L&T-S&L

28th ANNUAL REPORT

L&T-SARGENT & LUNDY LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Derek Shah

Ejaz Shameem

YVS Sravankumar

Robert Sronce

MANAGER

K. M. Subramanian

COMPANY SECRETARY

Gurinder Pal Singh

AUDITORS

M/s Sharp & Tannan

BANKERS

ICICI Bank Limited

REGISTERED OFFICE

L&T House, Ballard Estate, Mumbai 400 001

DTA UNIT

6th & 5th Floor, East Block - 1,
Gate No. 1,
L&T Knowledge City,
Vadodara - 390019

SEZ UNIT

6th Floor, East Block - 2,
Gate No. 2,
L&T Knowledge City,
Vadodara - 390019

L&T-SARGENT & LUNDY LIMITED
BOARD REPORT

Dear Members,

The Directors have pleasure in presenting their 28th Annual Report and Audited Financial Statements for the year ended 31st March 2023.

1. FINANCIAL RESULTS:

Particulars	2022-23	2021-22
	₹ In Lakhs	₹ In Lakhs
Profit before Depreciation and Tax	**1,768.24**	2,362.62
Less: Depreciation	**272.03**	220.90
Profit before tax	**1,496.21**	2,141.72
Less: Provision for tax	**285.15**	270.43
Profit for the period carried to Balance Sheet	**1,211.06**	1,871.29
Add: Balance brought forward from previous year	**6,405.65**	7,455.96
Less: Dividend paid during the previous year	**2,003.57**	2,921.60
Balance to be carried forward	**5,613.14**	6,405.65

2. CAPITAL & FINANCE:

During the year under review, the Company has not allotted any equity shares. The Total Equity Share Capital as on 31st March 2023, is ₹ 556.55 lakhs.

3. CAPITAL EXPENDITURE:

As at 31st March 2023, the gross property, plant and equipment and other intangible assets including leased asset, stood at ₹ 2,015.89 lakhs and the net property, plant and equipment and other intangible assets including leased asset, at ₹ 833.95 lakhs. Capital Expenditure during the year amounted to ₹ 226.19 lakhs.

4. DEPOSITS:

During the year under review, the Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the rules framed thereunder, and the requisite returns have been filed. The Company does not have any unclaimed deposits as on date.

5. APPROPRIATIONS TO GENERAL RESERVE:

The Company has not transferred any amount to general reserve during the financial year 2022-23.

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

The Company has not given any loan, guarantees, security or made any investment for the financial year 2022-23 as specified under section 186 of the Companies Act, 2013.

7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the transactions were in the ordinary course of business and at arm's length. The Board has approved all the related party transactions for FY 2022-23. The details of the related party transactions have been given in Note no. 33 of the Annual Financial Statements.

8. STATE OF COMPANY AFFAIRS:

The total income for the financial year under review were ₹ 9,378.95 lakhs as against ₹ 10,794.57 lakhs for the previous financial year registering a decrease of 13%. The profit before tax from continuing operations were ₹ 1,496.21 lakhs for the financial year under review as against ₹ 2,141.72 lakhs for the previous financial year, registering a decrease of 30%. The profit after tax from continuing operations were ₹ 1,211.06 lakhs for the financial year under review as against ₹ 1,871.29 lakhs for the previous financial year, registering a decrease of 35%.

9. DIVIDEND:

The Board at its Meeting held on October 12, 2022 declared an interim dividend of ₹ 18/- per share (previous year ₹ 10.7808/-) amounting to ₹ 1,001.78 lakhs and the same was paid on October 14, 2022.

The Directors recommend payment of final dividend of ₹ 11.00/- (110%) per equity share (previous year ₹ 18/- per share) of ₹ 10/- each on the share capital amounting to ₹ 612.20 lakhs for FY 2022-23, subject to approval by shareholders.

10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

11. DEPOSITORY SYSTEM :

Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014 requires certain companies to facilitate dematerialization of all its existing securities and has mandated that the stake of promoters, directors and key managerial personnel should be held in demat form. As on 31st March 2023, 50.00**%** of the Company's total paid up capital representing 27,82,736 shares are in dematerialized form. Further, the said rule has prohibited the physical transfer of securities. Hence, members holding shares in physical mode are advised to avail of the facility of dematerialization.

The Company submits the report on reconciliation of share capital audit from Practicing Company Secretary within the prescribed timelines.

12. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as required to be given under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in Annexure 'A' forming part of this Board Report.

13. RISK MANAGEMENT POLICY:

The Company has formulated a risk management policy and has in place a mechanism to inform the Board Members about the risk assessment and minimization initiatives undertaken. It also periodically reviews the risk to ensure that executive management controls risk by means of a properly designed framework.

14. CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility (CSR) Committee comprises of Mr. Derek Michael Shah, Mr. Ejaz Shameem and Mr. Robert Sronce.

The Members elect one amongst themselves as the Chairman of the Meeting. During the year under review, one meeting of the CSR Committee was held on 27th April, 2022.

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) are given as Annexure 'B' forming part of this report.

The Head- Finance and Accounts of the Company has certified that CSR funds so disbursed for the projects have been utilized for the purposes and in the manner as approved by the Board.

The Corporate Social Responsibility Policy is disclosed on the Company's website at https://www.lntsnl.com.

15. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED DURING THE YEAR:

No change in the details of Directors and Key Managerial Personnel during the year.

Mr. Derek M Shah, Mr. Ejaz Shameem, Mr. Robert Sronce and Mr. Y.V.S. Sravankumar are the present Directors of the Company.

During the year under review, Mr. K. M. Subramanian has been re-appointed as the Manager of the Company for a period of one year with effect from October 2, 2022.

Mr. Gurinder Pal Singh is the Company Secretary of the Company.

16. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. During the year under review four meetings were held on 27th April 2022, 20th July 2022, 12th October 2022 and 12th January 2023.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

17. INTERNAL AUDIT:

The Internal Audit team of L&T monitors and evaluates the efficacy and adequacy of the internal control system of the Company, its compliances with operating systems and accounting procedures and policies of the Company. The observations and corrective measures are presented to the Board.

18. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has voluntarily established a vigil mechanism framework for directors and employees to report genuine concerns. This mechanism is in line with the requirements of the Companies Act, 2013. This policy provides for adequate safeguards against victimization of persons who complain under the mechanism. The Board of the Company oversees the functioning of the Vigil Mechanism framework.

19. COMPANY POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Board had formulated a policy on Directors' appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a Director. The Board implements the criteria's while considering the appointment of any Director on the Board.

20. ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended 31st March 2023, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

21. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the Annual Accounts on a going concern basis;

e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

22. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS:

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

23. PROTECTION OF WOMEN AT WORKPLACE:

Our parent company Larsen & Toubro Limited (L&T) has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which is applicable to all group companies located in India. This has been widely disseminated. There were no cases of sexual harassment received in the Company during the financial year 2022-23.

The Company has an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 consisting of appropriate balance of members.

Awareness workshops/training programs are conducted across the Company to sensitize employees to uphold the dignity of their colleagues at workplace and create awareness on prevention of sexual harassment.

24. AUDITORS REPORT:

The Auditors' report to the Shareholders does not contain any qualification, observation or comment or adverse remark(s).

25. AUDITORS:

As per the provisions of the Companies Act, 2013, M/s Sharp & Tannan (ICAI Registration no. 10998W) were appointed as Statutory Auditors for a period of 5 continuous years from the conclusion of 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting.

Certificate from the Auditors has been received to the effect that they are eligible to act as auditors of the Company under Section 141 of the Companies Act, 2013 and for reappointment under section 139(1) of Companies Act, 2013 and Rule of the Companies (Audit and Auditors) Rules, 2014.

26. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

27. ANNUAL RETURN:

As per the provisions of section 92(3) of the Companies Act, 2013, the Annual Return of the Company for the financial year 2022-23 is available on our website https://www.lntsnl.com

28. OTHER DISCLOSURES:

- No disclosure is required under Section 67(3)(c) of the Companies Act, 2013, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

- Reporting of Frauds: The Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013.

- MSME: The Company complies with the requirement of submitting a halfyearly return to the Ministry of Corporate Affairs within the prescribed timelines.

- Corporate Insolvency Resolution process initiated under the Insolvency and Bankruptcy Code, 2016 (IBC): The Company has neither filed any application nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016, during FY 2022-23.

- The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof: The Company has not made any one-time settlement, therefore, the same is not applicable.

29. ACKNOWLEDGEMENT:

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities and all the various stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Joint Venture partners.

For and on behalf of the Board

Sd/-	Sd/-
DEREK M. SHAH Director (DIN: 06526950)	EJAZ A. SHAMEEM Director (DIN: 06579073)
Date : 24th April, 2023 Place: Mumbai	Date : 24th April, 2023 Place: Chicago

Annexure 'A' to the Board Report

Information as required to be given under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

[A] CONSERVATION OF ENERGY:

1) The steps taken or impact on conservation of energy: 2) The steps taken by the Company for utilizing alternative resources of energy: 3) The capital investment on energy conservation equipment:	The operations of the Company are not energy–intensive. However, adequate measures have been taken to reduce the energy consumption by using energy efficient computers and other equipment, and installation of electronic choke for improved power factor and low energy consumption in tube light fittings, reducing the height of ceiling, usage of LED/CFL lights in many offices, installing power capacitors, replacement of very old air conditioners to reduce power consumption, reduction in daily A.C. running time, switching off lights and air conditioners during lunch breaks. Lighting system has been integrated with motion detection system to switch off when there is no human presence to conserve energy The measures taken have resulted in savings in overheads. Since energy cost comprises a small part of the Company's total expenses, the financial impact of these measures is not material. Company also did certain modifications to provide redundancy of power supply to it's servers to maintain and increase server uptime.

[B] TECHNOLOGY ABSORPTION:

1) The efforts made towards technology absorption:	The Company uses state of the art, frontline equipments and methods in engineering designs. The Company has organized / arranged various training programmes for its personnel for exposure to the integrated engineering software, latest designs, technologies and IT practices.

