

Abridged Annual Report 2016-2017

Sponsor

L&T Finance Holdings Limited

Registered Office:
L&T House, Ballard Estate, P.O. Box 278
Mumbai 400 001

Trustee

L&T Mutual Fund Trustee Limited

Registered Office:
L&T House, Ballard Estate, P.O. Box No. 278
Mumbai 400 001

Asset Management Company

L&T Investment Management Limited

Registered Office:
L&T House, Ballard Estate, P.O. Box No. 278
Mumbai 400 001

Head Office:

6th Floor, Brindavan, Plot No 177, CST Road
Kalina, Santacruz (E), Mumbai 400 098

Auditors To The Fund

Price Waterhouse

252, Veer Savarkar Marg, Shivaji Park
Dadar (West), Mumbai 400 028

Registrar And Transfer Agent

Computer Age Management Services Private Limited

New No.10, Old No.178, MGR Salai
Nungambakkam, Chennai 600 034

Custodian

Citibank, N.A.

11th Floor, First International Financial Centre (FIFC)
C-54 & C-55, G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051

Board Of Directors

L&T Investment Management Limited

Mr. R. Shankar Raman
Mr. M.V. Nair
Mr. P.H. Ravikumar
Mr. Dinanath Dubhashi

L&T Mutual Fund Trustee Limited

Mr. Yeshwant M. Deosthalee
Mr. Hemant Y. Joshi
Mr. V. Natarajan
Mr. Jairaj Purandare

L&T India Value Fund

call 1800 2000 400/1800 4190 200
www.ltps.com
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L&T Financial Services
Mutual Fund

Trustees' Report

Report from L&T Mutual Fund Trustee Limited to the unit holders of L&T India Value Fund ("the Scheme") of L&T Mutual Fund

We have pleasure in presenting the twenty-first Annual Report of L&T Mutual Fund ("LTMF") for the Financial Year ended March 31, 2017 along with the audited financial statements of the Scheme for that period.

LTMF offers a wide range of Schemes across asset classes in cash, fixed income and equity, each adhering to distinct investment styles to suit different investment needs.

LTMF has a healthy mix of assets across equity, fixed income and hybrid schemes; equity assets under management make for over 40% of the total assets under management.

As of March 31, 2017, LTMF had 41 Schemes which comprised 14 open - ended equity schemes, 13 open - ended debt / fixed income schemes and 14 close-ended schemes including various fixed maturity plans.

The open - ended equity schemes include L&T Midcap Fund, L&T Equity Fund, L&T Tax Saver Fund*, L&T Tax Advantage Fund, L&T India Special Situations Fund, L&T India Large Cap Fund, L&T Infrastructure Fund, L&T India Value Fund, L&T Dynamic Equity Fund, L&T India Prudence Fund, L&T Arbitrage Opportunities Fund, L&T Business Cycles Fund, L&T Equity Savings Fund and L&T Emerging Businesses Fund.

The open - ended debt/ fixed income schemes include L&T Triple Ace Bond Fund, L&T Ultra Short Term Fund, L&T Gilt Fund, L&T Liquid Fund, L&T Monthly Income Plan**, L&T Floating Rate Fund, L&T Flexi Bond Fund, L&T Cash Fund, L&T Banking and PSU Debt Fund, L&T Income Opportunities Fund, L&T Short Term Income Fund, L&T Short Term Opportunities Fund and L&T Resurgent India Corporate Bond Fund.

* In order to comply with the requirement of ELSS 2005 guidelines, further subscription/ switch-in into the scheme is restricted with effect from November 23, 2012.

** Monthly Income is not assured and is subject to the availability of distributable surplus.

The close - ended schemes include L&T Long Term Advantage Fund – I under the equity category and various fixed maturity plans under the debt / fixed income category.

1. Scheme Performance, Future Outlook and Operations of the Scheme

(i) Scheme Performance

The Assets Under Management ("AUM"), the net asset value ("NAV") per unit and the performance of the Scheme vis-à-vis its benchmark as on March 31, 2017 is as follows:

- AUM (Rs. in crores) : 3,444.13
- NAV (in Rs.) :

Direct Plan - Dividend Option	27.724
Direct Plan - Growth Option	33.204
Dividend Option	25.819
Growth Option	32.174

Scheme Name	CAGR Returns (%) (Period)			Since Inception		
	1 year	3 year	5 year	Date of Inception of the Scheme	CAGR Returns (%)	PTP Returns * (in Rs.)
L&T India Value Fund - Regular Plan (G)	34.49%	32.31%	25.07%	08/Jan/2010	17.54%	32174.00
S&P BSE-200	22.47%	14.17%	13.08%		8.50%	18038.18
S&P BSE SENSEX^	16.88%	9.77%	11.21%		7.52%	16887.12
L&T India Value Fund - Direct Plan (G)	35.59%	33.36%	NA	01/Jan/2013	26.40%	27041.29
S&P BSE-200	22.47%	14.17%	NA		12.22%	16318.11
S&P BSE SENSEX^	16.88%	9.77%	NA		10.24%	15127.31

Past performance may or may not be sustained in the future. * Point to Point (PTP) Returns in INR show the value of Rs.10,000/- invested ^Standard Benchmark

Note:

As per the SEBI standards for performance reporting, the since inception return is calculated on NAV of Rs. 10/- invested at inception. CAGR is compounded annualised. Date of inception is deemed to be date of allotment.

