L&T-S&L

24th ANNUAL REPORT

L&T-SARGENT & LUNDY LIMITED

Main Office:
L&T - Knowledge City
N.H. 8, Ajwa - Waghodia Crossing,
Vadodara – 390 019.

COMPANY INFORMATION

BOARD OF DIRECTORS

Shailendra Roy

Derek Shah

B. K. Basu

Timothy S. Laughlin

Ejaz Shameem

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

L&T-SARGENT & LUNDY LIMITED
BOARD REPORT

Dear Members,

The Directors have pleasure in presenting their 24th Annual Report and Audited Financial Statements for the year ended 31st March 2019.

1. FINANCIAL RESULTS:

Particulars	2018-19	2017-18
	₹ In Lakhs	₹ In Lakhs
Profit before Depreciation and Tax	1620.15	1344.07
Less: Depreciation	188.37	228.00
Profit before tax	1431.78	1116.07
Less: Provision for tax	217.87	134.30
Profit for the period carried to Balance Sheet	1213.91	981.77
Add: Balance brought forward from previous year	5590.20	4608.43
Less: Dividend paid during the previous year (including dividend distribution tax)	1808.33	-
Balance to be carried forward	**4995.78**	5590.20

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 2019, is ₹ 556.55 lakhs.

3. CAPITAL EXPENDITURE:

As at 31st March 2019, the gross property, plant and equipment and other intangible assets, stood at ₹ 876.48 lakhs and the net property, plant and equipment and other intangible assets, at ₹ 184.15 lakhs. Capital Expenditure during the year amounted to ₹ 38.63 lakhs.

4. DEPOSITS:

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013.

5. **APPROPRIATIONS:**

There were no appropriations made during the financial year 2018-19.

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 2018-19 as specified under section 186 of the Companies Act, 2013.

7. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All the related party transactions were in the ordinary course of business and at arm's length. The Board has approved all the related party transactions for the FY 2018-19 and estimated transactions for FY 2019-20.

There were no materially significant related party transactions that may have conflict with the interest of the Company.

8. **STATE OF COMPANY AFFAIRS:**

The total income for the financial year under review was ₹ 9,965.35 lakhs as against ₹ 10,415.93 lakhs for the previous financial year registering a decrease of 4%. The profit before tax from continuing operations was ₹ 1,431.78 lakhs for the financial year under review as against ₹ 1,116.07 lakhs for the previous financial year, registering an increase of 28%. The profit after tax from continuing operations was ₹ 1,213.91 lakhs for the financial year under review as against ₹ 981.77 for the previous financial year, registering an increase of 24%.

9. **DIVIDEND:**

Considering the robust performance of the company for the financial year 2018-19, the Directors has declared interim dividend of ₹ 26.95 (269.519%) per equity share of ₹ 10/- each on the share capital amounting to ₹ 1,808.33 lakhs (including DDT amounting to ₹ 308.33 lakhs).

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 :

The Ministry vide its notification dated 10th September 2018, 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 2019, 50.00% of the Company's total paid up capital representing 27,82,731 shares are in dematerialized form. Further, the Ministry has prohibited the physical transfer of securities. Hence, members holding shares in physical mode are advised to avail of the facility of dematerialization.

The report on reconciliation of share capital audit from practicing Company Secretary has been submitted by the Company within stipulated time.

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 in place a mechanism to identify, assess, monitor and mitigate various risk to key business objectives. Major risk identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company has mechanism to inform the Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

14. CORPORATE SOCIAL RESPONSIBILITY:

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 are given in Annexure 'B' forming part of this Board Report.

18. VIGIL MECHANISM:

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.

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 2019, 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 / loss 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

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

Currently there are six directors of the Company. Mr. Shailendra Roy, Mr. B.K. Basu, Mr. Derek Shah, Mr. Timothy S. Laughlin, Mr. Ejaz Shameem and Mr. Robert Sronce are the present Directors of the Company.

During the year under review, Mr. Kurt Neubauer resigned as Director of the Company. The Board of Directors places on record its appreciation for the contributions made by him. Mr. Robert Sronce has been appointed as an Additional Director with effect from 22nd December 2018. He holds office upto the date of this Annual General Meeting and the notice of the Annual General Meeting includes the proposal for his appointment as the Director of the Company.

Mr. Shrikant Jainapur ceases to be Chief Executive and Manager of the Company with effect from 1st July 2018. The Board places on record appreciation for the contribution of Mr. Shrikant Jainapur for his services to the Company.

The Board of Directors has appointed Mr. K. M. Subramanian as the Chief Executive and Manager with effect from 2nd July 2018 for a period of three years. 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 2nd May 2018, 9th August 2018, 16th November 2018 and 28th February 2019.

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.

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 joint venture company Larsen & Toubro Limited (L&T) has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group companies. This has been widely disseminated. There were no cases of sexual harassment received in the Company during the financial year 2018-19.

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

24. AUDITORS REPORT:

The Auditors report to the Shareholders does not contain any qualifications, observations or comment or remark which has an adverse effect on the functioning of the Company.

25. AUDITORS:

As per the provisions of the Companies Act, 2013, M/s Sharp & Tannan were appointed as Statutory Auditors for a period of 5 continuous years from the conclusion of 22nd Annual General Meeting till the conclusion of the 27th 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. EXTRACT OF ANNUAL RETURN:

As per the provisions of Section 92(3) of the Companies Act, 2013, an extract of the Annual Return in form MGT-9 is attached as Annexure 'C' to this Board Report."

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.

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 / Associates.

For and on behalf of the Board

Shailendra Roy	**B.K. Basu**
Director	**Director**
(DIN: 02144836)	**(DIN: 05121423)**

Date :
Place:

Annexure 'A' to the Board Report

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

[A] CONSERVATION OF ENERGY:

1) The steps take 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 equipments:	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 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. 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.

