



Notice-Cum-Addendum (No. 10 of F.Y. 2022 – 2023)

Merger of L&T FMP Series XVII – Plan B (1452 Days) with L&T Money Market Fund:

Notice is hereby given that L&T FMP Series XVII - Plan B (1452 Days) (the merging scheme) shall merge with L&T Money Market Fund (the surviving scheme) post the closure of business hours on the date of the maturity of the merging scheme i.e. June 13, 2022 ("the Effective Date"). The Securities and Exchange Board of India vide its communication dated May 09, 2022 has accorded its no-objection to the aforesaid merger.

1. Rationale for Merger

The merging scheme is a close ended debt scheme whose investment objective is to achieve growth of capital through investments made in a basket of debt/ fixed income securities (including money market instruments) maturing on or before the maturity of the scheme, whereas the surviving scheme is an open ended scheme whose investment objective is to generate regular income through investment in a portfolio comprising substantially of money market instruments.

The merging scheme as well as surviving scheme invests in securities with highest credit ratings, and hence the proposed merger will provide similar level of safety and liquidity to the unit holders of merging scheme. Further the proposed merger will also help the investor of the merging scheme to continue to invest in higher quality money market instruments having maturity up to 1 year, as the surviving scheme is a money market fund.

Additionally, the proposed merger will continue to provide tax efficiency to the unit holders of the merging scheme as the unit holders need not pay capital gains tax on maturity of the merging scheme and can continue to avail indexation benefits till the time unit holder stays invested in the surviving scheme. For calculation of capital gains tax, indexation benefit will be calculated considering period of investment by the unit holders in the merging scheme. Further, upon merger, the unit holders have the option to redeem the investments anytime to meet their liquidity requirements.

2. Impact of the merger with respect to allocation of units to the unitholders of the merging scheme:

On the Effective Date of the merger, unitholders of the merging scheme who have provided consent for the merger between May 13, 2022 to June 13, 2022 (both days inclusive) will be allotted units under the corresponding Plan / Option of the surviving scheme at the Net Asset Value ("NAV") of the Effective Date of the merger. Provided that, where units are held without distributor code in the Option / Plan of the merging scheme or where ARN is invalid, units of equivalent value in the Direct Plan of the surviving scheme under the corresponding Option will be allotted. Accordingly, the assets and liabilities of the merging scheme will be taken over by the surviving scheme upon merger and the merging scheme shall cease to exist. Plan/option wise allocation of units will be as follows:

Sr. No.	Holding in Plan and option under the Merging Scheme	Allocation in Plan and option under the Surviving Scheme
1	L&T FMP Series XVII - Plan B (1452 Days) Direct Plan - IDCW Payout	L&T Money Market Fund Direct Plan - Monthly IDCW
2	L&T FMP Series XVII - Plan B (1452 Days) Direct Plan - Growth	L&T Money Market Fund Direct Plan - Growth
3	L&T FMP Series XVII - Plan B (1452 Days) IDCW Payout	L&T Money Market Fund - Monthly IDCW
4	L&T FMP Series XVII - Plan B (1452 Days) Growth	L&T Money Market Fund - Growth

Note: IDCW stands for Income Distribution Cum Withdrawal option.

As the units will be allotted only in the corresponding Plan / Option of the surviving scheme, there will be no change in L&T Money Market Fund Direct Plan - Weekly IDCW Reinvestment Plan, L&T Money Market Fund Direct Plan - Daily IDCW Reinvestment Plan, L&T Money Market Fund - Weekly IDCW Reinvestment Plan, L&T Money Market Fund - Monthly IDCW Payout and L&T Money Market Fund - Daily IDCW Reinvestment Plan.

For your better understanding, an illustration regarding the basis of allotment of new units is given below.

Example:

The merging scheme will cease to exist post business hours on the Effective Date. The unit holders of the merging scheme as at the close of business hours on this date will be allotted units equivalent to the value of their units in the merging scheme under the corresponding option of the surviving scheme at the NAVs of the Effective Date

NAV of merging scheme – Growth Option prior to merger (Rs. per unit)	A	20.00
Units held in merging scheme prior to merger	B	100.00
Investment Value in merging scheme prior to merger (c=a*b) (Rs.)	C	2,000.00
NAV of surviving scheme – Growth Option on the date of merger (Rs. per unit)	D	15.00
Number of units allotted in surviving scheme on the date of merger (e=c/d)	E	133.3333
Investment Value in surviving scheme – Growth, post-merger (f=d*e) (Rs.)	F	2,000.00

Please note that the aforesaid is only an illustration and the actual number of units to be allotted under the surviving scheme will be determined by the value of units held in the merging scheme and the NAVs of the merging scheme and the surviving scheme on the Effective Date. The impact of tax on capital gains and levy of stamp duty charges, if any, has not been considered in the above illustration.

