

**ANNUAL REPORT 2021-22**  
**L&T INVESTMENT MANAGEMENT LIMITED**



## 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 FY i.e., FY21 is given below:

Particulars	₹ in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross Income	393.10	347.88
Less: Gross Expenses	189.77	162.65
<b>Profit before Tax</b>	<b>203.33</b>	<b>185.23</b>
Tax Expenses	51.95	23.21
<b>Profit after Tax</b>	<b>151.38</b>	<b>162.02</b>
Other comprehensive income	(1.00)	1.60
<b>Total comprehensive income</b>	<b>150.38</b>	<b>163.62</b>
Profit b/f from previous year	161.09	95.43
Opening Impact of IND AS 116	-	-
Securities premium write off	-	-
Dividend payable	(251.82)	(97.96)
Dividend distributable tax payable	-	-
<b>Surplus in other equity (excluding securities premium)</b>	<b>59.65</b>	<b>161.09</b>
Amount proposed to be carried to reserves	-	-

### INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

#### Performance of business

The growth in S&P Sensex of 18% can be split into two halves; the first half from April to mid-October 2021, wherein we saw the Sensex reaching its highest level, nearly touching 62,000 from 50,000 (at the beginning of the financial year). However, post mid-October there has been high volatility with the Sensex plunging close

to 53,000 from its high and then again recovering to 58,700 levels, mainly on account of the rally in the last 3 weeks of March 2022.

The global events including the war between Russia and Ukraine caused major upheaval in both the fixed income and equity markets. This resulted in increase in oil prices fuelling inflation thereby becoming a cause of worry for most central banks, signalling a hardening of rates across the world.

The foreign investors were seen exiting India in large numbers in the latter part of the year, pulling out ₹ 1.44 trillion from domestic stocks in FY 2022. This outflow was compensated by Domestic Institutional Investors (DIIs) buying in significant numbers. Of the DIIs inflows, a large part was contributed by the SIP book.

Moreover, the Company focused on enhancing its digital assets and used social media to promote awareness about mutual funds as well as its products. The launch of the Mobile App during the last part of FY 2021 which became fully operational in FY 2022 concentrated on onboarding new investors. The Company also undertook the task of beefing up the equity and fund management teams by hiring senior resources during FY 2022.

Given the volatility of the markets, your Company's primary goal was to arrest redemption. The overall AUM was impacted because of the fall in equity in the second half of the year. However, your Company did reasonably well on the fixed income side resulting in ending the year just shy of ₹ 75,000 Crore of AUM. The focus on high-quality products led to significant growth in debt AUM (excluding liquid / overnight). The proportion of equity schemes to total AUM now stands at 59%.

Average Assets Under Management ("AAUM") of Indian Mutual Fund Industry for the year ended March 31, 2022 stood at ₹ 38,56,140 Cr.

The AAUM of the L&T Mutual Fund ("the Fund") for the year ended March 31, 2022 stood at ₹ 77,236.56 Cr as compared to ₹ 72,727.95 Cr for the year ended March 31, 2021, a growth of around 7%, while Assets under Management ("AUM") of the Fund for the year ended March 31, 2022 stood at ₹ 74,980.99 Cr as compared to ₹ 72,873.58 Cr for the year ended March 31, 2021, a growth of 3%.

AAUM of the Company for the year ended March 31, 2022 stood at ₹ 65,792.66 Cr while the AUM stood at ₹ 72,873.58 Cr.

Our equity business has grown from ₹ 40,374.35 Cr in March 2021 to ₹ 44,609.50 Cr in March 2022, a gain

of around 10%. However, the Company's assets in fixed income witnessed a degrowth of 7%, from ₹ 32,499.23 Cr in March 2021 to ₹ 30,371.49 Cr in March 2022.

Your Company reported a business profit of ₹ 231 Cr during FY22 before amortization of intangible assets and taxes in comparison to FY21 wherein the reported profit was ₹ 211 Cr.

The Board at its Meeting held on December 23, 2021 has approved the proposal for change in controlling interest of the Company pursuant to sale of 100% of the paid-up share capital of the Company to HSBC Asset Management (India) Private Limited.