[B] TECHNOLOGY ABSORPTION:

1) The efforts made towards technology absorption: 2) Benefits derived like product improvement, cost reduction, product development or import substitution:	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. 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	**2018-19**
Foreign exchange earned	4,343.12
Foreign exchange used	1,223.16

Annexure 'B' to the Board Report

CSR ACTIVITIES FOR 2018-19

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken.**

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 the CSR Committee**

The CSR Committee comprises of Three Non-Executive Directors as Members. The Company Secretary acts as Secretary to the Committee.

The present Committee comprises of Mr. Timothy S. Laughlin, Mr. B.K. Basu and Mr. Derek M. Shah as Members and Mr. Gurinder Pal Singh as the Secretary of the Committee.

3. **Average net profit of the Company for the last three financial years.**

The average net profit of the Company for the last three financial years is ₹ 1,344.76 lakhs.

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above).**

The Company is required to spend an amount of ₹ 26.90 lakhs as CSR expenditure during the financial year 2018-19.

5. **Details of CSR spent during the financial year:**

a. **Total amount to be spent for the financial year**

The Company was required to spend ₹ 26.90 lakhs during the financial year 2018-19. As against the mandate, the company spent ₹ 27.05 towards various activities for the benefit of the community.

b. **Amount unspent, if any** Nil

c. **Manner in which the amount was spent in the financial year is detailed below:**

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise (₹ in lakhs)	Direct expenditure on projects or programs (₹ in lakhs)	Overheads (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount spent: Direct or through implementing agency
1.	Donated Haemodialysis Machine - 2nos.	Health	Vadodara, Gujarat	13.10	12.55	0.65	13.20	Direct
2.	Construction of Shed & Stage at Govt School	Education	Vadodara, Gujarat	13.60	12.98	0.68	13.66	Direct
3.	Painting work at two school	Education	Vadodara, Gujarat	0.20	0.18	0.01	0.19	Direct
	TOTAL			**26.90**	**25.71**	**1.34**	**27.05**	

6. **Reasons for not spending the amount during the financial year.**

NA

7. **CSR Committee Responsibility Statement:**

The CSR Committee hereby affirms that:

- The Company has duly formulated a CSR Policy Framework which includes formulation of a CSR Theme, CSR budget and roles and responsibilities of the Committee as well as the various internal committees formed for implementation of the CSR policy;
- The Company has constituted a mechanism to monitor and report on the progress of the CSR programs;
- The activities undertaken by the Company as well as the implementation and monitoring mechanisms are in compliance with its CSR objectives and CSR policy.

Shailendra Roy	**B.K. Basu**
Director	**Director**
(DIN: 02144836)	**(DIN: 05121423)**

Annexure 'C' to the Board Report

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	U74210MH1995PLC088099
ii) Registration Date	May 05, 1995
iii) Name of the Company	L&T-SARGENT & LUNDY LIMITED
iv) Category	PUBLIC LIMITED COMPANY
v) Sub Category of the Company	COMPANY HAVING SHARE CAPITAL
vi) Address of the Registered office and contact details	L&T HOUSE,N. M. MARG, BALLARD ESTATE MUMBAI - 400 001 TEL : 022-67525656 FAX : 022-67525893 Email : subhodh.shetty@larsentoubro.com
vii) Whether listed company	UNLISTED
viii) Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Architecture and engineering activities and related technical consultancy	711	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	LARSEN & TOUBRO LIMITED	L&T HOUSE, N. M. MARG, BALLARD ESTATE, MUMBAI - 400001	L99999MH1946PLC004768	HOLDING	50.0001	Section 2(46)

IV. SHARE HOLDING PATTERN:

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	2,782,736	2,782,736	50.0001	2,782,731	5	2,782,736	50.0001	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	**0**	**2,782,736**	**2,782,736**	**50.0001**	**2,782,731**	**5**	**2,782,736**	**50.0001**	**0.00**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00

b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	2,782,727	2,782,727	49.9999	0	2,782,727	2,782,727	49.9999	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other….	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	**0**	**2,782,727**	**2,782,727**	**49.9999**	**0**	**2,782,727**	**2,782,727**	**49.9999**	**0.00**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**0**	**5,565,463**	**5,565,463**	**100.00**	**2,782,731**	**2,782,732**	**5,565,463**	**100.00**	**0.00**

B. Public Shareholding									
(1)Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
(2) Non- Institutions									
a) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital up to ₹ 2 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual	0	0	0	0.00	0	0	0	0.00	0.00

shareholders holding nominal share capital in excess of ₹ 2 lakh									
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (2):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.000	0.00
Grand Total (A+B+C)	**0**	**5,565,463**	**5,565,463**	**100.00**	**2,782,731**	**2,782,732**	**5,565,463**	**100.00**	**0.00**

(ii) Shareholding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	No. of Share	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Larsen & Toubro Limited & others	2,782,736	50.0001	NIL	2,782,736	50.0001	NIL	NIL
2	Sargent & Lundy LLC	2,782,727	49.9999	NIL	2,782,727	49.9999	NIL	NIL
	Total	5,565,463	100.00	NIL	5,565,463	100.00	NIL	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of	No. of shares	% of total shares of

			the Company		the Company
1	At the beginning of the year	NIL		NIL	
2	Date wise Increase / Decrease in Promoters Share-holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus / sweat equity etc)				
3	At the end of the year	NIL		NIL	

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	NIL		NIL	
2	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase and decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
3	At the End of the year	NIL		NIL	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	NIL		NIL	
2	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for				

	increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc);		
3	At the end of the year	**NIL**	**NIL**

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment as on 31st March 2019

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. REMUNERATION TOMANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER:

(₹ in lakhs)

Sl. no.	Particulars of Remuneration	Name of Manager/Chief Executive		Total Amount
		SRIKANT JAINAPUR*	**K. M. SUBRAMANIAN@**	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	33.72	30.30	**64.02**
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission - as % of profit - Others, specify...	0.00	0.00	0.00
5.	Others (Retirement Benefits, Contribution to Provident Fund & Superannuation Fund)	3.10	0.73	3.83
	Total (A)	**36.82**	**31.03**	**67.85**
	Ceiling as per the Act			**79.90**