2) Benefits derived like product improvement, cost reduction, product development or import substitution:	The efforts put above have resulted in minimum re-work in addition to increase in the productivity, reliability, customer satisfaction and efficiency. It has helped to reduce cost and time and to earn foreign exchange for the Company.
3) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and (e) the expenditure incurred on Research and Development.	The Company has not imported any such technology during last three years. The Company uses many intangible assets like computer softwares which are procured from outside India. These softwares are in the nature of tools and modules which assist in making the engineering designs and drawings, its reviews and other operations like control mechanism, updates, efficiency of the work executed etc. The Company's primary activity is the provision of Engineering Services in field of power generating plants. The services provided fall in the category of Design and Engineering and as such the Company's total operation can be deemed to be R&D.

[C] FOREIGN EXCHANGE EARNINGS & OUTGO:

₹ in lakhs

Particulars	**2022-23**
Foreign exchange earned	3,590.73
Foreign exchange used	231.91

Annexure ‘B’ to the Board Report

CSR ACTIVITIES FOR FY 2022-23

1. **Brief outline on CSR Policy of the Company:**

The Company’s CSR Policy framework details the mechanisms for undertaking various programmes in accordance with Section 135 of the Companies Act 2013 for the benefit of the community.

The Company will primarily focus on ‘**Building India’s Social Infrastructure’** as part of its CSR programme, which will include, amongst others, the following areas, viz.

- Water & Sanitation - includes but not limited to watershed development -making clean drinking water available, promoting rain water harvesting, soil and moisture conservation, enhancing ground water levels by facilitating community management of water resources for improving conditions related to sanitation, health, education and livelihoods of communities through an integrated approach.

- Education - includes but not limited to education infrastructure support to educational Institutions, educational programs & nurturing talent at various levels.

- Health - includes but not limited to community health centres, mobile medical vans, dialysis centres, general and specialized health camps and outreach programs, support to HIV / AIDS, Tuberculosis control programs.

- Skill Development - includes but not limited to vocational training such as skill building, computer training, women empowerment, support to ITI’s, support to specially abled (infrastructure support & vocational training), Construction Skills Training Centres and providing employability skills to women and youth.

Governance, Technology and Innovation would be the key enabling factors across all these verticals.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Derek Michael Shah	Non – Executive Director	1	1
2.	Mr. Ejaz Shameem	Non – Executive Director	1	1
3.	Mr. Robert Sronce	Non – Executive Director	1	1

Mr. Gurinder Pal Singh is the Secretary of the Committee. The Committee elects one amongst them as the Chairman.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company. - https://www.lntsnl.com

4. Provide the executive summary along with web-link(s) of Impact Assessment ofCSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. - Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135. - ₹ 2,396.34 Lakhs

(b) Two percent of average net profit of the company as per sub-section (5) ofsection 135. - ₹ 47.93 Lakhs

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. - Nil

(d) Amount required to be set-off for the financial year, if any. - Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. - ₹ 47.93 Lakhs

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). - ₹ 45.77 Lakhs

b) Amount spent in Administrative Overheads - ₹ 2.29 Lakhs

c) Amount spent on Impact Assessment, if applicable - Not Applicable

d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ 48.06 Lakhs

e) CSR amount spent or unspent for the Financial Year: - Not Applicable

Total Amount Spent for the Financial Year. (in ₹)	**Amount Unspent (in ₹)**				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		**Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.**		
	Amount.	**Date of transfer.**	**Name of the Fund**	**Amount.**	**Date of transfer.**

f) Excess amount for set-off, if any: **NOT APPLICABLE**

Sl. No.	**Particular**	**Amount (in ₹)**
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section135	47.93
(ii)	Total amount spent for the Financial Year	48.06
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.13

(iv)	Surplus arising out of the CSR projects or programmes or activities of the previousFinancial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.13

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: **NIL**

1	2	3	4	5	6		7	8
Sl. No.	**Preceding Financial Year(s)**	**Amount transferred toUnspent CSR Account under sub-section (6) of section 135(in ₹)**	**Balance Amount in Unspent CSR Account under sub-section (6) of section 135(in ₹)**	**Amount Spent in the FinancialYear (in ₹)**	**Amount transferred to aFund as specified under Schedule VII as per second proviso to sub- section (5) of section 135,if any**		**Amount remaining to be spent in succeeding Financial Years(in ₹)**	**Deficiency, ifany**
					Amount (in ₹)	Date of Transfer		

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

~~Yes~~ **No**

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	**Short particulars of the property or asset(s) [including complete address and location of theproperty]**	**Pin code ofthe property or asset(s)**	**Date of creation**	**Amount of CSR amount spent**	**Details of entity/ Authority/ beneficiary of the registered owner**
(1)	(2)	(3)	(4)	(5)	(6)

					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135: **NOT APPLICABLE**

Sd/-

DEREK M. SHAH
Director
(DIN: 06526950)

Sd/-

EJAZ A. SHAMEEM
Director
(DIN: 06579073)

INDEPENDENT AUDITOR'S REPORT

To the Members of L&T-Sargent & Lundy Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of L&T-Sargent & Lundy Limited ('the Company'), which comprise the balance sheet as at March 31, 2023, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the *auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the board's report including annexures thereto and management discussion and analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

1 As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 As required by section 143(3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the relevant books of account;

(d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) With respect to the matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act (as amended), in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act ; and

(h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 43 to the financial statements;

   ii. the Company has made provision, as required under the law or accounting standards for material foreseeable losses, if any on long term contracts including derivative contracts - refer note 27(d) to the financial statements;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – refer note 41 to the financial statements.

   iv. (a) Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in note (B) to statement of changes in equity:

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act;

(b) The interim dividend declared and paid by the Company during the year is in compliance with section 123 of the Act.

vi. Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 regarding maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Sharp & Tannan
Chartered Accountants
Firm's registration no.109982W

Sd/-

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 23038332BGSMWJ8093

Mumbai, April 24, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets;

(B) The Company has maintained proper records showing full particulars of intangible assets;

(b) The Company has a program of physical verification of its property, plant and equipment to cover all the items of property, plant and equipment in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its property, plant and equipment. According to the information and explanations given to us, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification;

(c) The Company does not hold any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company;

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable to the Company; and

(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company;

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank during the year on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties. Accordingly, paragraphs 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of sections 185 and 186 of the Act are applicable. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, and cess have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, and cess were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, details of disputed statutory dues referred to in sub-clause (a) above which have not been deposited as at March 31, 2023 are as given below

Name of the statue	**Nature of the disputed dues**	**Amount (Rs. lakhs)***	**Period to which the amount relates**	**Forum where dispute is pending**
Finance Act, 1994	Dispute for availment of cenvat credit on input services	44.12	2012-13 to 2016-17	Central Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Dispute for availment of cenvat credit on input services	1,295.89	April 13 to June 17	Central Excise & Service Tax appellate Tribunal

* Net of pre-deposit paid in getting the stay/ appeal admitted

(viii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961);

(ix) In our opinion and according to the information and explanations given to us, the Company has not borrowed any funds from any lender. Accordingly, paragraphs 3(ix) (a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year; and

(b) No report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government;

(c) According to the information and explanations given to us, no complaints were received as part of the whistle blower mechanism during the year. Accordingly, paragraph 3(xi)(c) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business; and

(b) We have considered the reports of the internal auditor for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company;

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company;

(c) According to the information and explanations given to us, the Company is not a Core Investment Company (‘CIC’) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) and (d) of the Order is not applicable to the Company;

(d) According to the information and explanations given to us, the Group does not have any CIC.

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash loss in the current financial year and immediately preceding financial year;

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company;

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

(xx) According to the information and explanations given to us, as per section 135 of the Act, the Company does not have any amount remaining unspent under sub-section (5) of section 135 of the Companies Act. Accordingly, paragraphs 3(xx)(a) and (b) of the Order are not applicable to the Company;

(xxi) According to the information and explanations given to us, the Company is not required to prepare consolidated financial statements. Accordingly, paragraph 3(xxi) of the Order is not applicable to the Company.

For Sharp & Tannan
Chartered Accountants
Firm’s registration no.109982W

Sd/-

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 23038332BGSMWJ8093

Mumbai, April 24, 2023

ANNEXURE ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 2(f) of our report of even date)

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of L&T-Sargent & Lundy Limited (‘the Company’) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note, and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the ICAI.

For Sharp & Tannan
Chartered Accountants
Firm’s registration no.109982W

Sd/-

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 23038332BGSMWJ8093

Mumbai, April 24, 2023

L&T-SARGENT & LUNDY LIMITED

Balance sheet as at March 31, 2023

₹ in lakhs

Particulars	Note	As at 31-03-2023		As at 31-03-2022	
ASSETS:					
Non-current assets					
Property, plant and equipment	2		288.68		185.42
Intangible assets	3a		79.81		112.80
Right of use assets	3b		465.46		9.44
Financial assets					
Other financial assets	4		-		171.11
Deferred tax assets (net)	31		547.72		613.74
Other non-current assets	5		583.20		647.95
			1,964.87		1,740.46
Current assets					
Financial assets					
Investments	6	5,401.22		6,591.62	
Trade receivables	7	2,665.92		2,063.03	
Cash and cash equivalents	8	62.79		52.38	
Other financial assets	9	27.62		207.07	
			8,157.55		8,914.10
Other current assets	10		366.34		419.38
			8,523.89		9,333.48
TOTAL ASSETS			**10,488.76**		**11,073.94**
EQUITY AND LIABILITIES:					
Equity					
Equity share capital	11	556.55		556.55	
Other equity	12	6,171.00		6,930.45	
Total equity			6,727.55		7,487.00
Liabilities					
Non-current liabilities					
Financial liabilities					
Lease liability			389.79		-
			7,117.34		7,487.00
Current liabilities					
Financial liabilities					
Lease liability - current		91.17		11.60	
Trade payables	13	1,409.45		1,626.22	
Other financial liabilities	14	937.35		765.07	
			2,437.97		2,402.90
Other current liabilities	15		440.32		260.10
Provisions	16		493.13		923.94
			3,371.42		3,586.94
TOTAL EQUITY AND LIABILITIES			**10,488.76**		**11,073.94**
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 48**				

As per our report attached
Sharp & Tannan
Chartered Accountants
Firm's registration no. 109982W
by the hand of

Sd/-

FIRDOSH D. BUCHIA
Partner
Membership no. 038332

Date: 24th April, 2023
Place: Mumbai

Sd/-

K. M. SUBRAMANIAN
Manager

Place: Vadodara

Sd/-

GURINDER PAL SINGH
Company Secretary
M. No.: ACS 13474

Date: 24th April, 2023
Place: Chennai

Sd/-

DEREK M. SHAH
Director
(DIN: 06526950)
Place: Mumbai

Sd/-

EJAZ A. SHAMEEM
Director
(DIN: 06579073)