### Financial performance of the Company

The gross income of the Company (in the form of management fees) for FY22 was ₹ 359.04 Cr as against ₹ 311.29 Cr for previous FY registering an increase of 15%.

The net worth of the Company has decreased from ₹ 643.01 Cr as at March 31, 2021 to ₹ 541.57 Cr as at March 31, 2022 mainly on account of declaration of dividend in current FY.

The profit from continuing operations including extraordinary and exceptional items was ₹ 151.38 Cr for FY 2022 as against profit of ₹ 162.02 Cr for previous FY. The reduction in profit is mainly due to an increase in the tax expense of ₹ 51.95 Cr for FY 2022 as against ₹ 23.21 Cr for FY 2021. This decrease is partially offset by increase in the management fees due to increase in AAUM of the Fund.

### MATERIAL CHANGES AND COMMITMENTS

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

### DIVIDEND

During the year under review, the Company had declared an interim dividend @ ₹ 10.00 per equity share on 25,18,24,329 equity shares, aggregating to a total of ₹ 251.82 Cr.

No final dividend has been recommended for the year ended March 31, 2022 to conserve the capital in business.

### SHARE CAPITAL

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

As on March 31, 2022, the authorized share capital of the Company was ₹ 14,54,25,79,200 (Rupees One Thousand Four Hundred Fifty Four Crore Twenty Five Lakh Seventy Nine Thousand and Two Hundred only), divided into 55,12,57,920 equity shares of ₹ 10 each, 33,00,000 compulsory convertible preference shares of ₹ 100 each, 2,20,00,000 redeemable non-convertible preference shares of ₹ 100 each and 65,00,00,000 preference shares of ₹ 10 each.

As on March 31, 2022, the paid-up capital of the Company was ₹ 251,82,43,290 (Rupees Two Hundred Fifty One Crore Eighty Two Lakh Forty Three Thousand and Two Hundred and Ninety only), divided into 25,18,24,329 equity shares of ₹ 10 each.

The Board at its Meeting held on January 12, 2022 has approved the reduction of 3,12,00,000 equity shares of ₹ 10 each fully paid-up, out of the existing paid-up equity share capital of ₹ 251,82,43,290, divided into 25,18,24,329 equity shares of ₹ 10 each fully paid up. The reduction shall be effected by returning an aggregate amount of ₹ 390,00,00,000 to the Members concerned, with effect from such date as may be ordered by the National Company Law Tribunal or as prescribed under law. The Company has filed the application with National Company Law Tribunal on January 14, 2022 and the same is under process.

### 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").

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

Name of the Directors	Designation
Dinanath Dubhashi	Non-Executive Director
R. Shankar Raman	Non-Executive Director
M.V. Nair	Independent Director
Anisha Motwani	Independent Director

Mr. M.V. Nair and Ms. Anisha Motwani are the Independent Directors of the Company as per the 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 Annual General Meeting ("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. Dinanath Dubhashi, Director of the Company will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

#### KEY MANAGERIAL PERSONNEL ("KMPs")

During the year under review, Mr. Manish Jethwa resigned as Head-Accounts (discharging functions of the Chief Financial Officer) and Mr. Sagar Panchal was appointed as Head-Accounts (discharging functions of the Chief Financial Officer) with effect from October 18, 2021 and he resigned as Head – Accounts with effect from April 25, 2022.

Further, Mr. Rahul Mehta was appointed as Head – Accounts to discharge the functions of Chief Financial Officer and was designated as KMP with effect from April 27, 2022.

During the year under review, Ms. Krishi Jain resigned from the position of the Company Secretary of the Company with effect from March 21, 2022 and consequently, Ms. Palak Jain was appointed as the Company Secretary of the Company and was designated as KMP under the Act with effect from April 27, 2022.

As on date of this report, the Company has the following KMPs:

- Kailash Kulkarni - Chief Executive Officer
- Rahul Mehta - Head-Accounts (discharging functions of Chief Financial Officer)
- Palak Jain - Company Secretary

#### PERFORMANCE EVALUATION

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually and the Committee of the Board.

##### Manner of Evaluation

The Board has laid down the manner in which formal annual evaluation of the performance of the Board, its Committees, if any and individual Directors has to be made. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, if any, and Independent Directors / Non-Executive Directors of the Company.