*Note: * resigned with effect from 1st July, 2018*
@ appointed with effect from 2nd July, 2018

B. REMUNERATION TO OTHER DIRECTORS: Not Applicable

(₹ in lakhs)

Sl. no.	Particulars of Remuneration	Total Amount
1.	Independent Directors Fee for attending board / committee meetings Commission Others, please specify	
	Total (1)	**NIL**
2.	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	
	Total (2)	**NIL**
	Total (B)=(1+2)	**NIL**
	Total Managerial Remuneration (A) + (B)	**67.85**
	Overall Ceiling as per the Act	**79.90**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD:

Sl. no.	Particulars of Remuneration	Company Secretary (Gurinder Pal Singh)	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		

4.	Commission - as % of profit - others, specify		
5.	Others, please Specify		
	Total	**NIL**	**NIL**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, If any (give details)
A. COMPANY					
Penalty			**NIL**		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			**NIL**		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			**NIL**		
Punishment					
Compounding					

SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W

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 31 March 2019, 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 31 March 2019, 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.

SHARP & TANNAN CHARTERED ACCOUNTANTS

Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.
Tel. (22) 2204 7722/23, 2286 9900 Fax (22) 2286 9949 E-mail : admin.mumbai@stllp.in
Shreedhar T. Kunte Ramnath D. Kare Edwin P. Augustine Raghunath P. Acharya
Firdosh D. Buchia Tirtharaj A. Khot Pavan K. Aggarwal
Also at Pune. Associate Offices : New Delhi, Chennai, Bangalore, Baroda, Goa & Ahmedabad

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 are 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, 2016 ("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 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

SHARP & TANNAN CHARTERED ACCOUNTANTS

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 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act (as amended):

In our opinion and to the best of our information and according to the explanations given to us, 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 38 & 40 to the financial statements;

ii the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- refer note 28(c) to the financial statements; and

ii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company– refer note 36 to the financial statements.

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

SHARP & TANNAN CHARTERED ACCOUNTANTS

Firdosh D. Buchia
Partner
Membership no. 038332

Faridabad, 25 April 2019

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) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;

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

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

(ii) The Company does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion, and 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 Companies Act 2013 are applicable. The Company has complied with the provisions of section 186 of the Act in respect of investments made.

(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 there under. 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 section 148(1) 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 provident fund, income tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of duty of customs and employee's state insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, cess and other material statutory and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

SHARP & TANNAN CHARTERED ACCOUNTANTS

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, the particulars of income tax, value added tax, sales tax, service tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at 31 March 2019 are as under:

(Rs. in lakhs)

Name of the statue	Nature of the disputed dues	Amount*	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1944	Dispute for availment of cenvat credit on input services	965.98	2012-13 to 2014 to 2015	CESTAT
	Service Tax classification dispute	1.06	2007-2009	CESTAT

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

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

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

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

(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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

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

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

Firdosh D. Buchia
Partner
Membership no. 038332

Faridabad, 25 April 2019

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 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ("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 on audit of internal financial controls over financial reporting 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.

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI

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 31 March 2019, 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

SHARP & TANNAN CHARTERED ACCOUNTANTS

Firdosh D. Buchia
Partner
Membership no. 038332

Faridabad, 25 April 2019

L&T-SARGENT & LUNDY LIMITED

Balance Sheet as at March 31, 2019

₹ in lakhs

Particulars	Note	As at 31-03-2019		As at 31-03-2018	
ASSETS:					
Non-current assets					
Property, plant and equipment	2		95.55		231.34
Intangible assets	3		88.56		113.08
Financial assets					
Other financial assets	4		199.10		187.00
Deferred tax assets (net)	30		328.46		119.89
Other non-current assets	5		1,359.14		1,292.71
			2,070.81		1,944.02
Current Assets					
Financial Assets					
Investments	6	3,098.06		3,811.85	
Trade receivables	7	2,764.85		3,034.85	
Cash and cash equivalents	8	121.86		85.25	
Other financial assets	9	376.56		173.30	
			6,361.33		7,105.25
Other current assets	10		368.26		311.38
			6,729.59		7,416.63
TOTAL ASSETS			**8,800.40**		**9,360.65**
EQUITY AND LIABILITIES:					
Equity					
Equity share capital	11	556.55		556.55	
Other equity	12	5,563.54		6,002.36	
Total equity			6,120.09		6,558.91
Liabilities					
Non-current liabilities					
Provisions			-		-
			6,120.09		6,558.91
Current liabilities					
Financial liabilities					
Trade payables	13	1,264.26		1,200.79	
Other financial liabilities	14	615.05		666.13	
			1,879.31		1,866.92
Other current liabilities	15		204.10		368.94
Provisions	16		596.90		565.88
			2,680.31		2,801.74
TOTAL EQUITY AND LIABILITIES			**8,800.40**		**9,360.65**
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 42**				

In terms of our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration no. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership No. 038332