Place: Chicago

L&T-SARGENT & LUNDY LIMITED

Statement of profit and loss for year ended March 31, 2023

₹ in lakhs

Particulars	Note	2022-23		2021-22	
INCOME:					
Revenue from operations	17		9,008.19		10,208.04
Other income	18		370.76		586.53
Total income			**9,378.95**		**10,794.57**
EXPENSES:					
Operating and establishment expenses	19		1,783.12		2,449.59
Employee benefits expense	20		5,609.73		5,731.88
Other expenses	21		183.01		248.76
Finance cost	22		34.85		1.72
Depreciation, amortisation, impairment and obsolescence			272.03		220.90
Total expenses			**7,882.74**		**8,652.85**
Profit before tax			**1,496.21**		**2,141.72**
Tax expense					
Current tax		216.77		375.98	
MAT Credit Entitlement		(79.78)		(160.93)	
Deferred tax		148.16		55.38	
			285.15		270.43
Profit after tax			**1,211.06**		**1,871.29**
Other comprehensive income					
A. Items that will not be reclassified to profit and loss:					
Gain/(loss) on re-measurements of the defined benefits plan			39.19		33.10
B. Items that will be reclassified to profit and loss:					
Fair value changes on cash flow hedges (net)		(8.49)		4.31	
Deferred tax on fair value changes on cash flow hedges (net)		2.36	(6.13)	(1.20)	3.11
Other comprehensive income for the year (net of tax)			**33.06**		**36.21**
Total comprehensive income for the year			**1,244.12**		**1,907.50**
Basic earnings per equity shares (a)			21.76		33.62
Face value per equity share (a)			10.00		10.00
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 48**				

As per our report attached
Sharp & Tannan
Chartered Accountants
Firm's registration no. 109982W
by the hand of

Sd/-

FIRDOSH D. BUCHIA
Partner
Membership no. 038332

Date: 24th April, 2023
Place: Mumbai

Sd/-

K. M. SUBRAMANIAN
Manager

Place: Vadodara

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GURINDER PAL SINGH
Company Secretary
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Date: 24th April, 2023
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DEREK M. SHAH
Director
(DIN: 06526950)

Place: Mumbai

Sd/-

EJAZ A. SHAMEEM
Director
(DIN: 06579073)

Place: Chicago

Statement of changes in equity for the year ended March 31, 2023

₹ in lakhs

A. Equity share capital

Particulars	2022-23		2021-22	
	Number of Shares	₹	Number of Shares	₹
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	55,65,463	556.55	55,65,463	556.55
Changes in equity share capital	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	55,65,463	556.55	55,65,463	556.55

B. Other equity

Particulars	Retained earnings	Capital redemption reserve	Hedging reserve
Balance as at 01-04-2021	**7,673.46**	**269.09**	**2.00**
Profit for the year	1,871.29	-	-
Other comprehensive income for the year			
- Gain/(loss) on re-measurements of the defined benefits plan	33.10	-	-
- Fair value changes on cash flow hedges net	-	-	3.11
Dividend paid	(2,921.60)	-	-
Balance as at 31-03-2022	**6,656.25**	**269.09**	**5.11**
Profit for the year	1,211.06	-	-
Other comprehensive income for the year			
- Gain/(loss) on re-measurements of the defined benefits plan	39.19	-	-
- Fair value changes on cash flow hedges net	-	-	(6.13)
Dividend paid	(2,003.57)	-	-
Balance as at 31-03-2023	**5,902.93**	**269.09**	**(1.02)**

Notes:

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

Particulars	2022-23		2021-22	
	Dividend per share	₹	Dividend per share	₹
A. Final dividend				
Larsen & Toubro Limited	18.0000	500.89	41.7143	1,160.80
Sargent & Lundy LLC	18.0000	500.89	41.7143	1,160.80
B. Interim dividend				
Larsen & Toubro Limited	18.0000	500.89	10.7808	300.00
Sargent & Lundy LLC	18.0000	500.89	10.7808	300.00
Total divdend paid		**2,003.57**		**2,921.60**

As per our report attached
Sharp & Tannan
Chartered Accountants
Firm's registration no. 109982W
by the hand of

Sd/-

K. M. SUBRAMANIAN
Manager

Place: Vadodara

Sd/-

DEREK M. SHAH
Director
(DIN: 06526950)

Place: Mumbai

Sd/-

FIRDOSH D. BUCHIA
Partner
Membership no. 038332

Date: 24th April, 2023
Place: Mumbai

Sd/-

GURINDER PAL SINGH
Company Secretary
M. No.: ACS 13474

Date: 24th April, 2023
Place: Chennai

Sd/-

EJAZ A. SHAMEEM
Director
(DIN: 06579073)

Place: Chicago

L&T-SARGENT & LUNDY LIMITED

Statement of cash flows for the year ended March 31, 2023

₹ in lakhs

Particulars	FY 2022-23	FY 2021-22
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	**1,496.21**	**2,141.72**
Adjustments for:		
Depreciation, amortisation, impairment and obsolescence	272.03	220.90
Interest expense	34.85	1.72
(Profit)/loss on sale of investments (net)	(61.16)	(144.67)
Change in fair value of investments	(215.29)	(130.30)
(Profit)/loss on sale of fixed assets (net)	0.03	0.35
Interest received	(1.30)	(10.61)
Operating profit before working capital changes	**1,525.37**	**2,079.11**
Adjustments for:		
(Increase) / decrease in trade and other receivable	(378.89)	594.53
Increase / (decrease) in trade and other payable	(5.32)	640.93
Increase / (decrease) in other current liabilities & provisions	(250.58)	(108.59)
Cash (used in) / generated from operations	**890.58**	**3,205.99**
Direct taxes refund/(paid) [net]	(152.02)	(270.74)
Net cash (used in)/from operating activities	**738.56**	**2,935.25**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(226.19)	(135.06)
Sale of fixed assets	(0.03)	(0.35)
(Purchase)/sale of current investments (net)	1,466.85	58.54
Change in other bank balance and cash not available for immediate use	172.41	1.04
Net cash (used in) / from investing activities	**1,413.04**	**(75.83)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest received / (Paid)	2.19	2.64
Lease Payment	(139.81)	(139.81)
Dividend paid	(2,003.57)	(2,921.60)
Net cash (used in) / from financing activities	**(2,141.19)**	**(3,058.75)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**10.41**	**(199.33)**
Cash and cash equivalents at the beginning of the year	**52.38**	**251.71**
Cash and cash equivalents at the end of the year	**62.79**	**52.38**

Notes:

1 Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 “Statement of Cash Flows” as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2 Purchase of fixed assets represents additions to property, plant and equipment and other intangible assets.

3 Cash and cash equivalents included in the statement of cash flows comprise the following:

Particualars	**As at 31-03-2023**	**As at 31-03-2022**
Cash and cash equivalents disclosed under current assets (Note no. 8)	62.79	52.38
Total cash and cash equivalents as per balance sheet	**62.79**	**52.38**

4 Previous year’s figures have been regrouped/reclassified wherever applicable

As per our report attached
Sharp & Tannan
Chartered Accountants
Firm's registration no. 109982W
by the hand of

Sd/-

K. M. SUBRAMANIAN
Manager

Place: Vadodara

Sd/-

DEREK M. SHAH
Director
(DIN: 06526950)
Place: Mumbai

Sd/-

FIRDOSH D. BUCHIA
Partner
Membership no. 038332

Date: 24th April, 2023
Place: Mumbai

Sd/-

GURINDER PAL SINGH
Company Secretary
M. No.: ACS 13474

Date: 24th April, 2023
Place: Chennai

Sd/-

EJAZ A. SHAMEEM
Director
(DIN: 06579073)

Place: Chicago

Notes forming part of the financial statements
NOTE [1]

Corporate information

L&T-Sargent & Lundy Limited ('L&T-S&L' or 'the Company'), was established in 1995, and is a premier engineering and consultancy firm in the power sector which offers the complete gamut of power plant engineering and consultancy services, ranging from concept to commissioning and beyond, encompassing services such as detail engineering, owner's engineering, independent / lender's engineer, special engineering, transmission and distribution, renovation and modernization and renewable energy.
The Company is a public company incorporated and domiciled in India and has its registered office at L&T House, Ballard Estate, P.O. Box No 278, Mumbai-400001, Maharashtra, India.

Significant accounting policies

(a) Statement of compliance

The financial statements of L&T-Sargent & Lundy Limited have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations requires a different treatment.

These financials statements have been approved for issue by the Board of Directors at their meeting held on 24th April,2023.

(b) Basis of accounting

The Company maintains its accounts on an accrual basis following historical cost convention, except for certain assets and liabilities that are measured at fair value in accordance with Ind AS.

Fair value measurements are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the assets or liabilities, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

(c) Presentation of financial statements

The balance sheet and the statement of profit and loss are prepared and presented in the format prescribed in the schedule III to the Companies Act, 2013 ("the Act"). The cash flow statement has been prepared under indirect method and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in the schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS.

Amounts in the financial statements are presented in Indian Rupees in lakhs [1 Lakh = 0.1 million] rounded off to two decimal places in line with the requirements of schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

(d) Operating cycle for current and non-current classification

Any asset or liability is classified as current if it satisfies any of the following conditions: the asset/liability is expected to be realized/settled in the Company's normal operating cycle;

i. the asset is intended for sale or consumption;
ii. the asset/liability is held primarily for the purpose of trading;
iii. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
iv. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
v. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

(e) Revenue recognition

Revenue is recognized based on nature of activity when consideration can be reliably measured and there exists reasonable certainty of its recovery. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

A. Revenue from operations

The Company derives revenue from detailed engineering and other services. Revenue from rendering services is recognized when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

i. the amount of revenue can be measured reliably;
ii. it is probable that the economic benefits associated with the transaction will flow to the Company;
iii. the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
iv. the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Significant judgments are used in determining the revenue to be recognized in case of performance obligation satisfied over a period of time. Revenue is recognized by measuring the progress towards completion of the performance obligation.
Expected loss, if any, is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of performance obligation.