The process of the annual performance evaluation broadly comprises the following:

##### a. Board and Committee Evaluation:

Evaluation of Board as a whole and the Committee is done by the individual Directors / members followed by collation and submission of feedback to the Board.

##### b. Independent / Non-Executive Directors' Evaluation:

Evaluation done by Board members excluding the Director being evaluated is received and individual feedback is provided to each Director as per the policy for performance evaluation of the Board / its committees / Directors and as per the process approved by the Board.

#### STATUTORY AUDITORS

Pursuant to the provisions of Section 139 (2) of the Act and the rules made thereunder, the Members at their Twenty Fifth AGM held on June 30, 2021, had appointed M/s B. K. Khare & Co., Chartered Accountants (ICAI Registration No. 105102W) as the Statutory Auditors of the Company for a term of five years, i.e., from the conclusion of the Twenty Fifth AGM till the conclusion of the Thirtieth 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.

#### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Alwyn Jay & Co., Company Secretaries (Membership No.: F7301; Certificate of Practice No.: 7991) to undertake the Secretarial Audit of the Company for FY22.

The Secretarial Audit Report is appended as **Annexure A** to this Report.

There is no adverse remark, qualification, reservation or disclaimer in the Secretarial Audit Report.

#### PARTICULARS OF EMPLOYEES

The information required pursuant to the provisions of Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company, has been appended as **Annexure B**.

## 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.

There were no foreign exchange earnings during the year (previous year also Nil); while the expenditure in foreign currency by the Company during the year was ₹ 0.76 Cr (previous year ₹ 0.34 Cr) towards Legal and professional charges, Filing fees, Repairs and maintenance.

## 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 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 profit 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 were 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 ("LTFS") 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 Board 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 the perusal of the Members of the Board within the prescribed timelines.

During the year under review, 6 (six) meetings of the Board of Directors were held on April 27, 2021, July 02, 2021, July 14, 2021, October 18, 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	No. of Board Meetings held during the year	No. of Board Meetings attended
Dinanath Dubhashi	03545900	NED	6	6
R. Shankar Raman	00019798	NED	6	6
M. V. Nair	02284165	ID	6	5
Anisha Motwani	06943493	ID	6	6

ID - Independent Director

NED - Non-Executive Director

**CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the requirements of the provisions of Section 135 of the Companies Act, 2013 (“Act”) the Company has constituted a Corporate Social Responsibility Committee (“CSR Committee”) (renamed as CSR and ESG Committee with effect from January 21, 2022).

The Company has also formulated a policy with respect to its activities under CSR (“CSR Policy”) in accordance with the requirements of the Act containing details specified therein which is available on the website of the Company at <https://www.ltfs.com/csr.html>

The Company aims to promote inclusive social transformation of the rural communities by nurturing and creating opportunities for sustainable livelihoods. The CSR closely align with the Sustainable Development Goals (SDGs), particularly, ‘No Poverty’ (SDG 1), ‘Gender Equality’ (SDG 5), ‘Sustainable Cities and Communities’ (SDG 11), ‘Climate Action’ (SDG 13) and ‘Partnership for the Goals’ (SDG 17). The CSR interventions follow a project-based accountability approach, emphasizing on the principles of ‘Social impact’, ‘Scale’ and ‘Sustainability’ to create shared value for all stakeholders. The key projects in focused areas of interventions, include Digital Financial Inclusion, Disaster Management and other initiatives.

During the year under review, the CSR Policy has been updated as below:

- Revision in the thrust areas
- Changes aligned with the amendment to the Act

An annual report on activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **Annexure C** to this Report.

**Composition:**

The CSR and ESG Committee as on March 31, 2022 comprises the following:

Name of the Director	Designation in the Committee	Nature of Directorship
M. V. Nair	Chairperson	ID
R. Shankar Raman	Member	NED
Dinanath Dubhashi	Member	NED

**Meetings and Attendance:**

The CSR and ESG Committee met once during the year

on April 27, 2021. The details of attendance of Members at the meeting are as follows:

Name of the Director	No. of Meetings held during the year	No. of Meetings attended
M. V. Nair	1	1
R. Shankar Raman	1	1
Dinanath Dubhashi	1	1

**VIGIL MECHANISM FRAMEWORK**

The Company has adopted a Vigil Mechanism Framework, under which the Whistle Blower Investigation Committee (“the Committee”) has been set up. The objective of the Framework is to establish a redressal forum, which addresses all concerns raised on questionable practices and through which the directors, employees and service providers can raise actual or suspected violations.