Date: 25 April 2019
Place: Faridabad

K. M. SUBRAMANIAN
Manager

SHAILENDRA ROY
Director

GURINDER PAL SINGH
Company Secretary

B.K.BASU
Director

Date: 25 April 2019
Place: Faridabad

L&T-SARGENT & LUNDY LIMITED

Statement of Profit and Loss for the year ended March 31, 2019

₹ in lakhs

Particulars	Note	2018-19		2017-18	
INCOME:					
Revenue from operations	17		9,341.04		9,505.86
Other income	18		624.31		910.07
Total income			**9,965.35**		**10,415.93**
EXPENSES:					
Operating and establishment expenses	19		3,121.34		3,371.34
Employee benefits expense	20		5,224.96		5,699.40
Finance cost	21		(1.10)		1.12
Depreciation, amortisation, impairment and obsolescence			188.37		228.00
Total expenses			**8,533.57**		**9,299.86**
Profit before tax			**1,431.78**		**1,116.07**
Tax expense					
Current tax		322.16		310.00	
MAT Credit Entitlement		(83.56)		-	
Deferred tax		(20.73)		(175.70)	
			217.87		134.30
Profit after tax			**1,213.91**		**981.77**
Other Comprehensive Income					
A. Items that will not be reclassified to Profit and Loss:					
Gain/(loss) on re-measurements of the defined benefits plan			70.74		72.44
B. Items that will be reclassified to Profit and Loss:					
Fair value changes on cash flow hedges net		117.11		(38.03)	
Income tax on fair value changes on cash flow hedges net		(32.24)	84.87	7.62	(30.41)
Other Comprehensive Income for the year [net of tax]			**155.61**		**42.03**
Total Comprehensive Income for the year			**1,369.52**		**1,023.80**
Basic earnings per equity shares (₹)			21.81		17.64
Face value per equity share (₹)			10.00		10.00
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 42**				

In terms of our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration no. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership No. 038332

Date: 25 April 2019
Place: Faridabad

K. M. SUBRAMANIAN
Manager

GURINDER PAL SINGH
Company Secretary

SHAILENDRA ROY
Director

B.K.BASU
Director

Date: 25 April 2019
Place: Faridabad

Statement of changes in Equity for the year ended March 31, 2019

₹ in lakhs

A. Equity Share Capital

Particulars	2018-19		2017-18	
	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
Add: 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 01-04-2017	4,660.50	269.09	48.97
Profit for the year	981.77	-	-
Other Comprehensive income for the year			
- Gain/(loss) on re-measurements of the defined benefits plan	72.44	-	-
- Fair value changes on cash flow hedges net	-	-	(30.41)
Balance as at 31-03-2018	**5,714.71**	**269.09**	**18.56**
Profit for the year	1,213.91	-	-
Other Comprehensive income for the year			
- Gain/(loss) on re-measurements of the defined benefits plan	70.74	-	-
- Fair value changes on cash flow hedges net	-	-	84.87
- Dividend	(1,500.00)	-	-
- Dividend distribution tax	(308.33)	-	-
Balance as at 31-03-2019	**5,191.02**	**269.09**	**103.43**

In terms of our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration no. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership No. 038332

Date: 25 April 2019
Place: Faridabad

K. M. SUBRAMANIAN
Manager

SHAILENDRA ROY
Director

GURINDER PAL SINGH
Company Secretary

B.K.BASU
Director

Date: 25 April 2019
Place: Faridabad

L&T-SARGENT & LUNDY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019

₹ in lakhs

Particulars	2018-19 ₹	2017-18 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	**1,431.79**	**1,116.06**
Adjustments for:		
Depreciation, amortisation, impairment and obsolescence	188.37	228.00
Interest expense	(1.10)	1.12
(Profit)/loss on sale of investments (net)	(157.39)	(148.76)
Change in fair value of investments	(97.83)	(93.57)
(Profit)/loss on sale of fixed assets (net)	(1.59)	(26.84)
Dividend received from investment		-
Operating profit before working capital changes	**1,362.25**	**1,076.01**
Adjustments for:		
(Increase) / decrease in non current assets	(730.01)	-
(Increase) / decrease in trade and other receivable	94.73	110.60
(Increase) / decrease in non current liabilities	-	-
Increase / (decrease) in trade and other payable	83.13	(502.81)
Increase / (decrease) in Current provisions	(133.77)	(138.03)
Cash (used in) / generated from operations	**(685.92)**	**(530.24)**
Direct taxes refund/(paid) [net]	237.13	(540.21)
Net cash (used in)/from operating activities	**913.45**	**5.56**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(29.95)	(72.31)
Sale of fixed assets	3.45	40.54
(Purchase)/sale of current investments (net)	969.00	208.42
Change in other bank balance and cash not available for immediate use	(12.11)	(187.00)
Net cash (used in) / from investing activities	**930.39**	**(10.35)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	1.10	(1.12)
Dividend paid	(1,500.00)	-
Dividend distribution tax paid	(308.33)	-
Net cash (used in) / from financing activities	**(1,807.23)**	**(1.12)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**36.62**	**(5.91)**
Cash and cash equivalents at the beginning of the period	**85.24**	**91.15**
Cash and cash equivalents at the end of the period	**121.86**	**85.24**

Notes:

01. 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.

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

03. Cash and cash equivalents included in the Statement of cash flows comprise the cash and cash equivalents disclosed under current assets [Note 8]

04. Previous year's figures have been regrouped/reclassified wherever applicable

In terms of our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration no. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership No. 038332

Date: 25 April 2019
Place: Faridabad

K. M. SUBRAMANIAN
Manager

SHAILENDRA ROY
Director

GURINDER PAL SINGH
Company Secretary

B.K.BASU
Director

Date: 25 April 2019
Place: Faridabad

L&T-SARGENT & LUNDY LIMITED

NOTE [1]

Significant Accounting Policies

(a) Statement of compliance

The Company's financial statements 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 issued by Ministry of Corporate Affairs in respect of section 133 read with sub-section (1) of section 210A of the Companies Act, 1956 (1 of 1956). 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 April 25, 2019.

(b) Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention except for carrying value of property, plant and equipment as on date of transition is considered as the deemed cost and certain financial instruments are measured at fair values in accordance with Ind AS.

Fair value measurements are arrived at by giving highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date. If quoted prices in active markets for identical assets and liabilities are not available, fair value measurements are based on a valuation technique that uses data only from observable markets. In the absence of quoted prices or data from observable markets, appropriate inputs which are not observable are used but are accorded lowest priority.

(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 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 Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees in lakhs [1 Lakhs = 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 realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business

(e) Revenue recognition

Effective April 1, 2018, the company adopted Ind AS 115, revenue from contract with customers the same is applied to contracts that were not competed as of April 1, 2018. The comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable.