(i) In case of any pledge / lien / other encumbrance marked on any units held in physical mode in the merging scheme, the same shall be marked on the corresponding number of units allotted in the surviving scheme. Units lien marked/pledged can be merged subject to no objection from lien holder/pledgee and that the consent is submitted within the time specified herein. If the lien/pledge is invoked by the financier (i.e. bank/financial institution/NBFC) as on the maturity date of the merging scheme, the maturity proceeds will be paid to the financier and the consent for merger submitted by unitholders in such cases will be deemed as invalid. In case of units held in demat mode, debit / credit of units under merger and release / re-marking of pledge/lien / other encumbrance on any units shall be dealt with in accordance with the concerned depository's rules and procedures.

(ii) A fresh account statement reflecting the new units allotted under the surviving scheme, will be sent to the unit holders of the merging scheme by the Fund. Upon allotment of units in the surviving scheme, all provisions under the surviving scheme will apply. However, the period of holding for the purpose of exit load, if any, will be computed from the date of allotment of corresponding original units in the merging scheme.

3. No change to the surviving scheme post merger:

Consequent to aforesaid merger, there will be no change in the name or other attributes of the surviving scheme and accordingly, interest of unitholders of surviving scheme are not adversely affected. The investment objective, asset allocation, investment pattern, annual scheme recurring expenses and all other provisions as contained in the Scheme Information Document of the surviving scheme will remain unchanged post the merger. Thus, no new scheme will come into existence as a result of the aforesaid merger.

4. Impact of the merger with respect to allocation of units to the unitholders of the surviving scheme

The merger will not result in the emergence of any new scheme. Post-merger, the investments under the surviving scheme will be in accordance with the investment objective and asset allocation of the surviving scheme. There will be no impact of the merger on the units held by the unitholders of the surviving scheme.

Investors are requested to note that post effective date of the merger i.e. the maturity date of the Merging Scheme, the respective merging scheme shall not be available for trading on the stock exchange.

5. Percentage of total exposure to securities classified as below investment grade or default and total illiquid assets in the merging scheme and the surviving scheme as on April 30, 2022: NIL

6. Tax impact of the consolidation on the unit holders

There should not be any income-tax implications due to the merger/consolidation of the schemes in the hands of the unit holders since merger/consolidation of mutual fund schemes is considered as a tax neutral event. Transfer of units upon consolidation of mutual fund schemes of two or more schemes of equity- oriented fund or two or more schemes of a mutual fund other than equity oriented fund in accordance with the MF Regulations is exempt from capital gains i.e., any transfer of units of consolidating scheme of a mutual fund, made in consideration of the allotment of the units of the consolidated scheme by the unit holder is not considered as "transfer" by virtue of the provisions of Section 47(xviii) of the Income-tax Act, 1961 (the "IT Act") and hence the gains on such transfer should not be chargeable to tax.

For any redemption/switch transactions post the merger/consolidation of the schemes, the following points are relevant for taxation (held as capital asset):

- For the purpose of classifying the units of consolidated scheme into long term or short term, the period of holding of units acquired in the consolidation of schemes of mutual fund shall include the period for which units in consolidating schemes were held by the unitholder/investor in terms of the provisions of Section 2(42A) of the IT Act.

- Further, Section 49(2AD) of the IT Act provides that the cost of acquisition of the units acquired in the consolidated scheme of mutual fund (in consideration of allotment of units of surviving scheme) shall be deemed to be the cost of acquisition of the units in the consolidating scheme of mutual fund.

However, redemption and/or switch of units from the surviving scheme during the exit option period shall be considered as redemption and will result in short term/long term capital gain/loss in the hands of the unit holders depending on the period of holding of the investment.

In case of NRI unit holders, TDS would be deducted in accordance with applicable tax laws for redemption/switch-out of units and same would be required to be borne by such unit holder only.

Securities Transaction Tax ("STT") on redemption / switch-out of units, if any, exercised during the exit option period in the surviving scheme shall be borne by L&T AMC.

Stamp duty shall not be levied on the units allotted under the surviving scheme, upon the merger/consolidation of the schemes.

STT on extinguishment of units (if applicable) under the merging scheme and allotment under the surviving scheme upon the merger/consolidation of the schemes, would not be levied to the unit holders.

In view of the individual nature of tax consequences, unit holders are advised to consult the professional financial/tax advisors with regard to tax and other financial implications arising out of their participation in changes to the schemes.

7. Unclaimed Redemptions and Dividends:

Sr. No.	Scheme Name	Dividend		Redemption		Total	
		Number of Investors	Amount (Rs.)	Number of Investors	Amount (Rs.)	Number of Investors	Amount (Rs.)
1	L&T Money Market Fund	2	543.02	24	102,443.56	26	102,986.58
2	L&T FMP Series XVII - Plan B (1452 Days)	-	-	-	-	-	-

(a) To redeem the units from the surviving scheme, unit holders are required to submit a redemption request duly signed as per the mode of holding at any of the Official Point of Acceptance of the AMC/ Registrar and Transfer Agents namely Computer Agent Management Services Private Limited ("CAMS"). The transaction slip to redeem is available on the website of L&T AMC and forms part of the account statement sent to you.