B. Other income

i. Dividend income is accounted in the period in which the right to receive the same is established.
ii. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
iii. Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(f) Government grants

The Company recognizes government grants only when there is reasonable assurance that conditions attached to them shall be complied with and grants will be received. Government grants receivable in the form of duty credit scripts is recognized as other income in the statement of profit and loss in the period in which application is made to the government authorities. Grants are disclosed after netting of all expenses which might not have been incurred by the Company if grant had not been available.

(g) Exceptional items

Exceptional items are those items, of income or expense that management considers by virtue of their size, type or incidence require disclosure in order to provide an understanding of the performance of the Company.

(h) Property, plant and equipment (PPE)

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can measured reliably.
PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation, and cumulative impairment if any.

Depreciation is calculated on a straight-line method on the basis of the useful life as specified in schedule II to the Companies Act, 2013, which are detailed as follows:

Sr. no.	Asset class	Minimum useful life (in years)	Maximum useful life (in years)
01.	Computers	3	6
02.	Office equipment	5	5
03.	Furniture and fixtures	10	10
04.	Vehicles	7	7

Depreciation for additions / deductions is calculated pro rata from / to the month of additions / deductions. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

(i) Intangible assets

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Computer software is recognized as intangible assets and amortized from the date at which the asset is available for use. Computer software is amortized with a finite useful life using straight-line method over 6 years.

(j) Impairment of assets

i. Impairment of financial assets

The Company assesses at each balance sheet date whether a financial assets or group of financial assets are impaired. In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision for ECL is based on external and internal credit risk factors such as the Company's historical experience for customers, type of customers e.g. public sectors, private sectors etc. ECL impairment loss allowances (or reversal) recognized during the period is recognized as an expense/income respectively in statement of profit and loss. Provision for ECL is presented as deduction from carrying amount of the respective assets.

ii. Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined at the higher of the net selling price and the value in use.

(k) Employee benefits

(a) Short term employee benefits:

Employee benefits such as salaries, wages, short-term compensated absences, bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the service.

(b) Post-employment benefits:

i. Defined contribution plans: The Company's contribution to employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. Defined benefit plans: The employees' gratuity fund scheme and provident fund scheme managed by trust are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the date near to the balance sheet date.

Re-measurements, comprising actuarial gains and losses, the return on plan assets (excluding net interest) and any change in the effect of asset ceiling (wherever applicable) are recognized immediately in other comprehensive income and reflected in retained earnings and are not reclassified to statement of profit and loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

Actuarial gains and losses are recognized immediately in balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Other changes in net defined benefit obligation like current service cost, past service cost, gains and losses on curtailment and net interest expense or income are recognized in statement of profit and loss.

(c) Long term employee benefits:

The present value of the obligation under long term employee benefit plans such as compensated absences, is recognized in similar manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

(l) Leases

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using government security (GSec) base from Financial Benchmarks India Private Limited. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation / impairment losses (refer accounting policy on impairment of assets). The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is lower. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

• Low value leases; and
• Leases which are short-term.

(m) Financial instruments

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at fair value except for trade receivables not containing a significant financing component that are initially measured at transaction price. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from, as the case may be, the fair value of such financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i. Financial assets

<u>Classification of financial assets</u>

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

<u>(a) Financial assets at amortized cost</u>

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

(b) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through OCI on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in profit or loss.

(c) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

De-recognition of financial assets

The Company derecognizes the financial assets when:

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

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in statement of profit and loss.

ii. Financial liabilities

Financial liabilities are initially recognized at fair value, and subsequently carried at amortized cost using effective interest method. For trade and other payables maturing within 1 year from balance sheet date, the carrying amount is approximate fair value due to short maturity of these instruments.

(n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balance with banks, deposits held at call with financial institutions and other deposits with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Borrowing costs

Borrowing costs include interest expense and exchange differences arising on foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

(p) Foreign currencies

The functional currency and the presentation currency of the Company is the Indian rupee.

Foreign currency transactions are recorded on initial recognition using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are not retranslated.

(q) Accounting and reporting information for operating segments

Company operates in single segment namely engineering services. Hence, the same is not reported on the basis of operations but are reported on the basis of geographical classification. Segment revenue and segment assets are reported on the basis of their geographical locations classifying the same as India, USA and rest of the world.

(r) Tax expenses

Tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i. Current income taxes:

Current income tax expense includes income taxes payable by the Company. The current tax payable by the Company in India is Indian income tax liability for their worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs) and withholding tax deducted by overseas customers as per the provisions of DTAA and TDS deducted by local customers.

ii. Deferred income taxes:

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

The Company recognizes interest levied related to income tax assessments in interest expenses.

(s) Provisions, contingent liabilities, and contingent assets

Provisions are recognized only when:

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

Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- A possible obligation unless the probability of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(t) Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

1. when estimated amount of contracts remaining to be executed on capital account and not provided; and
2. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

(u) Statement of cash flows

Statement of cash flows is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of changes during the period in operating receivables and payables transactions of a non-cash nature, non-cash items such as depreciation, provisions, unrealized foreign currency gains and losses, and all other items for which the cash effects are investing or financing cash flows. Cash and cash equivalents (including bank balances) shown in the statement of cash flows exclude items which are not available for general use as on the date of balance sheet.

(v) Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average numbers of the equity shares outstanding during the period.

(w) Key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires that management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements and the reported amounts of income and expense for the periods presented. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates include useful lives of property, plant and equipment and intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, future cash inflows (net) for hedging purpose, fair value measurement etc. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

(x) Recent Pronouncements

On March 31, 2023, Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, which becomes effective from April 1, 2023. The gist of the amendments is as follows:

- **Ind AS 1, Presentation of Financial Statements** - It is specified when the accounting policy information is material, and the requirement to disclose significant accounting policies is substituted with the disclosure of material accounting policy information.
- **Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors** - The definition of “change in accounting estimate” is substituted with the definition of “accounting estimates”. Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty.
- **Ind AS 12, Income Taxes** – it is required to recognise deferred tax liability or asset for all temporary differences arising from initial recognition of an asset or liability in a transaction that gives rise to equal taxable and deductible temporary differences.

The above amendments will not have material impact on Company’s Financial Statements.

Notes forming part of the Financial Statements

₹ in lakhs

2. Property, plant and equipment & capital work-in-progress

	Plant & machinery	Office equipment	Furniture and fixtures	Total
As at 01-04-2021	**737.90**	**57.61**	**15.77**	**811.28**
Additions	88.95	0.20	-	89.15
Disposals/transfers	7.58	3.18	-	10.76
As at 31-03-2022	**819.27**	**54.63**	**15.77**	**889.67**
Additions	207.29	-	-	207.29
Disposals/transfers	2.31	-	1.19	3.50
As at 31-03-2023	**1,024.25**	**54.63**	**14.58**	**1,093.46**
Accumulated depreciation				
As at 01-04-2021	**573.29**	**49.58**	**15.76**	**638.63**
Depreciation charge for the year	73.53	2.86	-	76.39
Disposals/transfers	7.59	3.18	-	10.77
As at 31-03-2022	**639.23**	**49.26**	**15.76**	**704.25**
Depreciation charge for the year	102.09	1.95	-	104.04
Disposals/transfers	2.32	-	1.19	3.51
As at 31-03-2023	**739.00**	**51.21**	**14.57**	**804.78**
Net book value				
As at 31-03-2022	180.04	5.37	0.01	185.42
As at 31-03-2023	**285.25**	**3.42**	**0.01**	**288.68**

3a. Other Intangible assets

	Computer software	Total
Cost:		
As at 01-04-2021	**316.45**	**316.45**
Additions	45.91	45.91
Disposals/transfers	-	-
As at 31-03-2022	**362.36**	**362.36**
Additions	18.90	18.90
Disposals/transfers	30.96	30.96
As at 31-03-2023	**350.30**	**350.30**
Accumulated amortisation		
As at 01-04-2021	**218.30**	**218.30**
Amortisation for the year	31.26	31.26
Disposals/transfers	-	-
As at 31-03-2022	**249.56**	**249.56**
Amortisation for the year	51.89	51.89
Disposals/transfers	30.96	30.96
As at 31-03-2023	**270.49**	**270.49**
Net book value		
As at 31-03-2022	112.80	112.80
As at 31-03-2023	**79.81**	**79.81**

3b. Right of use asset

	Right of use asset	Total
Cost:		
As at 01-04-2021	**380.21**	**380.21**
Additions	-	-
Disposals/transfers	4.15	4.15
As at 31-03-2022	**376.06**	**376.06**
Additions	572.13	572.13
Disposals/transfers	376.06	376.06
As at 31-03-2023	**572.13**	**572.13**
Accumulated depreciation		
As at 01-04-2021	**253.38**	**253.38**
Depreciation charge for the year	113.25	113.25
Disposals/transfers	-	-
As at 31-03-2022	**366.62**	**366.62**
Depreciation charge for the year	116.11	116.11
Disposals/transfers	376.06	376.06
As at 31-03-2023	**106.67**	**106.67**
Net book value		
As at 31-03-2022	9.44	9.44
As at 31-03-2023	**465.46**	**465.46**

₹ in lakhs

4. Other financial assets - non-current

Particulars	As at 31-03-2023	As at 31-03-2022
Cash and bank balances not available for immediate use (given against guarantee)	-	171.11
	-	**171.11**

5. Other non current assets

Particulars	As at 31-03-2023	As at 31-03-2022
Income tax receivable (net)	454.87	553.51
Current year tax receivable (net)	128.33	94.44
	583.20	**647.95**

6. Financial Assets - current: Investments

Particulars	As at 31-03-2023	As at 31-03-2022
Unquoted investments		
Investments in mutual funds		
Fair value through profit and loss	5,401.22	6,591.62
	5,401.22	**6,591.62**

Details of current investments

Particulars	No. of units as at 31-03-2023	NAV per unit as at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Investments in mutual funds				
01. Aditya Birla Sun Life Savings Fund - DP - Growth	1,48,597.15	470.26	698.79	1,803.50
02. Nippon India Prime Debt Fund Direct Plan - Growth	1,03,84,063.73	18.00	1,869.14	1,791.73
03. Invesco India Treasury Advantage Fund - DP - Growth	28,611.04	3,332.63	953.50	907.75
04. Kotak Low Duration Fund - Direct Growth	36,479.96	3,060.66	1,116.53	1,058.51
05. HDFC Ultra Short Term Fund - DP - Growth	18,14,435.50	13.11	237.80	1,030.14
06. Nippon India Liquid Fund-Direct Growth Plan	9,541.84	5,506.94	525.46	-
			5,401.22	**6,591.62**