- NA – Not Applicable
- Performance data is as on 31st March 2017.
- Different plans shall have a different expense structure.
- The performance details have been provided for Regular and Direct Plan separately.

(ii) Future Market Outlook

Equity Market Overview and Outlook

After two years, the Nifty 50 Index ("Nifty") completed a full circle reaching the 9000 mark by year ended March 2017. The fiscal year started after a severe correction in all markets led mainly by commodities followed by equities, in the first quarter of the last calendar year. There were fears of recession in some of the key economies like US and a sharp slowdown in the Chinese economy which resulted in a bear market like fall in markets. However the new fiscal year started from that low point and closed the year at almost at an all-time high for the indices. With commodities forming a bottom, post announcements of shut down in capacities, equity markets responded positively especially the emerging markets.

Further, there were factors that kept a leash on sentiments like the US Presidential elections and expectations of further monetary tightening in the US. So the year was split in three parts. The first was a rally from the low point made towards the previous year end which saw a 16% rise in the Nifty by middle of September 2016. This was followed by a market correction which saw the Nifty drop 12% in anticipation of rising US interest rates. There was significant Foreign Institutional Investor ("FII") selling during this phase given some outflows from emerging markets. Then came the 17% rally in the last quarter of the year despite demonetization of high value currency and its impact. Overall the Nifty delivered a return of 19% in FY'17 after a decline of 9% in FY'16.

Valuations on a one year forward basis have remained roughly the same as March 2016 given that earnings growth has been flat. In fact, for the last three years, earnings growth has been negligible. In the last two year period, earnings have been impacted by several factors like the asset quality review of banks, correction in commodity prices, slowdown in discretionary consumption especially in the rural economy and lastly, demonetization. A very significant development for the Indian markets was the comeback of the domestic investor in this period. Domestic flows outpaced FII flows in the last two years. FII ownership of nifty stocks declined by 140bps compared to an increase of 190bps by domestic investors. This had a bearing on the structure of the market with sharp out performance of mid cap stocks over large cap stocks. As commodities started out performing, emerging markets did well. Additionally, economic data from some of the large economies like the US gave more fiscal boost. This resulted in a significant shift from 'high quality' which was the out performer over the last few years since the global financial crisis, to cyclicals and value stocks. This global phenomenon was reflected in the Indian markets as well. Energy, metals and mid & small caps in general were significant gainers during the last year, while the traditional defensive, quality sectors like IT and healthcare were under performers.

The fact that the macro backdrop remains conducive with fiscal and monetary metrics looking quite favourable, a strong show by the government in state elections, execution of tough economic measures which could result in long term gains for the economy have all fed into the momentum for this rally witnessed during the last year. With a rerating to higher than long period average valuations, now the focus has once again shifted to earnings growth. Earnings recovery is the key for further upsides from here as valuation upsides are limited. In this regard, this year's monsoon will be crucial given the slow recovery in the economy and the focus on the rural front. In the medium to long term, we see a better alignment of positive forces like higher global growth, recovery in earnings, economic reforms leading to significant benefits and a private sector capex cycle over time. We also see a continuing trend of domestic investor flows coming into equities either directly or through mutual funds. All this augurs well for equity investing in the country.

Debt Market Overview and Outlook

Indian government bonds have had a good year in FY17, with the first half seeing a secular decline in yields from 7.50% on April 1 to 6.18% in mid-November, while the latter half saw a great deal of volatility as well, with yields backing up to end the year at 6.70%. The Reserve Bank of India obliged the market by cutting the benchmark rate by 50 bps during the year via two such rate actions. However, the year was more about non-rate actions than actual Repo Rate decisions. Key events impacting markets include (1) Change of liquidity framework; (2) India DTAA being re-negotiated with Mauritius, Cyprus and Singapore; (3) Exit of Dr. Rajan and incoming of Dr. Patel as the new RBI Governor; (4) BREXIT; (5) Masala bond issuances finally taking off; (6) FCNR Deposits Redemption; (7) Election of Mr. Donald Trump as the next US President; and (8) Demonetization of high value currency in India.