(b) Further, for the purpose of successful processing of redemption, kindly arrange to:

- update your PAN, KYC status, if not already provided and to receive updates on the same, kindly ensure your email ID and mobile number are updated with us.
- update your core banking account number and NEFT/IFS Code, for faster and direct credit of your unclaimed redemption/dividend proceeds, if the registered account details are not valid.

A detailed communication of the proposed merger would be sent to the registered address of the Unit Holders as on May 10, 2022. In case, the communication is not received, the Unit Holders can contact the Investor Service Centers of L&T AMC as per details provided on the website www.ltf.com. In case you need any further clarifications, please contact our Investor Service Centers.

For further information/assistance do visit us at www.ltf.com or e-mail us at investor.line@lntmf.co.in or call on our Toll Free Number 1800 4190 200 or 1800 2000 400.

You may also contact:

Mr. Ankur Banthiya, Investor Relations Officer, L&T Investment Management Limited, 6th floor, KGN Towers, No.62 Ethiraj Salai, (Commander-In-Chief Road), Egmore, Chennai – 600 105.

8. Manner of providing consent by the unitholder of the merging scheme for the merger

Unit holders of the merging scheme having no objection to the proposed merger with the surviving scheme i.e. L&T Money Market Fund and who consent to remain invested, are required to provide consent between **Friday, May 13, 2022 to Monday, June 13, 2022 (both days inclusive)** in the following manner :

Submitting signed Consent Form sent along with the letter to unitholders intimating about the proposed merger, at any of the operational Official Points of Acceptance latest by 3.00 pm on June 13, 2022 or by way of an email to TRAXN.DR@LTF.COM from email id registered in the folio. "Consent Form" shall also be made available on the website www.ltf.com

Note:

- Unit holders who are Sole holders and Joint holders with mode of holding as "Any one or Survivor" may fill the Annexure 2 - Consent letter forming part of the letter to unitholders intimating about the proposed and send it by way of an attachment via email from their email id registered in the folio.
- Unit holders who are joint holders with mode of holding as "joint" may either take a print out of the consent form or handwrite the consent form. Here, all joint holders have to sign the consent form. The scanned copy of the signed form must be sent via the email id registered in the folio.
- Once positive consent is provided, unit holders are deemed to have read and provided the confirmations and declarations as per the consent form.

In case you do not wish to consent to the proposed merger, your units will be redeemed at applicable NAV on the existing maturity date. The redemption proceeds shall be remitted/ dispatched to such unit holders of the merging scheme within 10 (ten) working days from the maturity date.

Consent provided by unit holders of the merging scheme prior to the start date and post cut-off time of the end date of the consent period as mentioned above shall not be treated as a valid consent for merger.

9. Exit Option under the Scheme for unitholders of surviving scheme viz. L&T Money Market Fund (investors to refer to letter for more details):

In terms of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("SEBI Regulations"), the proposed merger to be carried out are considered as changes in the fundamental attributes of the surviving scheme. In accordance with the requirements of Regulation 18 (15A) of the SEBI Regulations, this notice serves as a written communication to the unit holders of the surviving scheme, informing them about the proposed merger and providing them an option to switch-out/redeem the units held by them in the surviving scheme at the prevailing Net Asset Value within a period of 30 days without any exit load, if any, if the unit holders do not approve of the proposed merger.

The exit option as aforesaid can be exercised by submitting switch-out/redemption request from **Friday, May 13, 2022 to Monday, June 13, 2022 (both days inclusive)** to any of the investor service centers of L&T Mutual Fund ("the Fund") latest by the applicable cut-off time as stated in the Scheme Information Document. In case of units held in demat mode redemption request is required to be submitted to the depository participant on or before the close of business hours of June 13, 2022. In case a lien is marked on the units of the surviving scheme or the units have been frozen/locked pursuant to an order of a governmental authority or a court, unit holders will be able to switch-out/redeem their units only after the lien/order is vacated/revoked and the switch-out / redemption request has been submitted within the period specified above.

The redemption warrant/cheque will be mailed / redemption proceeds will be credited within 10 working days from the date of receipt of the redemption request. **The offer to exit is merely an option and is not compulsory.**

If the unit holders have no objection to the proposed merger, no action needs to be taken by them. Please note that if the unit holders do not exercise the exit option on June 13, 2022 by 3.00 pm or if we do not receive the request for switch-out/redemption on or before June 13, 2022 by 3.00 pm, they would be deemed to have consented to the proposed merger.

Unit holders have also been informed by individual communication of the details of the proposed merger.

In case you require any further information/assistance please call the investor line of the AMC at 1800 2000 400 or 1800 4190 200 or visit the nearest Investor Service Centre of the Fund.