Details of unquoted investments:

Particulars	As at 31-03-2023	As at 31-03-2022
Aggregate amount of unquoted current investments:		
Book value	4,832.86	6,238.55

7. Financial assets - current: trade receivables (undisputed)

Particulars	As at 31-03-2023		As at 31-03-2022	
Considered good (Refer note no. 35)	2,893.51		2,232.67	
Allowance for doubtful debts	(227.59)	2,665.92	(169.64)	2,063.03
Significant increase in credit risk		-		-
Credit impaired (Refer note no. 35)	-		247.61	
Allowance for doubtful debts	-	-	(247.61)	-
		2,665.92		**2,063.03**

₹ in lakhs

8. Financial assets - current: cash and cash equivalents

Particulars	As at 31-03-2023	As at 31-03-2022
Balance with banks	62.79	52.38
	62.79	**52.38**

9. Other current financial assets

Particulars	As at 31-03-2023	As at 31-03-2022
Advances recoverable in cash or in kind or for value to be received		
Considered good	0.98	5.10
Other financial receivables	21.65	184.78
Forward contract receivables	4.99	17.19
	27.62	**207.07**

10. Other current assets

Particulars	As at 31-03-2023		As at 31-03-2022	
Due from customers (project related activity)	94.43		127.06	
Less: ECL on unbilled revenue	(2.08)	92.35	(7.15)	119.91
Advance to suppliers		104.13		95.61
Prepaid expenses		132.52		166.46
Statutory and other receivables		37.34		37.40
		366.34		**419.38**

₹ in lakhs

11. Equity share capital

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	No. of shares	₹	No. of shares	₹
Authorised:				
Equity shares of ₹ 10 each	1,50,00,000	1,500	1,50,00,000	1,500
Issued, subscribed and fully paid up	55,65,463	556.55	55,65,463	556.55
Equity shares of ₹ 10 each				

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	No. of shares	₹	No. of shares	₹
Issued, subscribed and fully paid up:				
Balance at the beginning of the year	55,65,463	556.55	55,65,463	556.55
Addition/deletion during the year			-	-
Balance at the end of the year	**55,65,463**	**556.55**	**55,65,463**	**556.55**

(c) Terms/rights attached to equity shares:
The Company has one class of shares i.e. equity shares having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) Shareholders holding more than 5% of equity shares as at end of the year

Name of the Shareholders	As at 31-03-2023		As at 31-03-2022	
	No. of shares	Shareholding %	No. of shares	Shareholding %
Larsen & Toubro Limited	27,82,736	50%	27,82,736	50%
Sargent & Lundy LLC	27,82,727	50%	27,82,727	50%

12. Other equity

Particulars	As at 31-03-2023	As at 31-03-2022
Retained earnings	5,902.93	6,656.25
Capital redemption reserve*	269.09	269.09
Hedging reserve	(1.02)	5.11
	6,171.00	**6,930.45**

* Capital redemption reserve was created by the Company at the time of buy-back of shares in earlier years.

13. Financial liabilities - current: trade payables (undisputed)

Particulars	As at 31-03-2023	As at 31-03-2022
Due to micro and small enterprises (Refer note no. 36)	56.25	107.71
Due to other than micro and small enterprises (Refer note no. 36)	1,353.20	1,518.51
	1,409.45	**1,626.22**

14. Other finanacial liabilities - current

Particulars	As at 31-03-2023	As at 31-03-2022
Due to employees	937.35	765.07
	937.35	**765.07**

15. Other current liabilities

Particulars	As at 31-03-2023	As at 31-03-2022
Due to customers (project related activities)	157.33	-
Advances from customers	44.60	16.69
Other payables	238.39	243.41
	440.32	**260.10**

16. Current liabilities:provisions

Particulars	As at 31-03-2023	As at 31-03-2022
Provision for employee benefits:		
Compensated absences	399.58	457.73
Other provisions - job cost	93.55	466.21
	493.13	**923.94**

₹ in lakhs

17. Revenue from operations

Particulars	2022-23	2022-23	2021-22	2021-22
Revenue from engineering services		4,276.30		5,890.36
Increase/(decrease) in Work-in-progress (engineering services)				
Add/(Less): closing work-in-progress	(62.90)		127.06	
Add/(Less): opening work-in-progress	127.06	(189.96)	113.50	13.56
Revenue from other services		4,921.85		4,304.12
		9,008.19		**10,208.04**

18. Other income

Particulars	2022-23	2021-22
Profit on sale/redemption of investments (net)	61.16	144.67
Gain/(loss) on fair valuation of financial assets	215.29	130.30
Profit/(loss) on sale of fixed assets (net)	0.03	0.35
Exchange gain/(loss) on forward contracts	(64.78)	46.57
Reimbursement of expenses from customers	66.96	26.52
Miscellaneous income	29.77	74.99
Export benefits	62.33	163.13
	370.76	**586.53**

Notes forming part of the Financial Statements

₹ in lakhs

19. Operating and establishment expenses

Particulars	2022-23	2021-22
Establishment expenses	761.02	810.07
Technical service and project expenses	374.17	808.39
Travelling and conveyance	425.91	326.63
Cost of computer software and hardware	493.36	462.43
Power and fuel	101.32	93.62
Provision towards job cost	(372.66)	(51.55)
	1,783.12	**2,449.59**

20. Employee benefits expenses

Particulars	2022-23	2021-22
Salaries and allowances	5,286.74	5,448.77
Provident fund and pension fund	144.13	146.28
Gratuity fund	45.64	45.10
Leave encashment	34.38	18.93
Staff welfare expenses	98.84	72.80
	5,609.73	**5,731.88**

21. Other expenses

Particulars	2022-23	2021-22
Insurance	15.30	8.30
Telecommunication expenses	39.41	41.97
Rates and taxes	14.67	6.13
Stationery and printing	11.30	12.78
Repairs and maintenance - others	2.78	5.93
CSR expense	48.07	44.44
Bad debts written off	273.67	69.28
Allowances for doubtful debts	(194.73)	(22.92)
Exchange (gain)/loss (net)	(72.24)	(22.92)
Miscellaneous expenses	44.78	105.77
	183.01	**248.76**

22. Finance cost

Particulars	2022-23	2021-22
Interest others	34.85	1.72
	34.85	**1.72**

23. Corporate social responsibility :

(a) Amount required to be spent by the Company during the year - ₹ **47.93 lakhs**
Amount of expenditure incurred - ₹ **48.06 lakhs**
Shortfall at the end of the year - **Nil**
Total of previous years shortfall - **Nil**
Reason for shortfall - **Not applicable**

Amount spent during the year:

(₹ in lakhs)

Particulars	Year ended 31-03-2023			Year ended 31-03-2022		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Revenue expenses	10.28	37.78	48.06	35.10	9.34	44.44
Total	**10.28**	**37.78**	**48.06**	**35.10**	**9.34**	**44.44**

(b) Nature of CSR activities-

(₹ in lakhs)

Sr. No.	Name of the project	FY 2022-23	FY 2021-22
1	Development of playground area	5.40	17.23
2	Supply of furniture/storage cabinet	0.93	-
3	Construction of water room ,renovation of washroom & RO with water cooler	9.27	-
4	Basic Computer skill development and retail associates skilling		2.36
5	Supply of desktop computer with furniture	13.65	-
6	Development of counselling centre for women and senior citizens (SHE)		20.23
7	Self-employment-oriented home-based elderly and sick persons health care assistants course		2.50
8	Shelter for mid-day meal & prayer hall	16.52	-
	Total (A)	**45.77**	**42.32**
	Administrative overheads (B)	2.29	2.12
	Total (A+B)	**48.06**	**44.44**

(c) Details of related party transactions e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Indian Accounting Standard - **not applicable.**

(d) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately - **not applicable.**

24. Disclosure for current assets and current liabilities:

Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

(₹ in lakhs)

Particulars	As at 31-03-2023			As at 31-03-2022		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Investments	5,401.22	-	5,401.22	6,591.62	-	6591.62
Trade receivables	2,665.92	-	2,665.92	2,063.03	-	2063.03
Cash and cash equivalents	62.79	-	62.79	52.38	-	52.38
Other financial assets	27.62	-	27.62	200.24	6.83	207.07
Other current assets	366.34	-	366.34	419.38	-	419.38
Total	**8,523.89**	**-**	**8,523.89**	**9,326.65**	**6.83**	**9,333.48**

Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

(₹ in lakhs)

Particulars	As at 31-03-2023			As at 31-03-2022		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Trade payables	1,409.45	-	1,409.45	1,626.22	-	1,626.22
Lease liability	91.17	-	91.17	11.60	-	11.60
Other financial liabilities	937.35	-	937.35	765.07	-	765.07
Other current liabilities	440.32	-	440.32	260.10	-	260.10
Provisions	493.13	-	493.13	923.95	-	923.95
Total	**3,371.42**	**-**	**3,371.42**	**3,586.95**	**-**	**3,586.95**

25. Other disclosure pursuant to Ind AS 107 "Financial Instruments":

i) Outstanding currency exchange rate hedge instruments:

Forward covers taken to hedge exchange rate risk and accounted as cash flow hedge.