A. Revenue from operations

Revenue from rendering services is recognised 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

B. Other income

Dividend income is accounted in the period in which the right to receive the same is established.

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) Property, plant and equipment (PPE)

PPE is recognised 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.

For transition to Ind AS, the carrying value of PPE under I-GAAP as on April 1, 2015 was regarded as its deemed cost. The carrying value comprised original cost less accumulated depreciation and cumulative impairment.

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.	Computer	3	6
02.	Office Equipment	5	5
03.	Furniture and Fixture	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.

All other fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

(g) Intangible assets

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible assets are recognised 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 capitalised as a part of the cost of the intangible assets.

Computer software is recognized as intangible assets and amortised from the date at which the asset is available for use. Computer software is amortised with a finite useful life using straight line method over 6 years. On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised at April 1, 2015 measured as per IGAAP and use that carrying value as the deemed cost of intangible assets.

(h) Impairment of assets

i. Impairment of financial assets

The Company applies a separate model of the expected credit loss, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 for recognizing impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial assets, as follows:

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.
- The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial

instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

ii. Impairment of non-financial assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, investment property, 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 recognised 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.

(i) Employee benefits

Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment benefits:

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

ii. Defined benefit plans: The employees' gratuity fund schemes 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 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 recognise the obligation on a net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

Long term employee benefits:

The present value of the obligation under long term employee benefit plans such as compensated absences, long service award etc., 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 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 statement of profit and loss.

Gains or losses on the curtailment or settlement of any long term employee benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

Termination benefits:

Termination benefits such as compensation under Voluntary Retirement cum Pension Scheme are recognised as expense and a liability is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The interest element in the actuarial valuation of defined benefit plans, which comprises the implicit interest cost in respect of all defined benefit plans and long term employee benefit plants and the impact of changes in discount rate in respect of long term employee benefit plans, is classified under finance cost.

(j) **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. All financial assets are initially measured at fair value. Further, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets are also included in the initial measurement.

Investment in mutual funds are classified as at fair value through profit and loss (FVTPL), unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for mutual fund instruments which are not held for trading.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly 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 the fair value of the assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in statement of profit and loss.

The financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realised the asset and settle the liability simultaneously.

Financial assets

Classification of financial assets

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in statement of profit and loss.

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 recognised in statement of profit and loss.

Financial liabilities

Financial liabilities, which are designated for measurement at FVTPL are subsequently measured at fair value. All other financial liabilities including loans and borrowings are measured at amortised cost.

A financial liability is de-recognised when the related obligation expires or is discharged or cancelled.

(k) Foreign currencies

The functional currency and the presentation currency of the Company is 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 monetary items are reported using the closing rate. Non-monetary items, carried at fair value that is denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences that arise on settlement of monetary items at each balance sheet date at the closing rate are recognised in profit or loss in the period in which they arise

(l) Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

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

Deferred tax liabilities are recognised for taxable temporary differences, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Any transaction or event which is recognised either in other comprehensive income or in equity is recorded along with the tax as applicable.

(m) Provisions, contingent liabilities and contingent assets

Provisions are recognised 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 present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed.

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

(n) Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed when estimated amount of contracts remaining to be executed on capital account and not provided.

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

(o) Cash flow statement

Cash flow statement 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, unrealised 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.

(p) 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. The estimates and underlying assumptions are reviewed on an on-going basis. Examples of such estimates include the useful lives of property plant and equipment, Intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provision for rectification costs, fair value measurement etc. Periodic revisions to such accounting estimates are recognised prospectively in the period of change or future periods to which it affects. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

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	Vehicle	Total
Cost:					
As at 01-04-2017	572.34	39.54	18.89	10.24	641.01
Additions	55.81	6.11	-	-	61.92
Disposals/transfers	22.69	0.51	3.97	10.24	37.41
As at 31-03-2018	**605.46**	**45.14**	**14.92**	-	**665.52**
Additions	16.50	10.78	0.85	-	28.13
Disposals/transfers	41.26	4.27	-	-	45.53
As at 31-03-2019	**580.70**	**51.65**	**15.77**	-	**648.12**
Accumulated depreciation					
As at 01-04-2017	237.29	17.21	6.00	4.55	265.05
Depreciation charge for the year	176.41	13.43	2.76	0.23	192.83
Disposals/transfers	17.59	0.12	1.21	4.78	23.70
As at 31-03-2018	**396.11**	**30.52**	**7.55**	-	**434.18**
Depreciation charge for the year	136.42	16.67	0.30	-	153.39
Disposals/transfers	31.11	3.89	-	-	35.00
As at 31-03-2019	**501.42**	**43.30**	**7.85**	-	**552.57**
Net book value					
As at 31-03-2018	209.35	14.62	7.37	-	231.34
As at 31-03-2019	**79.28**	**8.35**	**7.92**	-	**95.55**

3. Other Intangible assets

	Computer software	Total
Cost:		
As at 01-04-2017	207.48	207.48
Additions	10.39	10.39
Disposals/transfers	-	-
As at 31-03-2018	**217.87**	**217.87**
Additions	10.50	10.50
Disposals/transfers	0.04	0.04
As at 31-03-2019	**228.33**	**228.33**
Accumulated depreciation		
As at 01-04-2017	69.62	69.62
Additions	35.17	35.17
Disposals/transfers	-	-
As at 31-03-2018	**104.80**	**104.80**
Additions	34.98	34.98
Disposals/transfers	-	-
As at 31-03-2019	**139.77**	**139.77**
Net book value		
As at 31-03-2018	113.08	113.08
As at 31-03-2019	**88.56**	**88.56**

₹ in lakhs

4 Other financial assets - non-current

Particulars	As at 31-03-2019	As at 31-03-2018
Cash and bank balances not available for immediate use (given against guarantee)	199.10	187.00
	199.10	**187.00**

5 Other non current assets

Particulars	As at 31-03-2019	As at 31-03-2018
Current tax receivable (net)	1,359.14	1,292.71
	1,359.14	**1,292.71**