Following the demonetization drive in November, Government bond yields touched almost an 8 year low, going back to levels last seen in 2008-09. However, into the last quarter, the RBI under the Monetary Policy Committee (MPC) format and under Governor Urjit Patel, quickly quashed any expectations of further rate cuts and ensured that the market got the message that RBI was serious about getting to its 4% CPI goal over the medium term. Yields accordingly backed up closer to the 7% zone, with spreads on various segments widening in response to the RBI hawkishness.

The RBI's April 2017 monetary policy review lived up to its recent track record of giving a nasty reality shock to the market. While the RBI kept its key policy repo rate unchanged at 6.25%, it tweaked the Liquidity Adjustment Facility (LAF) corridor from +/-50bps band to a narrower +/- 25bps band, with the lower boundary reverse repo rate moved up to 6%, and the upper penal MSF rate lowered to 6.5%. This was a response to tackle the abundant liquidity situation which had resulted in various short end rates such as CBLO and 3 month/1 year T-Bill rates much lower than the targeted level of 6.25%. Along with this, the RBI also said that a range of policy tools (MSS/CMBS, OMO sales and longer tenor LAF reverse repo operations) to suck out durable liquidity surplus would be used to ensure consistency of short end rates with their neutral stance on monetary policy. The RBI also moved up its CPI forecasts a notch to 4.5% average in H1 and 5% average in H2 2018, while also sounding a rather cautious note as far as expected inflation trends over the medium term, which continued to be above their targeted level of 4% that they have set out to achieve in a durable and calibrated manner. During the post policy call, the RBI very clearly expressed their displeasure on farm loan waivers. This, along with already high state government borrowings, clearly undermines the fiscal responsibility shown by the Centre and would eventually impact borrowing costs and fiscal credibility.

Markets reacted negatively to the above policy announcements, and yields backed up back to the highs seen in mid-march, with the 10 year moving back to 6.80%.

The markets continue to try to come to terms with the unfamiliar reality of stable policy rates with no rate cuts in the near horizon. Yield curve shape and spreads continue to reprice, and carry becomes the main game in town, and not capital gains - which has driven fixed income returns across fund categories over the past three years.

We expect the 10 year gsec to now hover in a range of 6.75-7.25% range, as the busy auction calendar of Centre and states swings into action, now with an added worry of possible OMO sales by the RBI later in the year. Abundant liquidity and deposits with the banking system should still provide a supportive bid for short to medium tenor bonds, as yields have now retraced high enough to make the carry attractive.

With banks having cut MCLR significantly, we expect credit spreads of medium tenor AA/AA- rated bonds to compress as banks compete with mutual funds for corporate bonds issued by good AA rated issuers.

(iii) Operations, Sales Offices and Investor Services

LTMF services its investors through its network of 63 equipped sales offices. Applications are accepted at 29 investor service centres and at other locations (around 200) applications are accepted by Computer Age Management Services Private Limited, the Registrar and Transfer Agent to the Schemes of LTMF ("CAMS").

(iv) Dividend

After considering the availability and adequacy of distributable surplus under the Schemes, dividends were declared under the Schemes as per the provisions contained in the respective scheme information documents.

2. Brief background of Sponsors, Trust, Trustee Company and AMC

(a) Sponsor

L&T Finance Holdings Limited ("LTFH") (along with its nominees) holds 100% shareholding in L&T Investment Management Limited ("LTIML") and L&T Mutual Fund Trustee Limited ("LTMFTL") and is the Sponsor of the Trust. LTFH carries out responsibilities as provided in the SEBI Regulations.

L&T Finance Holdings Limited:

L&T Finance Holdings Limited (LTFH) was incorporated by Larsen & Toubro Limited ("L&T") on May 1, 2008, with the strategic intent of holding all the investments of the L&T Group in the financial services businesses. It is registered with the Reserve Bank of India ("RBI") under Section 45-IA of the RBI Act, 1934, as a Non-Banking Financial Company -Core Investment Company. The equity shares of LTFH are listed on the BSE Limited and National Stock Exchange of India Limited.

LTFH is a listed, financial holding company offering a diverse range of financial products and services through its wholly-owned subsidiaries in the following businesses:

- Rural-Farm Equipment, Two Wheelers and Microfinance
- Housing-Home Loans, Loan Against Property and Real Estate Finance
- Wholesale-Infrastructure Finance, Structured Corporate Finance and Supply Chain Finance
- Investment Management
- Wealth Management

(b) **Trust**

LTMF

LTMF has been established as a trust under the Indian Trust Act, 1882 with L&T Finance Holdings Limited as the Sponsor/ Settlor and L&T Mutual Fund Trustee Limited as the Trustee Company, vide the Trust Deed dated October 17, 1996 (as amended from time to time).