(₹ in lakhs)

Receivable hedges	As at 31-03-2023				As at 31-03-2022			
	Nominal amount	Avg. rate (₹)	Within twelve months	After twelve months	Nominal amount	Avg. rate (₹)	Within twelve months	After twelve months
US Dollar	1,321.79	82.42	1,321.79	0.00	1,756.62	76.14	915.07	841.55

ii) Break up of hedging reserve:

(₹ in lakhs)

Cash flow hedge	Currency exposure	
	As at 31-03-2023	As at 31-03-2022
Forward contracts		
Current asset/(liability)		
Other financial assets / (liabilities)	4.99	17.19

iii) Movement of hedging reserve:

(₹ in lakhs)

Hedging reserve	2022-23	2021-22
Opening balance	5.11	2.00
Changes in fair value of forward contracts designed as hedging instrument	(12.20)	12.81
Amount reclassified to statement of profit and loss	3.71	(8.50)
Tax impact on above	2.36	(1.20)
Closing balance	**(1.02)**	**5.11**

26. Fair value measurements:

(a) Financial instruments by category

(₹ in lakhs)

Particulars	As at 31-03-2023			As at 31-03-2022		
	FVTPL(1)	FVTOCI(2)	Amortized Cost(3)	FVTPL(1)	FVTOCI(2)	Amortized Cost(3)
Financial assets						
Investments - mutual funds	5,401.22	-	-	6,591.62	-	-
Fixed deposits with banks	-	-	-	-	-	171.11
Trade receivables	-	-	2,665.92	-	-	2,063.03
Cash and cash equivalents	-	-	62.79	-	-	52.38
Forward contract receivable	-	4.99	-	-	17.19	-
Other receivables	-	-	22.63	-	-	189.88
Total financial assets	**5,401.22**	**4.99**	**2,751.34**	**6,591.62**	**17.19**	**2,476.40**
Financial liabilities						
Trade payables	-	-	1,409.45	-	-	1,626.22
Lease liability	-	-	91.17	-	-	11.60
Other payables	-	-	937.35	-	-	765.07
Total financial liabilities	**-**	**-**	**2,437.97**	**-**	**-**	**2,402.90**

(1) Measured at fair value through profit or loss (FVTPL)

(2) Measured at fair value through other comprehensive income (FVTOCI)

(3) Measured at amortized cost (Amortized Cost)

(b) Fair value hierarchy

(₹ in lakhs)

Particulars	As at 31-03-2023			As at 31-03-2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments - mutual funds	5,401.22	-		6,591.62	-	-
Forward contract receivable	-	4.99	-	-	17.19	-
Total financial assets	**5,401.22**	**4.99**		**6,591.62**	**17.19**	**-**
Financial liabilities						
Forward contract payable	-	-	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liability

Level 2 – Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 – Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

There were no transfers between the levels during the year.

27. Financial risk management:

The business activities of the Company are exposed to various financial risks such as credit/counterparty risk, liquidity risk and market risk.

a) Credit/counterparty risk

The principal credit risk that the Company is exposed to is non-collection of trade receivables and late collection of receivables leading to credit loss. The risk is mitigated by reviewing creditworthiness of the prospective customers prior to entering into contract and, post contracting, through continuous monitoring of collections by a dedicated team.

The Company makes adequate provision for non-collection of trade receivables. Further, the Company has not suffered significant payment defaults by its customers.

In addition, for delay in collection of receivables, the Company has made provision for expected credit loss ('ECL') based on ageing analysis of its trade receivables. The provision for ECL is based on external and internal credit risk factors such as the Company's historical experience for customers, type of customers e.g. public sectors, private sectors etc.

The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

(₹ in lakhs)

Particulars	2022-23	2021-22
Opening balance	**417.25**	**447.32**
Additional provision	(189.66)	(30.07)
Closing balance	**227.59**	**417.25**

The revenue from its top five customers is ₹ 3,487.64 lakhs which is equivalent to 37.92**%** for FY 2022-23 (₹ 4,657.59 lakhs which is equivalent to 45.69% for FY 2021-22).

The counterparty risk that the Company is exposed to is principally for financial instruments taken to hedge its foreign currency risks (see below). The counter-parties are mainly banks and the Company has entered into contracts with the counterparties for all its hedge instruments.

The Company invests its surplus funds in bank deposits and liquid investments and mitigates the risk of counterparty failure by investing with institutions having good credit rating

b) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines.

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

The Company has no borrowings as on 31 March 23 but it has credit facilities with banks that will help it to generate funds for the business if required. The contractual maturities of financial assets and financial liabilities is as follows:

(₹ in lakhs)

Financial assets	Within twelve months	After twelve months	Total
Investments	5,401.22	-	5,401.22
Trade receivables	2,665.92	-	2,665.92
Bank balances other than cash and cash equivalents	-	-	-
Other financial assets	90.41	-	90.41
Total	**8,157.55**	**-**	**8,157.55**

(₹ in lakhs)

Financial liabilities	Within twelve months	After twelve months	Total
Trade payables	1,409.45	-	1,409.45
Lease liability	91.17	-	91.17
Other financial liabilities	937.35	-	937.35
Total	**2,437.97**	**-**	**2,437.97**

c) Market risk

Market risk is the risk of loss of future earnings, fair value and future cash flows that may result from change in price of financial instruments. The value of the financial instrument may change as a result of change in interest rate scenario and other market changes that affect the market risk sensitive instrument. Market risk is attributable to market risk sensitive instruments viz. investments in mutual funds.

The Company's finance team manages cash resources, implementation of hedging strategies for foreign currency exposures, and ensures compliance with market risk limits and policies. This team is guided by the treasury committee. Company manages the market risk through the treasury committee which evaluates and exercises independent control over the entire process of market risk management. The treasury committee recommends the policies and processes for investments. The committee appraised the implementation of the plan and policies on a quarterly basis. The Board of the Company is also apprised of the proceedings of the treasury committee on quarterly basis.

(i) Foreign currency risk

Foreign exchange risk is a financial risk for the Company
The Company uses derivative financial instruments to mitigate foreign exchange related exposures.

The Company's transactions that are in foreign currencies, are mainly in US dollars.

The board of directors has approved the Company's financial risk management policy covering management of foreign currency exposures. The Company's treasury department monitors the foreign currency exposures and takes appropriate forward covers to mitigate its risk. The Company hedges its exposure both on cash flow basis as well as on net basis (i.e. net expected outcome of the project). These hedges are cash flow hedges.

The Company does not enter into hedge transactions for either trading or speculative purposes.

Exchange rate risk:

(₹ in lakhs)

Particulars	Impact on profit after tax		Impact on other components of equity	
	2022-23	2021-22	2022-23	2021-22
USD sensitivity				
INR/USD - Increase by 1 %*	0.15	0.34	0.03	0.24
INR/USD - Decrease by 1%*	(0.15)	(0.34)	(0.03)	(0.24)

* Holding all other variable constant

(ii) Interest rate risk:

The Company has no interest risk in case of borrowings as on 31 March 2023.

d) The Company has made provisions, as required under the applicable law or accounting standards for material foreseeable losses on derivative contracts, wherever applicable.

28. Segment reporting:

The Company operates in a single segment, namely, providing engineering and associated services and supplies for thermal, hydro and combined cycle power projects services. Country wise segment is as under:

(₹ in lakhs)

Revenue by location of customers	2022-23	2021-22
India	5,008.02	6,396.00
USA	1,714.15	1,635.31
Rest of the world	2,286.02	2,176.73
Total	**9,008.19**	**10,208.04**

Note: Property, plant and equipment used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as the property, plant and equipment and services are used interchangeably among segments.

29. Disclosures pursuant to Ind AS 115 - "Revenue from Contracts with Customers":

(a) Movement in contract balances during the year

(₹ in lakhs)

Particulars	Contract Assets
Opening balance (A)	127.06
Closing balance (B)	(62.90)
Net increase/(decrease)	(64.16)

(b) Reconciliation of contracted price with revenue during the year

(₹ in lakhs)

Particulars	2022-23
Opening contract price of orders	**10,036.58**
Add: orders received during the year	10,875.75
Less: Reduction in scope of existing contract	1,798.70

Total	**19,113.63**
Revenue recognized during the year	9,008.19
Closing contract price of orders	**10,105.44**

(c) The Company has made provisions, as required under the applicable law or Ind AS, for material foreseeable losses, wherever required, on long-term contracts.

30. Tax reconciliation statement:

A reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ in lakhs)

Sr. no.	Particulars	2022-23	2021-22
(a)	Profit before tax	1,496.21	2,141.72
(b)	Corporate tax rate as per Income-tax Act, 1961	27.82%	27.82%
(c)	**Tax on accounting profit** (c)=(a)*(b)	**416.25**	**595.82**
(d)	(i) Tax in respect of items exempt from tax	(217.93)	(383.31)
	(ii) Difference in tax for items which are not allowed as deduction	(72.23)	(4.83)
	(iii) Difference of tax and accounting depreciation	10.22	7.37
	(iv) Effect on deferred tax balances	148.16	55.38
	(v) Tax expenses for earlier years	0.68	-
	Total effect of tax adjustments [(i) to (v)]	**(131.10)**	**(325.39)**
(e)	Tax expense recognized during the year (e)=(c)-(d)	285.15	270.43
(f)	Effective tax rate (f)=(e)/(a)	19.06%	12.63%

The effective tax rate is after considering the income tax benefit available under the Income-tax Act, 1961 - section 10AA for units registered under the Special Economic Zone Act,2005 (SEZ). The Company has received letter of approval for set up of new SEZ unit in the L&T-IT / ITES SEZ, Vadodara vide letter dated 19-04-2017 from the office of the Zonal Development Commissioner, Kandla Special Economic Zone and commencement of commercial activity / operation with effect from 22-09-2017. The Company has received renewal of letter of approval for second (2nd) block of five (5) years i.e from 22-09-2022 to 21-09-2027 vide letter dated August 25, 2022.

31. Deferred tax:

(₹ in lakhs)

Particulars	Deferred tax (asset)/ liability as at 31-03-2022	Charge /(credit) to profit and loss account	Charge (credit) to OCI	Deferred tax (asset)/ liability as at 31-03-2023
Provision for leave encashment	(127.34)	16.18		(111.16)

Provision for doubtful debts	(118.07)	54.18		(63.89)
Provision for annual expense	(27.82)	27.82		-
Provision for service tax litigation	(130.78)	-		(130.78)
Net impact of lease under Ind AS 116	(0.60)	(3.71)		(4.31)
Deferred tax asset	**(404.61)**	**94.47**		**(310.14)**
Difference between book and tax depreciation	(19.54)	(6.20)		(25.74)
MTM revaluation of investment in mutual fund	98.22	59.89		158.12
Derivative transactions	1.97	-	(2.36)	(0.39)
Deferred tax liability	**80.65**	**53.69**	**(2.36)**	**131.99**
Net deferred tax (asset)/ liability (A)	**(323.96)**	**148.16**	**(2.36)**	**(178.16)**
MAT credit entitlement (B)	**(289.78)**	**(79.78)**	**-**	**(369.56)**
DTL/(DTA) and MAT Credit (A+B)	**(613.74)**	**68.37**	**(2.36)**	**(547.72)**

32. Employee benefits:

A. Compensated absence liabilities: The amounts recognised in the balance sheet:

(₹ in lakhs)

Particulars	**2022-23**	**2021-22**
Net liability	399.58	457.73

B. Defined Benefit Plan:

a) The amount recognised in balance sheet are as follows:

(₹ in lakhs)

	Particulars	**Gratuity plan**	**Gratuity plan**	**Trust managed provident fund plan**	**Trust managed provident fund plan**
		As at 31-03-2023	**As at 31-03-2022**	**As at 31-03-2023**	**As at 31-03-2022**
A					
a)	Present value of defined benefit obligation				
	- Wholly funded	415.60	452.05	3,711.78	3,668.73
	- Wholly unfunded			29.28	28.84
b)	Fair value of plan assets	419.58	460.31	3,665.70	3,733.80
	Amount to be recognised as liability or (asset) (a-b)	(3.98)	(8.26)	75.36	(36.23)(1)
B	Amounts reflected in the balance sheet				
	Liabilities	-	-	29.28(2)	28.84(2)

	Assets	(3.98)	(8.26)	-	-
	Net liability / (asset)	**(3.98)**	**(8.26)**	**29.28**	**28.84**

[1] Asset is not recognized in the balance sheet.