6 Financial Assets - current: Investments

Particulars	As at 31-03-2019	As at 31-03-2018
Quoted Investments		
Investments in mutual funds		
Carried at fair value through profit and loss	3,098.06	3,811.85
	3,098.06	**3,811.85**

Details of Current Investments

Particulars	No. of units as at 31-03-2019	NAV per unit as at 31-03-2019	As at 31-03-2019	As at 31-03-2018
Investments in mutual funds				
01. Birla Sun Life Savings Fund - Growth - Direct Plan	3,61,403.64	371.76	1,343.55	1,577.18
02. Reliance Prime Debt Fund - Direct Plan - Growth	23,40,859.14	40.11	939.03	996.80
03. L&T Liquid Fund Direct Plan Growth	31,773.59	2,562.63	814.24	930.75
04. L&T Ultra Short Term Fund Direct Plan - Growth	3,995.62	31.14	1.24	1.15
05. HDFC Floating Rate Income Fund-STP-Direct Plan			-	305.97
			3,098.06	**3,811.85**

Details of quoted investments:

Particulars	As at 31-03-2019	As at 31-03-2018
Aggregate amount of quoted current investment and market values thereof;		
Book value	2,740.35	3,551.96
Market value	3,098.06	3,811.85

7 Financial Assets - current: Trade Receivables

Particulars	As at 31-03-2019		As at 31-03-2018	
Considered good - Secured		-		-
Considered good - unsecured	2,832.04	-	3,249.72	-
Allowance for doubtful debts	(67.19)	2,764.85	(214.87)	3,034.85
Significant increase in Credit Risk	-	-	-	-
Credit impaired	247.61		-	
Allowance for doubtful debts	(247.61)	-	-	-
		2,764.85		**3,034.85**

8. Financial Assets - current: Cash and cash equivalents

Particulars	As at 31-03-2019	As at 31-03-2018
Balance with banks	31.84	85.25
Fixed deposits with banks(maturity less than 3 months)	90.02	-
	121.86	**85.25**

9. Other current financial assets

Particulars	As at 31-03-2019	As at 31-03-2018
Advances recoverable in cash or in kind or for value to be received		
Considered good	161.23	57.20
Forward contract receivables	215.33	116.10
	376.56	**173.30**

10. Other current assets

Particulars	As at 31-03-2019	As at 31-03-2018
Due from customers (project related activity)	14.54	121.56
Advance to suppliers	154.64	62.62
Prepaid expenses	133.41	123.77
Statutory and other receivables	65.67	3.43
	368.26	**311.38**

₹ in lakhs

11. Equity share capital

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

Particulars	As at 31-03-2019		As at 31-03-2018	
	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 Equity shares of ₹ 10 each	55,65,463	556.55	55,65,463	556.55

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

Particulars	As at 31-03-2019		As at 31-03-2018	
	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 31-03-2019		As at 31-03-2018	
	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%

₹ in lakhs

12. Other equity

Particulars	As at 31-03-2019	As at 31-03-2018
Retained earnings	5,191.02	5,714.71
Capital redemption reserve*	269.09	269.09
Hedging reserve	103.43	18.56
	5,563.54	**6,002.36**

* 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		
Particulars	As at 31-03-2019	As at 31-03-2018
Due to micro and small enterprises	-	-
Due to other than micro and small enterprises	1,264.26	1,200.79
	1,264.26	**1,200.79**

14. Other financial liabilities - current		
Particulars	As at 31-03-2019	As at 31-03-2018
Due to employees and others	615.05	666.13
	615.05	**666.13**

15. Other current liabilities		
Particulars	As at 31-03-2019	As at 31-03-2018
Advances from customers	37.04	132.68
Other payables	167.06	236.26
	204.10	**368.94**

16. Current liabilities: Provisions		
Particulars	As at 31-03-2019	As at 31-03-2018
Provision for employee benefits: Compensated absences	493.55	514.69
Other provisions - Job cost	103.35	51.19
	596.90	**565.88**

₹ in lakhs

17. Revenue from operations

Particulars	2018-19		2017-18	
Revenue from engineering services		4,874.62		5,345.28
Increase/(decrease) in Work-in-progress (engineering services)				
Add/(Less): closing work-in-progress	14.54		121.56	
Add/(Less): opening work-in-progress	(121.56)	(107.01)	(315.85)	(194.29)
Revenue from other services		4,573.43		4,354.87
		9,341.04		**9,505.86**

18. Other Income

Particulars	2018-19	2017-18
Profit on sale/redemption of investments (net)	157.39	148.76
Gain on fair valuation of financial assets	97.83	93.57
Profit/(Loss) on sale of fixed assets (net)	1.59	26.84
Premium on forward covers	46.89	143.90
Reimbursement of expenses from customers	77.91	125.16
Miscellaneous income	46.40	30.17
Export Benefits	145.34	341.33
Exchange Gain/(Loss) (net)	50.96	0.34
	624.31	**910.07**

₹ in lakhs

19. Operating and establishment expenses

Particulars	2018-19	2017-18
Establishment expenses	1,115.65	1,288.98
Technical service and project expenses	566.94	543.27
Travelling and conveyance	531.16	697.36
Repairs and maintenance - Computers	326.12	333.43
Power and fuel	86.49	103.02
Insurance	9.38	6.69
Telecommunication expenses	35.51	55.46
Rates and taxes	18.23	34.18
Stationery and printing	24.44	29.96
Repairs and maintenance - others	7.22	7.43
Director's fees and commission	-	12.00
Bad debts written off	96.41	110.75
Allowances for doubtful debts	99.94	25.85
Miscellaneous expenses	203.85	122.96
	3,121.34	**3,371.34**

20. Employee benefits expenses

Particulars	2018-19	2017-18
Salaries and allowances	4,858.51	5,254.90
Provident fund and pension fund	136.21	149.03
Gratuity fund	48.97	101.56
Leave encashment	107.66	84.45
Staff welfare expenses	73.61	109.46
	5,224.96	**5,699.40**

21. Finance cost

Particulars	2018-19	2017-18
Interest others	(1.10)	1.12
	(1.10)	**1.12**

22. Corporate social responsibility expenditure:

Amount required to be spent by the Company on CSR related activities during the year is ₹ 26.90 lakhs (previous year: ₹ 30.26 lakhs).