The Head- Internal Auditor of LTFS acts as an Ombudsman. The role of Ombudsman is to review the grievance at the initial stage and in case the grievance is material, the same is investigated through appropriate delegation. After investigation, the complaint with investigation report is forwarded to the Board / Audit committee / Managing Director / Whole-time Director / Whistle Blower Investigation Committee as the case may be. At the Board meeting, a brief update is presented to the members for their review. The Committee takes necessary actions of maintaining confidentiality within the organization on matters brought to its attention.

During the year under review, the Company has not received any complaints in this regard.

**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”). The RPT Policy is also available on the website of the Company at <https://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 the related parties.



### Key features of the RPT Policy are as under:

- All transactions with related parties ("RPTs") are referred to the Board of the Company for approval, irrespective of its materiality. The process of approval of RPTs by the Shareholders is as under:

All Material RPTs require prior approval of the shareholders, based on recommendation of the Board, through an 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 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 on an arm's length basis and in the ordinary course of business and disclosed in the Financial Statements. There were no materially significant RPTs made by the Company with Promoters, Directors, KMPs 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.

### POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace. Further, the Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where employees can register their complaints against sexual harassment.

Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity.

During the year under review, the Company has not received any complaints in this regard.

### 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 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 Investment Management Limited

  
Dinanath Dubhashi

Director  
DIN: 03545900

M. V. Nair

Director  
DIN: 02284165

Place : Mumbai

Date : April 27, 2022



## ANNUAL REPORT 2021-22 - ANNEXURE A TO BOARD'S REPORT

### FORM NO. MR.3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

#### **L&T INVESTMENT MANAGEMENT LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T Investment Management Limited** (CIN: U65991MH1996PLC229572) (hereinafter called "the Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances to express our opinion thereon.

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2022** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **as amended from time to time**: -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – **Not Applicable to the Company**;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not Applicable to the Company**;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – **Not Applicable to the Company**;
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not Applicable to the Company**;
  - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company**;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company**;
  - (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021– **Not Applicable to the Company**;
  - (i) The SEBI (Mutual Funds) Regulations, 1996;
  - (j) The SEBI (Portfolio Managers) Regulations, 2020;

- (k) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other specific business /industry related laws applicable to the Company:

The Company has complied with the other applicable general laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 - **Not Applicable to the Company.**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors as per SEBI (Mutual Funds) Regulations, 1996. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for a meaningful participation at the meeting.

The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board / Committee of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairman of the Meeting. However, due to Covid-19 Pandemic restrictions, the minutes of the Board Meetings and Committee Meetings were physically signed at a later date.

**We further report that** there are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**We further report that** during the audit period the following events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. Approval of the Board of Directors of the Company was obtained at its meeting held on July 14, 2021 for making an investment in the equity shares of AMC Repo Clearing Limited, a company set up for the purpose of clearing and settling repo transactions in corporate debt securities up to ₹ 3,38,13,960.
2. Approval of the Board of Directors of the Company was obtained at its meeting held on December 23, 2021 for sale of 100% of the paid-up share capital of the Company, the asset manager of L&T Mutual Fund, to HSBC Asset Management (India) Private Limited, asset manager of HSBC Mutual Fund.
3. Subject to sanction of Hon'ble National Company Law Tribunal, Mumbai Bench, approval of the Shareholders of the Company was obtained at its meeting held on January 14, 2022 for reduction of 3,12,00,000 equity shares of ₹ 10 each fully paid-up, out of the existing paid-up equity share capital of ₹ 251,82,43,290 divided into 25,18,24,329 equity shares of ₹ 10 each fully paid up.