[2] Employer's and employee's contribution for the month of March '2023 paid in April '2023.

b) The amount recognised in statement of profit and loss are as follows:

(₹ in lakhs)

	Particulars	Gratuity plan	Gratuity plan	Trust managed provident fund plan	Trust managed provident fund plan
		2022-23	**2021-22**	**2022-23**	**2021-22**
1	Current service cost	45.64	45.10	81.94[1]	76.98[1)]
2	Past service cost	-	-		-
3	Interest cost	(2.18)	(2.64)	301.63	274.22
4	Expected return on plan assets	-	-	(301.63)	(274.22)
5	Actuarial losses / (gains)	-	-	(1.58)	13.62
6	Actual return on plan assets over interest payable	-	-	1.58	(13.62)
	Total expense for the year	43.46	42.46	81.94	76.98
i.	Amount included in "Employee benefits expense"	45.64	45.10	81.94	76.98
ii.	Amount included in "Finance cost"	(2.18)	(2.64)	-	-
	Total expense (i+ii)	**43.46**	**42.46**	**81.94**	**76.98**

[1] Employer's contribution to provident fund.

c) Amount recorded in other comprehensive income:

(₹ in lakhs)

Particulars	Gratuity plan	Gratuity plan	Trust managed provident fund plan	Trust managed provident fund plan
	2022-23	**2021-22**	**2022-23**	**2021-22**
Opening amount recognized in OCI	(275.53)	(242.43)	-	-
Re-measurements during the period due to				
a Changes in financial assumption	(17.34)	(9.16)	-	-
b Changes in demographic assumptions		-	-	-

c Experience adjustments	(37.60)	(20.65)	-	-
d Actual return on plan assets less interest on plan assets	15.76	(3.30)	-	-
e Adjustment to recognize the effect of assets ceiling		-	-	-
Closing amount recognized in OCI	(314.71)	(275.53)	-	-

d) Reconciliation of net liability / asset:

(₹ in lakhs)

Particulars	Gratuity plan	Gratuity plan	Trust managed provident fund plan	Trust managed provident fund plan
	As at 31-03-2023	**As at 31-03-2022**	**As at 31-03-2023**	**As at 31-03-2022**
Opening net defined benefit liability / (assets)	(8.26)	(17.62)	-	-
Expenses charged to profit and loss account	43.46	42.46	-	-
Amount recognized in OCI	(39.18)	(33.10)	-	-
Employer contribution		-	-	-
Closing net defined benefit liability / (assets)	**(3.98)**	**(8.26)**	**-**	**-**

e) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ in lakhs)

Particulars	Gratuity plan	Gratuity plan	Trust managed provident fund plan	Trust managed provident fund plan
	As at 31-03-2023	**As at 31-03-2022**	**As at 31-03-2023**	**As at 31-03-2022**
Opening balance of the present value of defined benefit obligation	452.05	422.32	3,781.47	3,385.42
Add: Current service cost	45.64	45.10	81.94	76.98
Add: Interest cost	27.10	24.02	301.63	274.22
Add: Contribution by plan participants				
i) Employee	-	-	275.25	267.91
ii) Transfer-in/(out)	-	-	61.81	32.60

Add/(less): Actuarial (gains)/losses arising from -				
Change in financial assumptions	(17.34)	(9.16)	-	-
Change in demographic assumptions		-	-	-
Experience adjustments	(37.60)	(20.64)	-	-
Less: benefits paid	(54.25)	(9.59)	(761.04)	(368.39)
Closing balance of the present value of defined benefit obligation	**415.60**	**452.05**	**3,741.06**	**3,668.73**

f) **Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:**

(₹ in lakhs)

Particulars	**Gratuity plan**	**Gratuity plan**	**Trust managed provident fund plan**	**Trust managed provident fund plan**
	As at 31-03-2023	**As at 31-03-2022**	**As at 31-03-2023**	**As at 31-03-2022**
Opening balance of the fair value of the plan assets	460.31	439.94	3,733.81	3,492.95
Add: Interest on plan asset	29.28	26.66		-
Add: Expected return on plan assets		-	301.63	274.22
Add/(less): Actuarial gains/(losses) due to actual return on plan asset less interest income	(15.76)	3.30	1.58	(13.62)
Add: Contribution by the employer	-	-	74.73	70.44
Add/(less): Transfer in/(out)	-	-	61.81	32.60
Add: Contribution by plan participants	-	-	253.18	245.61
Less: benefits paid	(54.25)	(9.59)	(761.04)	(368.39)
Closing balance of the plan assets	**419.58**	**460.31**	**3,665.70**	**3,733.81**

Note: The fair value of the plan assets under the trust-managed provident fund plan has been determined at amounts based on their value at the time of redemption, assuming a constant rate of return to maturity.

The Company expects to contribute ₹ Nil (P.Y. ₹ 50 lakhs) towards its gratuity plan and ₹ 81.94 lakhs (P.Y. ₹ 76.98 lakhs) towards its trust-managed provident fund plan in the financial year 2022-23.

g) The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	Gratuity plan	Gratuity plan	Trust-managed provident fund plan	Trust-managed provident fund plan
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Government of India securities	45%	55%	56%	49%
Corporate bonds	33%	40%	39%	36%
Others	22%	5%	5%	15%

h) Category wise value of plan assets:

(₹ in lakhs)

Particulars	Year ended 31 March 2023		
	Quoted	Unquoted	Total
Government debt instruments	188.57	-	188.57
Other debt instruments	140.62	-	140.62
Others	-	90.38	90.38
Grand Total	**329.19**	**90.38**	**419.57**

The plan does not invest directly in any property occupied by the Company or in any financial securities issued by the Company.

i) Principal actuarial assumptions of gratuity:

Particulars	As at 31-03-2023	As at 31-03-2022
Discount rate (p.a.)	7.30%	6.55%
Attrition rate	5% to 16% for various age groups	5% to 16% for various age groups
Salary growth rate (p.a.)	5.00%	5.00%

Sensitivity analysis:

Particulars	Gratuity plan	
	As at 31-03-2023	As at 31-03-2022
Discount rate		
Impact of increase in 50 bps on defined benefit obligation	-2.61%	-2.77%
Impact of decrease in 50 bps on defined benefit obligation	2.74%	2.92%
Salary growth rate		
Impact of increase in 50 bps on defined benefit obligation	2.79%	2.95%
Impact of decrease in 50 bps on defined benefit obligation	-2.67%	-2.82%

i. The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

ii. The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at March 31, 2023 date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Retirement age: The employees retire at the age of 58 years.

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

Disability: Leaving service due to disability is included in the provision made for all causes of leaving service.

j) The amounts pertaining to defined benefit plans are as follows:

Summary of plan assets and liabilities of gratuity fund:

(₹ in lakhs)

Particulars		As at 31-03-2023	As at 31-03-2022
1	Defined benefit obligation	415.60	452.05
2	Plan assets	419.58	460.32
3	Surplus/ (deficit)	3.98	8.26

Experience adjustments on plan asset and liabilities of gratuity fund:

(₹ in lakhs)

Particulars		As at 31-03-2023	As at 31-03-2022
1	Experience adjustments on plan liabilities	(37.60)	(20.64)
2	Experience adjustments on plan assets	(15.76)	3.30

Trust-managed provident fund plan:

(₹ in lakhs)

Particulars		As at 31-03-2023	As at 31-03-2022
1	Defined benefit obligation	3,741.06	3,668.73
2	Plan assets	3,665.70	3,733.81
3	Surplus/ (deficit)	(75.36)	65.08

k) The Company has contributed ₹ 56.38 lakhs (P.Y. ₹ 63.20 lakhs) towards employee pension scheme and ` Nil (P.Y. ₹ Nil) towards superannuation scheme (both defined contribution schemes) during the year which are included in employee benefit expenses.

General descriptions of defined benefit plans:

a) Gratuity plan

The Company makes contributions to the group gratuity fund, a funded defined benefit plan for qualifying employees managed by a trust. The scheme provides for lump-sum payment to employees at the time of retirement, death while in employment or termination of employment of an amount equivalent to 15 days salary for every completed year of service or part thereof in excess of six months, provided the employee has completed five years in service.

b) Trust-managed provident fund plan

The Company's provident fund plan is managed by a trust permitted under the Provident Fund Act, 1952. The plan envisages contribution by employer and employees and guarantees interest at the rate notified by the provident fund authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

c) Compensated absence liabilities:

The benefit to employees is allowed at the time of separation from the Company. Maximum leave allowable for encashment on separation is 180 days of salary.