Amount spent during the year:

(₹ in lakhs)

Particulars	Year ended 31-03-2019			Year ended 31-03-2018		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Revenue expenses	1.53	25.52	27.05	3.76	26.50	30.26
Total	**1.53**	**25.52**	**27.05**	**3.76**	**26.50**	**30.26**

23. 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 31-03-2019			As at 31-03-2018		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Investments	3,098.06	-	3,098.06	3,811.85	-	3,811.85
Trade Receivables	2,764.85	-	2,764.85	3,034.85	-	3,034.85
Cash and cash equivalents	121.86	-	121.86	85.25	-	85.25
Other financial assets	298.57	77.99	376.56	173.30	-	173.30
Other current assets	368.26	-	368.26	311.38	-	311.38
Total	**6,651.60**	**77.99**	**6,729.59**	**7,416.63**	-	**7,416.63**

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

(₹ in lakhs)

Particulars	As at 31-03-2019			As at 31-03-2018		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Trade payables	1,264.26	-	1,264.26	1,200.79	-	1,200.79
Other financial liabilities	615.05	-	615.05	666.13	-	666.13
Other current liabilities	204.12	-	204.12	368.94	-	368.94
Provisions	596.90	-	596.90	565.88	-	565.88
Total	**2,680.33**	-	**2,680.33**	**2,801.74**	-	**2,801.76**

24. **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 March 31, 2019				As at March 31, 2018			
	Nominal amount	Avg. rate (₹)	Within twelve months	After twelve months	Nominal amount	Avg. rate (₹)	Within twelve months	After twelve months
US Dollar	4,727.00	71.46	2,774.60	1952.40	1,764.72	65.87	1,764.72	-

ii) **Break up of hedging reserve:**

(₹ in lakhs)

Cash flow hedge	Currency exposure	
	As at March 31, 2019	As at March 31, 2018
Forward contracts		
Current Asset:		
Other financial assets	215.33	116.10

iii) **Movement of hedging reserve:**

(₹ in lakhs)

Hedging reserve	2018-19	2017-18
Opening Balance	18.56	48.97
Changes in fair value of forward contracts designed as hedging instrument	99.23	5.25
Amount reclassified to statement of profit and loss	17.88	(28.03)
Tax impact on above	(32.24)	(7.63)
Closing Balance	**103.43**	**18.56**

25. **Fair value measurements:**

Financial instrument by category

(₹ in lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial assets						
Investments - Mutual funds	3,098.06	-	-	3,811.85	-	-
Bank fixed deposits	-	-	199.10	-	-	187.00
Trade receivables	-	-	2,764.85	-	-	3,034.85
Cash and cash equivalents	-	-	121.86	-	-	85.25
Forward contract receivable	-	215.33	-	-	116.10	-
Other receivables			161.23			57.20
Total financial assets	**3,098.06**	**215.33**	**3,247.04**	**3,811.85**	**116.10**	**3,364.30**

Financial liabilities						
Trade payables	-	-	1,264.26	-	-	1,200.79
Other payables	-	-	615.05	-	-	666.13
Total financial liabilities	-	-	**1,879.31**	-	-	**1,866.92**

26. Financial risk management:

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

a) Credit/counter-party 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 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	2018-19	2017-18
Opening balance	214.87	189.02
Additional provision	99.93	25.85
Closing balance	**314.80**	**214.87**

The percentage of revenue from its top five customers is 58.44% for 2018-19 (71.28% for 2017-18).

The counter-party 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 counter-party 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-Mar-19 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
Investment	3,098.06	-	3,098.06
Trade receivables	2,764.85	-	2,764.85
Other financial assets	420.43	77.99	498.42
Total	**6,283.34**	**77.99**	**6,361.33**

(₹ in lakhs)

Financial liabilities	Within twelve months	After twelve months	Total
Trade payables	1,264.26	-	1,264.26
Other financial liabilities	615.05	-	615.05
Total	**1,879.31**	-	**1,879.31**

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 instrument. 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 ensure 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 & processes for investments. The committee is appraised the implementation of plan & policies on quarterly basis. 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 significant financial risk for the Company

The Company uses derivative financial instruments to mitigate foreign exchange related exposures.

The Company's operations are in foreign currencies, and the maximum exposure is 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	
	2018-19	2017-18	2018-19	2017-18
USD sensitivity				
INR/USD -Increase by 1%*	(14.87)	(13.40)	(29.59)	(3.90)
INR/USD -Decrease by 1%*	14.87	13.40	29.59	3.90

* Holding all other variable constant

(ii) Interest rate risk:

The Company has no interest risk in case of borrowings as on 31-Mar-2019.

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

27. Segment reporting:

The Company operates in a single segment, namely, providing Engineering Services. Country wise segment is as under:

(₹ in lakhs)

Revenue by location of customers	**2018-19**	**2017-18**
India	4,925.32	5,871.90
USA	363.75	887.66
Rest of the world	4,158.99	2,940.58
Total	**9,448.06**	**9,700.14**

(₹ in lakhs)

Carrying amount of segment assets by location of assets	**As at 31-03-2019**	**As at 31-03-2018**
India	7,270.28	8,017.67
USA	70.51	123.03
Rest of the world	1,459.60	1,219.95
Total	**8,800.40**	**9,360.65**

(₹ in lakhs)

Cost incurred on acquisition of tangible and intangible fixed assets	2018-19	2017-18
India	38.63	72.31
USA	-	-
Rest of the world	-	-
Total	**38.63**	**72.31**

28. 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)	121.55
Closing balance (B)	14.54
Net Increase/(Decrease)	(107.01)

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

(₹ in lakhs)

Particulars	2018-19
Opening contract price of orders	10,463.47
Add: Orders received during the year	11,738.74
Less: Reduction in scope of existing contract	2,096.31
Total	**20,105.90**
Revenue recognized during the year	9,341.04
Closing contract price of orders	**10,764.86**

(c) There were no foreseeable losses on any contract.