LTMF is a part of the L&T Group, one of the largest and respected groups, known for its customer-focused approach and the continuous quest for world-class quality which have enabled it to attain and sustain leadership in all its major lines of business.

LTMF is one of the respected Fund Houses in India that endeavors to serve the investment need of the investors through a suite of mutual fund Schemes. With world class investment management practices and an equally competent fund management team, LTMF seeks to help its investors reach their financial goals.

(c) **Trustee Company**

L&T Mutual Fund Trustee Limited

L&T Mutual Fund Trustee Limited is a limited company incorporated under the Companies Act, 1956 on April 30, 1996 having registered office at 'L&T House', Ballard Estate, P.O. Box No. 278, Mumbai, 400 001.

The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("SEBI Regulations") and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by LTIML, the asset management company to LTMF in accordance with the Trust Deed, the Regulations and guidelines issued by SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

(d) **Asset Management Company (AMC)/ Investment Manager**

L&T Investment Management Limited ("LTIML")

LTIML is a limited company incorporated under the Companies Act, 1956 on April 25, 1996 having registered office at 'L&T House', Ballard Estate, P.O. Box No. 278, Mumbai, 400 001.

L&T Investment Management Limited has been appointed as the Asset Management Company of LTMF by L&T Mutual Fund Trustee Limited vide Investment Management Agreement (IMA) dated 23rd October 1996 (as amended from time to time).

3. Investment Objective of the Scheme

L&T India Value Fund is an open-ended equity growth scheme. The investment objective of the Scheme is to generate long-term capital appreciation from diversified portfolio of predominantly equity and equity related securities, in the Indian markets with higher focus on undervalued securities. The Scheme could also additionally invest in Foreign Securities in international markets. The Fund Managers aim to identify undervalued stocks having the potential to deliver long term superior risk-adjusted returns. The performance of the Scheme is benchmarked against S&P BSE-200 Index.

4. Significant Accounting Policies

Accounting policies are in accordance with the SEBI Regulations.

5. Details of Unclaimed Dividend and Redemptions

Unclaimed dividend and redemption amounts in the schemes of LTMF as on March 31, 2017 are as follows:

Unclaimed Dividend		Unclaimed Redemption	
Number of Investors	Amount (Rs.)	Number of Investors	Amount (Rs.)
781	2,314,220	652	11,952,269

6. Redressal of Complaints received against LTMF during 2016-2017:

Unit holders are requested to refer **Annexure I** for the same.

7. Statutory Information:

- a. The Sponsor/ Settlor are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution of Rs. 1,00,000 for setting up the Fund.
- b. The price and redemption value of the units, and income from them, can go up as well as down with fluctuation in the market value of its underlying investments.
- c. Full Annual Report shall be disclosed on the website (www.lntmf.com) and shall be available for inspection at the Head Office of the Mutual Fund. Present and prospective unit holder can obtain copy of the Trust Deed, the full Annual Report of the Mutual Fund/ AMC at a nominal fee and the text of the relevant Scheme.

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

Y.M. Deosthalee
Director

Hemant Joshi
Director

Place: Mumbai
Date: April 28, 2017

Redressal of Complaints received against L&T Mutual Fund during 2016-17

Com-plaint code	Type of Complaint	(a) No. of com-plaints pending at the begin-ning of the period	(b) No. of com-plaints received during the given period	Action on (a) and (b)								
				Resolved				Non Ac-tion-able	Pending			
				Within 30 days	30-60 days	60-180 days	Above 180 days		0-3 months	3-6 months	6-9 months	9-12 months
I A	Non receipt of Dividend on Units	1	1	1	1	0	0		0	0	0	0
I B	Interest on Delayed payment of Dividend	0	0	0	0	0	0		0	0	0	0
I C	Non receipt of Redemption Pro-ceeds	0	19	18	0	1	0		0	0	0	0
I D	Interest on delayed payment of Re-demption	0	2	2	0	0	0		0	0	0	0
II A	Non receipt of Statement of Ac-count/Unit Certificate	0	11	11	0	0	0		0	0	0	0
II B	Discrepancy in Statement of Account	0	7	7	0	0	0		0	0	0	0
II C	Data corrections in Investor details	0	134	134	0	0	0		0	0	0	0
II D	Non receipt of Annual Report/ Abridged Summary	0	1	1	0	0	0		0	0	0	0
III A	Wrong switch between Schemes	0	1	1	0	0	0		0	0	0	0
III B	Unauthorized switch between Schemes	0	1	1	0	0	0		0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0		0	0	0	0
III D	Wrong or excess charges/load	1	3	4	0	0	0		0	0	0	0
III E	Non updation of changes viz. ad-dress, PAN, bank details, nomina-tion, etc.	0	17	17	0	0	0		0	0	0	0
IV	Others	4	133	132	1	1	0		3	0	0	0
TOTAL		6	330	329	2	2	0		3	0	0	0