**ALWYN JAY & Co.**  
Company Secretaries

**Vijay Sonone FCS.7301**  
(Partner)  
[Certificate of Practice No.7991]  
**UDIN : F007301D000216686**

**Place :** Mumbai  
**Date :** April 27, 2022

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure I** and forms an integral part of this report

## ANNEXURE "I"

To  
The Members,  
**L&T Investment Management Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **L&T Investment Management Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**ALWYN JAY & Co.**  
Company Secretaries

**Vijay Sonone FCS.7301**  
(Partner)  
[Certificate of Practice No.7991]  
**UDIN : F007301D000216686**

**Place :** Mumbai  
**Date :** April 27, 2022

## ANNUAL REPORT 2021-22 - ANNEXURE 'C' TO BOARD'S REPORT

### Annual Report on Corporate Social Responsibility ("CSR")

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

#### 1) Brief outline on CSR policy of the Company

##### CSR Vision:

We aspire for an inclusive social transformation of the rural communities we serve by nurturing and creating opportunities for sustainable livelihoods for them.

##### CSR Mission:

Our mission is to reach marginalized farmers and women micro entrepreneurs in the rural communities that we serve and work towards rejuvenating their ecosystems thereby creating sustainable livelihoods and enabling financial inclusion.

##### Commitment:

Our focus is on creating value for rural indigent communities, which desire a secure future. Our social responsibility theme and commitment is in line with the United Nation's global development agenda of Sustainable Development Goals (SDGs) particularly, 'No Poverty' (SDG 1), 'Gender Equality' (SDG 5), 'Sustainable Cities and Communities' (SDG 11), 'Climate Action' (SDG 13) and 'Partnership for the goals' (SDG 17).

Our key initiatives are woven around Sustainable Livelihoods of rural communities facilitated by focused areas of intervention – Digital Financial Inclusion, Disaster Management and Other Initiatives.

We implement the CSR programmes as a collaborative effort between various companies within L&T Financial Services, through partnership with organizations mandated under Rule (1) of the Companies (CSR Policy) Rules, 2014.

##### CSR Approach:

A project-based accountability approach is adopted, emphasizing on the three aspects of social impact, scale and sustainability. Baseline and end line assessments are carried out for each project with clearly defined measurable results.

##### Monitoring:

A three-tier structure exists with the CSR & ESG Committee formulating & recommending the annual action plan to the Board, in line with the CSR vision of the Company. The CSR team conducts periodic review of the programmes and documents the progress. The Board verifies that the CSR funds have been utilised for the projects as approved by it.

#### 2) Composition of CSR and ESG Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR and ESG Committee held during the year	Number of meetings of CSR and ESG Committee attended during the year
1	M.V. Nair	Non-Executive Director and Chairperson of the Committee	1	1
2	R. Shankar Raman	Non-Executive Director	1	1
3	Dinanath Dubhashi	Non-Executive Director	1	1

**3) Web-link where composition of CSR and ESG Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:**

The composition of CSR and ESG Committee, CSR Policy and CSR projects approved by the Board can be accessed on the website at the following link - <https://www.ltf.com/csr.html>.

**4) Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

Not applicable (N.A.)

**5) Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:**

Sr. No	Financial year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2021-22	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**6) Average net profit of the Company as per Section 135(5): ₹ 1,57,88,00,000**

**7) a) Two percent of average net profit of the Company as per Section 135(5): ₹ 3,15,76,000**

**b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil**

**c) Amount required to be set off for the financial year, if any: Nil**

**d) Total CSR obligation for the financial year (7a+7b7c): ₹ 3,15,76,000**

**8) a) CSR amount spent or unspent for the financial year:**

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 3,15,76,000	Nil	N.A.	N.A.	Nil	N.A.