33. Related party transactions:

I Joint venture

- Larsen & Toubro Limited
- Sargent & Lundy LLC

II Members of same group

- Nabha Power Limited
- L&T - MHI Power Boilers Private Limited
- L&T - MHI Power Turbine Generators Private Limited
- L&T Technology Services Ltd.
- L&T Energy Hydrocarbon Engineering Limited[#]
- LTIMindtree Limited[@]
- Sargent & Lundy KSA Engineering

[#] Formerly known as L&T - Chiyoda Limited.
[@]Formerly known as Larsen & Tourbo Infotech Limited

III Post-employment benefit plans

- L&T Sargent & Lundy Staff Provident Fund Trust
- L&T Sargent & Lundy Staff Gratuity Trust
- L&T Sargent & Lundy Staff Superannuation Trust

IV Key Management Personnel

- K. M. Subramanian (Manager)
- Gurinder Pal Singh (Company Secretary)

V. Disclosure of related party transactions:

(₹ in lakhs)

Sr. No.	Nature of transaction	2022-23	2021-22
1	**Purchase of goods & services (including software license fees, JV administration fees, technical service fees, fixed assets)**		
	Larsen & Toubro Limited	4.32	36.08
	L&T – MHI Power Boilers Private Limited	3.25	115.64
	LTIMindtree Limited [@]	-	2.97
	Sargent & Lundy LLC	120.54	143.10
2	**Sale of property, plant, and equipment**		
	Larsen & Toubro Limited	0.03	0.32
3	**Sale of goods/power/contract revenue and services**		
	Larsen & Toubro Limited	1,285.76	1,539.91
	L&T - MHI Power Boilers Private Limited	335.92	390.46
	L&T- MHI Power Turbine Generators Private Limited	-	2.48
	Nabha Power Limited	10.43	77.01
	L&T Energy Hydrocarbon Engineering Limited[#]	450.06	1,638.06
	L&T Technology Services Ltd.	115.21	72.40
	Sargent & Lundy KSA Engineering	411.22	214.72
	Sargent & Lundy LLC	1,718.92	1,633.46
4	**Infrastructure charges and overhead recoveries**		
	Larsen & Toubro Limited	1,173.76	1,112.53
	L&T Energy Hydrocarbon Engineering Limited[#]	4.33	2.59

VI. Compensation to Key Managerial Personnel:

(₹ in lakhs)

Nature of Transaction	Mr. K. M. Subramanian	
	2022-23	2021-22
Short-term employee benefits	76.48	62.02

Post-employment benefits	1.69	1.47
Total Compensation	**78.17**	**63.49**

VII. Transactions with post-employment benefit plans:

(₹ in lakhs)

Particulars	Name	2022-23	2021-22
Payment to trust managed provident fund	L&T Sargent & Lundy Staff Provident Fund Trust	81.94	76.97
Payment to approved gratuity fund	L&T Sargent & Lundy Staff Gratuity Trust	-	-

VIII. Amount due to / from related parties:

(₹ in lakhs)

Sr. No.	Particulars	As at 31-03-2023	As at 31-03-2022
1	**Accounts receivable from related parties**		
	Larsen & Toubro Limited	293.80	349.84
	L&T - MHI Power Boilers Private Limited	47.49	54.23
	L&T Energy Hydrocarbon Engineering Limited[#]	65.12	130.46
	Nabha Power Limited	0.25	4.18
	L&T Technology Services Limited	3.96	26.69
	Sargent & Lundy LLC	498.76	269.41
	Sargent & Lundy KSA Engineering	122.50	15.35
2	**Accounts payable to related parties**		
	Larsen & Toubro Limited	371.62	257.06
	LTIMindtree Limited[@]	-	3.21
	Sargent & Lundy LLC	106.74	94.57
3	**Advance received from customer**		
	Larsen & Toubro Limited	11.70	16.16
	L&T – MHI Power Boilers Private Limited	0.06	0.48

34. Basic and diluted earnings per share [EPS]:

Particulars		2022-23	2021-22
Basic earnings per share			
Profit after tax as per accounts (₹ in lakhs)	A	1,211.06	1,871.29
Weighted average number of equity shares outstanding	B	55,65,463	55,65,463
Basic EPS (`₹)	A/B	21.76	33.62
Diluted EPS (₹)		21.76	33.62
Face value per share (₹)		10	10

35. Trade receivable ageing:

FY 2022-23

(₹ in lakhs)

Particulars	Not due	Less than 6 months	6 months-1 year	1 - 2 years	2-3 Years	More than 3 years	Total
Undisputed - considered good	1,795.62	324.72	384.59	40.00	184.17	164.41	2,893.51
Undisputed - credit impaired							
Allowances for doubtful debt			(28.73)	(23.51)	(56.47)	(118.88)	(227.59)
Total	**1,795.62**	**324.72**	**355.86**	**16.49**	**127.70**	**45.53**	**2,665.92**

FY 2021-22

(₹ in lakhs)

Particulars	Not due	Less than 6 months	6 months-1 year	1 - 2 years	2-3 Years	More than 3 years	Total
Undisputed - considered good	1,522.29	176.85	47.85	253.00	144.08	88.61	2,232.67
Undisputed - credit impaired	-	-	-	-	-	247.61	247.61
Allowances for doubtful debt		-	(3.57)	(46.91)	(51.53)	(315.24)	(417.25)
Total	**1,522.29**	**176.85**	**44.28**	**206.09**	**92.54**	**20.98**	**2,063.03**

36. Trade payable ageing (undisputed):

FY 2022-23

(₹ in lakhs)

Particulars	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME vendors	-	51.89	1.66	0.65	2.05	-	**56.25**
Others	801.95	497.18	32.37	15.59	0.28	5.83	**1,353.20**
Total	**801.95**	**549.07**	**34.03**	**16.24**	**2.33**	**5.83**	**1,409.45**

FY 2021-22

(₹ in lakhs)

Particulars	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME vendors	-	102.95	2.71	2.05	-	-	**107.71**
Others	1,009.60	433.45	109.40	0.24	5.01	(39.18)	**1,518.51**
Total	**1,009.60**	**536.40**	**105.11**	**2.29**	**5.02**	**(39.18)**	**1,626.22**

37. Working capital:

The Company has a sanctioned limit from ICICI Bank for the cash credit facility and non-fund based facility together amounting to ₹ 20 crore against the security of book debts.

Details of security statements submitted with bank are as below:

(₹ in lakhs)

Quarter	Name of bank	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-22	ICICI Bank	Book debt	2,454.11	2,454.11	-	
Sep-22	ICICI Bank	Book debt	2,203.32	2,203.32	-	
Dec-22	ICICI Bank	Book debt	2,673.71	2,673.71	-	

38. Ratio analysis:

Sr. no.	Financial ratios	Formula	FY 2022-23	FY 2021-22	% change from previous year
1	Current ratio (times)	Total current assets divided by total current liabilities	2.53	2.60	(2.84%)
2	Return on equity (%)	PAT over total equity	17.04%	23.41%	(27.21%)
3	Trade receivable turnover ratio (times)	Revenue from operations over average trade receivables	3.35	3.57	(6.03%)
4	Trade payable turnover ratio (times)	Total service cost and computer charges over average trade payables	1.30	1.84	(29.60%)
5	Net capital turnover ratio (%)	Revenue from operations over average working capital	165.30%	164.14%	0.71%

6	Net profit after tax (%)	Net profit after tax over revenue from operations	13.44%	18.33%	(26.66%)
7	Return on Investment (%)	Treasury Income divided by average investment	4.61%	4.24%	8.70%
8	Return on capital employed (%)	Profit before tax and finance cost over capital employed	17.04%	23.41%	(27.21%)

Reasons For variance of more than 25%:

Financial ratios	**Reason for change more than 25% variance from FY 21-22**
Trade payable turnover ratio (times)	Reduction in expenses towards outsourcing cost and reversal of job cost provision resulted in reduction in total purchases by ₹7.32 crore compared to last year.
Return on equity (%)	Reduction in revenue from detailed engineering jobs by ₹ 16.16 crore, resulted in lower profit after tax by ₹ 6.60 crore, which is around 35% of last year's profit.
Return on capital employed (%)	Reduction in revenue from detailed engineering jobs by ₹ 16.16 crore, resulted in lower profit after tax by ₹ 6.60 crore, which is around 35% of last year's profit.
Net profit after tax (%)	Reduction in revenue from detailed engineering jobs by ₹ 16.16 crore resulted in lower profit after tax by ₹ 6.60 crore compared to last year.

39. Auditors remuneration and expenses charged to the accounts:

(₹ in lakhs)

Particulars	**2022-23**	**2021-22**
Paid to auditors - statutory audit fees	2.87	2.61
Taxation matters	1.40	1.18
Company law matters	0.40	0.33
Other services including certification work	0.55	0.24

40. There were no amounts which were required to be transferred to the investor education and protection fund by the Company.

41. Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. Larsen & Toubro Limited), stock options were granted to the employees of the Company. Total cost incurred by the holding company, in respect of the same is ₹ 2,875.71 lakhs (P.Y. ₹ 2,902.82 lakhs). The same is being recovered over the period of vesting by the holding company. Accordingly, cost of ₹ 2,854.10 lakhs (P.Y. ₹ 2,838.67 lakhs) has been recovered by the holding company up to current year, out of which, ₹ 15.43 lakhs (P.Y. ₹ 43.37 lakhs) was recovered during the year. Balance ₹ 21.60 lakhs (P.Y. ₹ 64.15 lakhs) will be recovered in future periods.

42. The Company has a pending litigation of claim for penalty of ₹ ₹ 20 lakhs (P.Y. ₹ 20 lakhs) imposed against stamp duty payable on lease agreement of SEZ unit with L&T SEZ Developer. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

43. Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 201.33 lakhs (P.Y ₹ 151.62 lakhs).

44. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

45. No funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46. Contingent liability:

(₹ in lakhs)

Particulars	**Year ended 31-03-2023**	**Year ended 31-03-2022**
Service tax liability that may arise in respect of matters in appeal (₹ Nil (PY ₹ Nil) is paid towards admitting appeal)	72.43	Nil

47. The cash credit facilities from the Bank are secured by hypothecation of book debts. The charge on these assets also extends to outstanding bank guarantees up to ₹ 1,011.19 lakhs (P.Y. ₹ 588.11 lakhs).

48. Figures for the previous year have been regrouped / reclassified wherever necessary.

As per our report attached
Sharp & Tannan
Chartered Accountants
Firm registration no. 109982W
by the hand of

Sd/-

FIRDOSH D. BUCHIA
Partner
Membership no.038332

Date: 24th April, 2023
Place: Mumbai

Sd/-

K. M. SUBRAMANIAN
Manager

Place: Vadodara

Sd/-

DEREK M. SHAH
Director
(DIN: 06526950)
Place: Mumbai

Sd/-

GURINDER PAL SINGH
Company Secretary
M. No.: ACS 13474

Date: 24th April, 2023
Place: Chennai

Sd/-

EJAZ A. SHAMEEM
Director
(DIN: 06579073)

Place: Chicago