Independent Auditors' Report

To the Board of Directors of L&T Mutual Fund Trustee Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of L&T Mutual Fund - L&T Infrastructure Fund, L&T Midcap Fund, L&T Tax Saver Fund, L&T Long Term Advantage Fund – I, L&T Equity Fund, L&T India Special Situations Fund, L&T Tax Advantage Fund, L&T India Prudence Fund, L&T Dynamic Equity Fund (Formerly Known as L&T India Equity and Gold Fund), L&T India Value Fund, L&T India Large Cap Fund, L&T Emerging Businesses Fund, L&T Arbitrage Opportunities Fund, L&T Business Cycles Fund and L&T Equity Savings Fund (the "Schemes"), which comprise the Balance Sheet as at March 31, 2017, and the related Revenue Account and Cash Flow Statement, where applicable, for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Trustee's and Management's Responsibility for the Financial Statements

2. The Trustee of L&T Mutual Fund and the Management of L&T Investment Management Limited (the "Management") are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto (the "Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our procedures included confirmation of securities owned and unit capital balances as at March 31, 2017 by correspondence with the custodian/others and registrar and transfer agent, respectively. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Trustee and the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion..

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2017;
 - (b) in the case of the Revenue Account, of the net surplus/deficit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, where applicable, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirement

7. As required by section 55(4) of the Regulations, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
 - (b) In our opinion, the Balance Sheet, Revenue Account and Cash Flow Statement, where applicable, dealt with by this report have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Regulations.
8. As required by clause 5 (ii)(2) of the Eleventh Schedule to the Regulations, we report that the Balance Sheet, Revenue Account, and Cash Flow Statement, where applicable, dealt with by this Report are in agreement with the books of account of the Scheme.
9. In our opinion, the methods used to value non-traded securities as at March 31, 2017, as determined by L&T Investment Management Limited under procedures approved by the Trustee of L&T Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Alpa Kedia
Partner
Membership Number 100681

Place: Mumbai
Date: April 28, 2017

Abridged Audited Balance Sheet as at March 31, 2017

(Rs. In Lakhs)

	L&T India Value Fund	
	March 31, 2017	March 31, 2016
LIABILITIES		
Unit Capital	113,146.38	45,711.03
Reserves and Surplus		
Unit Premium Reserves	99,126.08	27,827.99
Unrealised Appreciation Reserves	50,615.99	669.15
Other Reserves	81,523.14	31,064.40
Loans & borrowings	-	-
Current Liabilities and Provisions		
Current Liabilities and Provisions	3,039.75	1,799.73
TOTAL	347,451.34	107,072.30
ASSETS		
Investments		
Listed Securities		
Equity Shares	319,153.06	92,176.93
Preference Shares	26.99	-
Equity Linked Debentures	-	-
Other Debentures and Bonds	-	-
Securitized Debt Securities	-	-
Securities Awaiting Listing		
Equity Shares	-	-
Preference Shares	-	25.70
Equity Linked Debentures	-	-
Other Debentures and Bonds	-	-
Securitized Debt Securities	-	-
Unlisted Securities		
Equity Shares	-	-
Preference Shares	-	-
Equity Linked Debentures	-	-
Other Debentures and Bonds	-	-
Securitized Debt Securities	-	-
Government Securities		
Treasury Bills		
Commercial Papers		
Certificate of Deposits		
Bill Rediscounting		
Units of Domestic Mutual Fund		
Units of Overseas Mutual Fund		
Foreign Securities		
Total Investments	319,180.05	92,202.63
Deposits	488.70	372.16
Other Current Assets		
Cash and Bank Balance	2,350.73	591.95
CBLO/ Reverse REPO Lending	23,623.13	13,284.20
Others	1,808.73	621.36
Deferred Revenue Expenditure (to the extent not written off)	-	-
TOTAL	347,451.34	107,072.30

Notes to Accounts - Annexure I

For Price Waterhouse
 Firm Registration Number - 301112E
 Chartered Accountants

For L&T Mutual Fund Trustee Limited
For L&T Investment Management Limited
Alpa Kedia
 Partner
 Membership No.- 100681

Y. M. Deosthalee
 Director

R. Shankar Raman
 Director

Dinanath Dubhashi
 Additional Director

Hemant Joshi
 Director

Kailash Kulkarni
 Chief Executive Officer

S.N. Lahiri
 Fund Manager

Mr. Praveen Ayathan
 Fund Manager

Venugopal Manghat
 Fund Manager

Karan Desai
 Fund Manager

Shriram Ramanathan
 Fund Manager

Vihang Naik
 Fund Manager

Jalpan Shah
 Fund Manager

 Place: Mumbai
 Date: April 28, 2017

 Place: Mumbai
 Date: April 28, 2017

 Place: Mumbai
 Date: April 28, 2017

 Place: Mumbai
 Date: April 28, 2017

 Place: Mumbai
 Date: April 28, 2017

Abridged Audited Revenue Account for the year ended March 31, 2017

(Rs. In Lakhs)