**b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes / No)	Mode of implementation - through implementing agency	
				State	District						Name	CSR registration number
1	Digital Sakhi Maharashtra (Phase II) (Promotion of digital financial literacy and entrepreneurship development, reaching out to 110 Digital Sakhis and 1000 Women Entrepreneurs)	iii) Promoting gender equality, empowering women; reducing inequalities faced by socially and economically backward groups x) Rural Development projects	No	Maharashtra	Osmanabad, Pune, Latur and Solapur	4 years	4,72,53,459	1,56,00,000	Nil	No	Action for Agricultural Renewal in Maharashtra	CSR00000092
2	Digital Sakhi Madhya Pradesh (Promotion of digital financial literacy and entrepreneurship development, reaching out to 100 Digital Sakhis and 1000 Women Entrepreneurs)	iii) Promoting gender equality, empowering women; reducing inequalities faced by socially and economically backward groups x) Rural Development projects	No	Madhya Pradesh	Barwani and Dhar	4 years	6,75,23,210	1,29,93,424	Nil	No	SEWA Bharat	CSR00001733
3	Digital Sakhi Tamil Nadu (Promotion of digital financial literacy and entrepreneurship development, reaching out to 100 Digital Sakhis and 500 Women Entrepreneurs)	iii) Promoting gender equality, empowering women; reducing inequalities faced by socially and economically backward groups x) Rural Development projects	No	Tamil Nadu	Villupuram	4 years	3,89,86,877	24,76,000	Nil	No	Sri Aurobindo Society	CSR00000200
<b>TOTAL</b>							<b>15,37,63,546</b>	<b>3,10,69,424</b>				

**Note:** The CSR projects are implemented as a collaborative effort between various companies within L&T Financial Services and the amount allocated for the project disclosed herein is the amount pertaining to all companies within L&T Financial Services

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c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes / No)	(8) Mode of implementation - through implementing agency	
				State	District			Name	CSR registration number
1	<b>Road safety – Mumbai Traffic Police</b> Promotion of road safety among municipal school children and supporting the raining and deployment of community youth as traffic wardens	ii) Promoting Education	Yes	Maharashtra	Mumbai	5,06,576	No	Ballygunj society for Children in Pain (CHIP)	CSR00003066
<b>TOTAL</b>						<b>5,06,576</b>			

d) Amount spent in Administrative Overheads: Nil

e) Amount spent on Impact Assessment, if applicable: N.A.

f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 3,15,76,000

g) Excess amount for set-off, if any: Nil

Sr. No.	Particular	Amount (in ₹)
i.	Two percent of average net profit of the company as per Section 135(5)	₹ 3,15,76,000
ii.	Total amount spent for the Financial Year	₹ 3,15,76,000
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9) a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	FY19	Nil	Nil	N.A.	Nil	N.A.	Nil
2	FY20	Nil	Nil	N.A.	Nil	N.A.	Nil
3	FY21	Nil	Nil	N.A.	Nil	N.A.	Nil
<b>TOTAL</b>		<b>Nil</b>	<b>Nil</b>	<b>-</b>	<b>Nil</b>	<b>-</b>	<b>Nil</b>

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project - completed / ongoing
1	Digital Sakhi Maharashtra (Phase II)	Digital Sakhi Maharashtra (Phase II) (Promotion of digital financial literacy and entrepreneurship development, reaching out to 110 Digital Sakhis and 1000 Women Entrepreneurs)	FY 2018-19	4 years	4,72,53,459	1,56,00,000	4,72,53,459	Completed
2	Digital Sakhi Madhya Pradesh	Digital Sakhi Madhya Pradesh (Promotion of digital financial literacy and entrepreneurship development, reaching out to 100 Digital Sakhis and 1000 Women Entrepreneurs)	FY2018-19	4 years	6,75,23,210	1,29,93,424	6,70,16,634	Completed
3	Digital Sakhi Tamil Nadu	Digital Sakhi Tamil Nadu (Promotion of digital financial literacy and entrepreneurship development, reaching out to 100 Digital Sakhis and 500 Women Entrepreneurs)	FY2018-19	4 years	3,89,86,877	24,76,000	3,96,12,629	Completed
<b>TOTAL</b>					<b>15,37,63,546</b>	<b>3,10,69,424</b>	<b>15,38,82,722</b>	

**Note:**

a) The CSR projects are implemented as a collaborative effort between various companies within L&T Financial Services and the amount allocated for the project and the cumulative spent disclosed herein is the amount pertaining to all companies within L&T Financial Services

b) For Digital Sakhi Madhya Pradesh, only the baseline assessment was conducted in FY2017-18



- 10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(1)	(2)	(3)	(4)	(5)
Project ID	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in Cr)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
N.A.				

- 11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) – N.A.



**M. V. Nair**  
Chairperson  
CSR and ESG Committee  
DIN: 02284165



**Dinanath Dubhashi**  
Director  
DIN: 03545900

Place: Mumbai  
Date: April 27, 2022




