lakhs)

Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Shared service cost - Larsen & Toubro Limited	2.24	1.15

Amount due to / from Related Parties (₹ in Lakhs)

Nature of Transactions	As at March 31, 2022	As at March 31, 2021
Larsen & Toubro Limited Receivable/(Payable)	0.16	(1.00)

Compensation paid to Key Managerial Personnel (₹ in Lakhs)

Name of Key Managerial Personnel	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. S. V. Haribhakti	5.50	5.00
Mr. Hemant Joshi	3.50	4.00
Ms. Malini Thadani	—	1.50
Mr. S.K. Mitra	—	1.50
Mr. Shriniwas Joshi	5.50	2.50
Mr. Jayant Gokhale	3.50	1.00

Notes forming part of Financial Statements - March 31, 2022

32 Ratios

Sr. No.	Ratio	Numerator	Denominator	FY 21-22	FY 20-21	Variance (%)	Reason for variance
1	Current Ratio (CR)	Current Assets	Current Liabilities	12.55	9.69	29.45	CR has increased due to increase in trade receivable of reimbursement of expenses
2	Debt - Equity Ratio*	Total Debt	Total Equity	NA	NA	NA	NA
3	Debt Service Coverage Ratio*	Earnings before interest and taxes	Debt Service	NA	NA	NA	NA
4	Return on Equity (ROE)	Profit/(loss) after tax	Average total equity	0.04	(0.35)	(112.02)	ROE has increased due to increase in net profit for the current year.
5	Inventory Turnover Ratio*	Revenue from operations	Average Inventory	NA	NA	NA	NA
6	Trade receivables turnover ratio	Revenue from operations	Average Accounts Receivable	3.62	3.66	(1.09)	NA
7	Trade payables turnover ratio*	Net Credit Purchase	Average Trade Payables	NA	NA	NA	NA
8	Net capital turnover ratio	Revenue from operations	Current Assets less Current Liabilities	0.07	0.07	(0.76)	NA
9	Net Profit Ratio (NP)	Profit/(loss) after tax	Revenue from operations	0.79	(7.75)	(110.14)	NP has increased due to increase in net profit for the current year.
10	Return on capital employed (ROCE)	Earnings before interest and taxes (EBIT)	Total equity	0.04	(0.42)	(109.73)	ROCE has increased due to increase in EBIT for the current year.
11	Return on investment	Income	Average Investment	0.03	0.04	(13.16)	NA

*These ratios are not applicable to the entity

Reasons for variance is provided only for changes by more than 25% compared to the preceding year.

Notes forming part of Financial Statements - March 31, 2022

33 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.

(₹ in Lakhs)

ASSETS	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	3.91	–	3.91	5.70	–	5.70
Trade Receivables	8.22	–	8.22	1.38	–	1.38
Investments	67.36	–	67.36	74.18	–	74.18
Other financial Assets	0.16	–	0.16	–	–	–
Non-financial Assets						
Current tax asset	–	23.68	23.68	–	19.49	19.49
Other non-financial assets	0.14	–	0.14	–	–	–
Total assets	79.79	23.68	103.47	81.26	19.49	100.75
LIABILITIES						
Financial Liabilities						
Trade payables						
(i) total outstanding dues to micro enterprises and small enterprises		–	–	–	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.74	–	3.74	6.48	–	6.48
Other financial liabilities	2.30	–	2.30	1.67	–	1.67
Non-financial Liabilities						
Other non-financial liabilities	0.28	–	0.28	0.22	–	0.22
Provisions	0.04	1.02	1.06	0.01	0.21	0.22
Total liabilities	6.36	1.02	7.38	8.38	0.21	8.59
Net	73.43	22.66	96.09	72.88	19.28	92.16

- 34** The Company did not have any pending litigations as on March 31, 2022 (Previous Year: Nil)
- 35** The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses.
- 36** The Company did not have transactions with struck off companies during the year ended March 31, 2022.
- 37** There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
- 38** a) No funds (which are material either individually or in the aggregate) 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 person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.

Notes forming part of Financial Statements - March 31, 2022

- b) No funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.
- 39** The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- 40** The Company is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's principal activity is to provide trusteeship service to L&T Mutual Fund ("LTMF"). L&T Finance Holdings Limited, the Holding Company of L&T Investment Management Limited ("LTIM") which is Asset Management Company for LTMF, has entered into a definitive agreement with HSBC Asset Management (India) Private Limited ("HSBC AMC") on December 23, 2021 to sell 100% equity shares of LTIM and the said transaction is subject to the requisite regulatory approvals. Post closure of the transaction, if the Company is unable to provide trusteeship services to LTMF, it will carry out activities permitted under the objects clause of its Memorandum of Association (MOA). As at the March 31, 2022, the Company's current assets are sufficient to payout liabilities as on that date as well as expenses expected to be incurred during the year ending March 31, 2023. Therefore, the financial statements have been prepared on going concern basis.
- 41** Previous year figures have been reclassified to conform to current year's classification.

As per our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors
L&T Mutual Fund Trustee Limited

Sanjiv V. Pilgaonkar
Partner

Shailesh Haribhakti
Chairperson
(DIN - 00007347)

Place : Mumbai
Date : April 27, 2022

Place : Mumbai
Date : April 27, 2022