	L&T India Value Fund	
	April 01, 2016 to March 31, 2017	April 01, 2015 to March 31, 2016
INCOME AND GAINS		
Dividends	3,118.91	808.59
Interest	732.83	495.65
Realised Gain/(Loss) on Foreign Exchange Transactions	-	-
Realised Gain/(Loss) on Interscheme sale of Investments	-	-
Realised Gain/(Loss) on External Sale/Redemption of Investments	8,264.27	781.82
Realised Gain/(Losses) on Derivative Transactions	-	-
Miscellaneous Income	115.82	29.57
TOTAL (A)	12,231.83	2,115.63
EXPENSES		
Investment Management Fees	3,622.49	1,131.35
Service Tax on Investment Management Fees	541.58	160.33
Transfer Agent Fees and Expenses	220.86	85.53
Custodian Fees and Expenses	14.54	4.38
Trusteeship Fees and Expenses	0.32	0.13
Audit Fees	3.54	2.75
Selling and Distribution Expenses	223.63	76.84
Marketing and Publicity Expenses	2.85	2.49
Printing and Postage Expenses	13.75	12.12
Investor Education & Awareness	37.98	11.09
Listing Fees and Expenses	-	-
Other Operating Expenses	7.14	1.83
Less: Expenses to be Reimbursed by the Investment Manager	-	3.42
TOTAL (B)	4,688.68	1,485.42
Net Realised Gains/(Losses) for the Year (A-B=C)	7,543.15	630.21
Net Change in Unrealised Depreciation in Value of Investments (D)	-	-
Net Gains/(Losses) for the Year (E=C-D)	7,543.15	630.21
Net Change in Unrealised Appreciation in Value of Investments (F)	49,946.84	(2,705.69)
NET SURPLUS/(DEFICIT) FOR THE YEAR (E + F = G)	57,489.99	(2,075.48)
Add : Balance transfer from Unrealised Appreciation	-	-
Less : Balance transfer to Unrealised Appreciation	(49,946.84)	2,705.69
Add/(Less) : Income Equalisation Reserve	45,044.29	25,555.68
Add : Balance Transferred from Unit Premium Reserve	-	-
Add : Balance Transferred from Reserve Fund	31,064.40	5,440.98
Total	83,651.84	31,626.87
Dividend Appropriation		
Prior Period Dividend Distribution		
Prior Period Dividend Distribution Tax thereon		
Dividend Distributions	(2,128.70)	(562.49)
Dividend Distribution Tax thereon	-	-
Retained Surplus/(Deficit) carried forward to Balance sheet	81,523.14	31,064.38

Notes to Accounts - Annexure I

For Price Waterhouse
Firm Registration Number - 301112E
Chartered Accountants

For L&T Mutual Fund Trustee Limited

For L&T Investment Management Limited

Alpa Kedia
Partner
Membership No.- 100681

Y. M. Deosthalee
Director

R. Shankar Raman
Director

Dinanath Dubhashi
Additional Director

Hemant Joshi
Director

Kailash Kulkarni
Chief Executive Officer

S.N. Lahiri
Fund Manager

Mr. Praveen Ayathan
Fund Manager

Venugopal Manghat
Fund Manager

Karan Desai
Fund Manager

Shriram Ramanathan
Fund Manager

Vihang Naik
Fund Manager

Jalpan Shah
Fund Manager

Place: Mumbai
Date: April 28, 2017

Place: Mumbai
Date: April 28, 2017

Place: Mumbai
Date: April 28, 2017

Place: Mumbai
Date: April 28, 2017

Place: Mumbai
Date: April 28, 2017

Key Statistics for the year ended 31st March 2017

		L&T India Value Fund	
		Current Year ended March 31, 2017	Previous Year ended March 31, 2016
1.	NAV per unit (Rs.):		
	Open		
	Growth Option	23.923	23.692
	Dividend Option	20.608	22.417
	Direct Growth Option	24.488	24.051
	Direct Dividend Option	21.151	22.776
	Annual Dividend Option	NA	NA
	Direct Annual Dividend Option	NA	NA
	Regular Plan - Monthly Dividend Option	NA	NA
	Regular Plan - Quarterly Dividend Option	NA	NA
	Direct Plan - Monthly Dividend Option	NA	NA
	Direct Plan - Quarterly Dividend Option	NA	NA
	Regular Bonus	NA	NA
	Direct Bonus	NA	NA
	High		
	Growth Option	32.174	26.672
	Dividend Option	25.819	23.690
	Direct Growth Option	33.204	27.154
	Direct Dividend Option	27.724	24.077
	Annual Dividend Option	NA	NA
	Direct Annual Dividend Option	NA	NA
	Regular Plan - Monthly Dividend Option	NA	NA
	Regular Plan - Quarterly Dividend Option	NA	NA
	Direct Plan - Monthly Dividend Option	NA	NA
	Direct Plan - Quarterly Dividend Option	NA	NA
	Regular Bonus	NA	NA
	Direct Bonus	NA	NA
	Low		
	Growth Option	23.579	21.395
	Dividend Option	20.124	18.431
	Direct Growth Option	24.140	21.885
	Direct Dividend Option	20.850	18.903
	Annual Dividend Option	NA	NA
	Direct Annual Dividend Option	NA	NA
	Regular Plan - Monthly Dividend Option	NA	NA
	Regular Plan - Quarterly Dividend Option	NA	NA
	Direct Plan - Monthly Dividend Option	NA	NA
	Direct Plan - Quarterly Dividend Option	NA	NA
	Regular Bonus	NA	NA
	Direct Bonus	NA	NA
	End		
	Growth Option	32.174	23.923
	Dividend Option	25.819	20.608
	Direct Growth Option	33.204	24.488
	Direct Dividend Option	27.724	21.151
	Annual Dividend Option	NA	NA
	Direct Annual Dividend Option	NA	NA
	Regular Plan - Monthly Dividend Option	NA	NA
	Regular Plan - Quarterly Dividend Option	NA	NA
	Direct Plan - Monthly Dividend Option	NA	NA
	Direct Plan - Quarterly Dividend Option	NA	NA
	Regular Bonus	NA	NA
	Direct Bonus	NA	NA

		L&T India Value Fund	
		Current Year ended March 31, 2017	Previous Year ended March 31, 2016
2.	Closing Assets Under Management (Rs. in Lakhs)		
	End	344,412	105,270
	Average (AAuM)	189,872	55,437
3.	Gross income as % of AAuM ¹	6.44%	3.82%
4.	Expense Ratio:		
	a. Total Expense as % of AAuM (plan wise)		
	Non Direct Plan	2.52%	2.74%
	Direct Plan	1.70%	1.93%
	b. Management Fee as % of AAuM (plan wise)		
	Non Direct Plan	1.95%	2.08%
	Direct Plan	1.34%	1.54%
5.	Net Income as a percentage of AAuM ²	3.97%	1.14%
6.	Portfolio turnover ratio ³	0.71	0.56
7.	Total Dividend per unit distributed during the year (plan wise)		
	Dividend - Plan	1.50	2.00
	Direct Plan Dividend Option	0.75	2.00
	Annual Dividend option	NA	NA
	Direct Plan - Annual Dividend option	NA	NA
	Regular Plan - Monthly Dividend Option	NA	NA
	Regular Plan - Quarterly Dividend Option	NA	NA
	Direct Plan - Monthly Dividend Option	NA	NA
	Direct Plan - Quarterly Dividend Option	NA	NA
8.	Returns:		
	a. Last One Year		
	Scheme		
	Growth Option	34.49%	0.97%
	Direct Plan - Growth Option	35.59%	1.81%
	Benchmark	22.47%	-7.84%
	b. Since Inception		
	Scheme		
	Growth Option	17.54%	15.03%
	Direct Plan - Growth Option	26.40%	23.69%
	Benchmark	8.50%	6.41%
	Benchmark (Direct Plan)	12.22%	9.24%
	Benchmark Index	S&P BSE 200 Index	

1. Gross income = amount against (A) in the Revenue account i.e. Income.

2. Net income = amount against (C) in the Revenue account i.e. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD

3. Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year/period.

Note: Returns calculated are Compounded Annualised Returns as the scheme has completed one year since its inception.

Notes to Accounts

Annexure I to the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2017

1 Investments:-

- 1.1. All Investments of the Scheme are registered in the name of the Trustee for the benefit of the Scheme's Unitholders.
- 1.2. Open Position of derivatives as at the year ended March 31, 2017 and March 31, 2016 was NIL
- 1.3. Investment in Associates and Group Companies as at the year ended March 31, 2017 and March 31, 2016 was as under -

L&T India Value Fund			
Issuer	Instrument Type	Amount (Rs.) March 31, 2017	Aggregate Investments by all schemes (Rs.) March 31, 2017
Larsen and Toubro Ltd.	Equity	363,486,920	4,157,295,028
Issuer	Instrument Type	Amount (Rs.) March 31, 2016	Aggregate Investments by all schemes (Rs.) March 31, 2016
Larsen and Toubro Ltd.	Equity	194,185,320	2,955,836,357

- 1.4. There was no open position of Securities Borrowed and/or Lend by the scheme as at March 31, 2017 and March 31, 2016.
- 1.5. There were no Non-Performing Assets as at March 31, 2017 and March 31, 2016.
- 1.6. Aggregate Unrealised Gain / Loss as at the end of the Financial Year March 31, 2017 and March 31, 2016 are as under :

Scheme Name / Security Type	Amount (Rs.)		Percentage to Net Assets	
	As at March 31, 2017		As at March 31, 2016	
L&T India Value Fund				
Equity / Preference Shares				
- Appreciation	5,234,421,716	15.20%	566,788,802.00	5.38%
- Depreciation	172,823,091	0.50%	499,873,726.00	4.75%

- 1.7. The aggregate value of securities purchased and sold during the financial year March 31, 2017 and March 31, 2016 is as below :

Scheme Name	Purchases (Rs.)	Percentage of average daily net assets		Sales (Rs.)	Percentage of average daily net assets	
		2016-17			2015-16	
L&T India Value Fund	30,280,391,069	159.48%		13,403,760,255	70.59%	
L&T India Value Fund	10,829,216,411	195.34%		3,127,770,462	56.42%	

- 1.8. Non-Traded securities in the portfolio: Aggregate Value of Debt & Money Market Instruments and percentage to net assets is as under :

Scheme Name / Security Type	Amount (Rs.)		Percentage to Net Assets	
	As on March 31, 2017		As on March 31, 2016	
L&T India Value Fund Preferred Stock	-	-	2,570,400.00	0.00

2. Transactions covered by Regulation 25(8) of the SEBI Regulations with the associates of the Investment Manager of the Fund :

L&T India Value Fund						
Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association/ Nature of relation	Period covered	Business Given (Rs. Cr)	% of Total Business received by the Fund	Commission paid (Rs.)	% of Total commission paid by the Fund
L & T Finance Ltd.	Associate Company	April 01, 2016 to March 31, 2017	-	-	0.00 ~	-
L&T Access Distribution Services Ltd.	Group Company	April 01, 2016 to March 31, 2017	0.24	0.01	0.00 ~	0.01
L&T Capital Markets Limited	Associate Company	April 01, 2016 to March 31, 2017	46.81	2.15	1.16	2.90

(-) - Indicates less than 0.01

3. There were no Unitholders over 25% of the NAV of the Scheme as at March 31, 2017 and March 31, 2016.
4. Unit Capital movement during the years ended March 31, 2017 and March 31, 2016

L&T India Value Fund					
Description	Opening Units	Subscription	Redemption	Closing Units	Face value
2016-17					
Regular Plan Growth Option	307,978,099.508	497,890,262.765	71,417,132.324	734,451,229.949	7,344,512,300
Regular Plan DividendOption	124,032,558.461	214,711,033.430	26,005,908.890	312,737,683.001	3,127,376,830
Direct Plan Growth Option	21,675,464.216	62,129,678.156	10,804,575.320	73,000,567.052	730,005,671
Direct Plan DividendOption	3,424,215.230	8,623,722.174	773,614.891	11,274,322.513	112,743,225
2015-16					
Regular Plan Growth Option	52,928,467.522	271,825,501.534	16,775,869.548	307,978,099.508	3,079,780,996
Regular Plan DividendOption	21,401,375.503	109,777,413.066	7,146,230.108	124,032,558.461	1,240,325,585
Direct Plan Growth Option	5,817,239.808	17,933,424.473	2,075,200.065	21,675,464.216	216,754,642
Direct Plan DividendOption	903,005.149	2,943,926.603	422,716.522	3,424,215.230	34,242,152

5. Prior year amounts have been re-grouped and reclassified, wherever applicable, to confirm to current year's presentation.
6. There were no contingent liabilities for the year ended March 31, 2017 and March 31, 2016.
7. Expenses other than management fee are inclusive of service tax wherever applicable.
8. The Annual Accounts of the Schemes prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 has been approved by the Board of Directors of AMC and Trustee Company at their meetings held on 28th April 2017. The audit report attached herewith refers to the said annual accounts. The aforesaid abridged accounts are an extract of the Annual Accounts in accordance with SEBI Circular No. IMD/Cir/8/132968/2008 dated July 24, 2008.

The general voting policies and procedures of L&T Investment Management Limited with respect to the Schemes of L&T Mutual Fund and the actual exercise of votes in the general meetings of investee companies for financial year 2016-17 have been disclosed on www.ltf.com and in full Annual Report for financial year 2016-17.

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

CL04556

Book - Post

If undelivered, please return to:

Computer Age Management Services Pvt. Ltd.

Unit: L&T Mutual Fund

New No.10, Old No.178, MGR Salai

Nungambakkam, Chennai 600 034



L&T Financial Services
Mutual Fund