29. 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		2018-19	2017-18
(a)	Profit before tax		1,431.78	1116.07
(b)	Corporate tax rate as per income tax Act, 1961		27.82%	34.61%
(c)	**Tax on accounting profit**	(c)=(a)*(b)	**398.32**	**386.25**
(d)	(i) Tax in respect of items exempt from tax		(246.11)	(167.35)
	(ii) Difference in tax for items which are not allowed as deduction		68.65	65.49
	(iii) Difference of tax and accounting depreciation		17.74	25.61
	(iv) Effect on deferred tax balances		(20.73)	(175.70)
	Total effect of tax adjustments [(i) to (iv)]		**(180.45)**	**(251.95)**
(e)	Tax expense recognized during the year	(e)=(c)-(d)	217.87	134.30
(f)	Effective tax rate	(f)=(e)/(a)	15.22%	12.03%

The effective tax rate is after considering the income tax benefit available under the Income Tax Act - Section 10AA for unit 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 wide 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.

30. Deferred tax:

(₹ in lakhs)

Particulars	Deferred tax (asset)/ liability as at 31-03-18	Charge (credit) to profit and loss account	Charge (credit) to OCI	Deferred tax (asset)/ liability as at 31-03-19
Provision for leave encashment	(149.88)	12.57	-	(137.31)
Provision for doubtful debts	(62.57)	(25.01)		(87.58)
Deferred tax asset	**(212.45)**	**(12.44)**	-	**(224.89)**
Difference between book and tax depreciation	9.26	(32.13)	-	(22.87)
MTM revaluation of investment in mutual fund*	75.68	23.84	-	99.52
Derivative transactions	7.62	-	32.24	39.86
Deferred tax liability	**92.56**	**(8.29)**	**32.24**	**116.51**
Net deferred tax (asset)/ liability	**(119.89)**	**(20.73)**	**32.24**	**(108.38)**
MAT credit entitlement	-	**(83.56)**	-	**(220.08)**

31. Employee benefits:

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 31-03-2019	**As at 31-03-2018**	**As at 31-03-2019**	**As at 31-03-2018**
A					
a)	Present value of defined benefit obligation				
	- Wholly funded	360.53	393.14	3,139.68	2,154.10
	- Wholly unfunded	-	-	22.37	-
b)	Fair value of plan assets	383.40	382.90	3,325.48	2,292.72
	Amount to be recognised as liability or (asset) (a-b)	**(22.87)**	**10.24**	**(163.43)**(1)	**(138.62)**(1)

B	Amounts reflected in the balance sheet				
	Liabilities	-	10.24	22.37[2]	21.67[2]
	Assets	(22.87)	-	-	-
	Net liability / (asset)	**(22.87)**	**10.24**	**22.37**	**21.67**

[1] Asset is not recognized in balance sheet.
[2] Employer's and employee's contribution for the month of March '19 paid in April '19.

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
		2018-19	**2017-18**	**2018-19**	**2017-18**
1	Current service cost	48.97	63.63	71.06	75.09[1]
2	Past service cost	-	-	-	-
5	Interest cost	**(1.10)**	**1.12**	**186.33**	**196.15**
6	Expected return on plan assets	-	-	(186.33)	(212.54)[2]
7	Actuarial losses / (gains)	-	-	(69.49)	(31.86)[2]
9	Actual return on plan assets over interest payable	-	-	69.49	48.26
	Total expense for the year included in staff cost	47.87	64.75	71.06	75.09

[1] Employer's contribution to provident fund.
[2] The actual return on plan assets is higher than interest cost but no credit is taken to the statement of profit and loss on account of the difference.

c) Amount recorded in other comprehensive income:

(₹ in lakhs)

Particulars	Gratuity plan	Gratuity plan	Trust managed provident fund plan	Trust managed provident fund plan
	2018-19	**2017-18**	**2018-19**	**2017-18**
Opening amount recognized in OCI	(124.50)	(52.07)	-	-
Re-measurements during the period due to				
a Changes in financial assumption	(31.58)	(1.08)	-	-
b Changes in demographic assumptions	(0.01)	(1.18)	-	-
c Experience adjustments	(30.35)	(51.04)	-	-
d Actual return on plan assets less interest on plan assets	(8.80)	(19.13)	-	-
e Adjustment to recognize the effect of assets celling	-	-	-	-
Closing amount recognized in OCI	**(195.24)**	**(124.50)**	-	-

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 31-03-2019	**As at 31-03-2018**	**As at 31-03-2019**	**As at 31-03-2018**
Opening net defined benefit liability / (assets)	10.24	40.08	-	-
Expenses charged to profit and loss account	47.87	64.75	-	-
Amount recognized in OCI	(70.74)	(72.44)	-	-
Employer contribution	(10.24)	(22.15)	-	-
Closing net defined benefit liability / (assets)	**(22.87)**	**10.24**	-	-

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 31-03-2019	**As at 31-03-2018**	**As at 31-03-2019**	**As at 31-03-2018**
Opening balance of the present value of defined benefit obligation	393.14	440.35	2,154.09	2,294.12
Add: Current service cost	48.97	63.63	71.06	75.09
Add: Interest cost	26.70	30.79	186.33	196.14
Add: Contribution by plan participants				
i) Employee	-	-	194.24	197.15
ii) Transfer-in/(out)	-	-	1,256.98	-
Add/(less): Actuarial (gains)/losses arising from -				
Change in financial assumptions	(31.57)	(1.08)	-	-
Change in demographic assumptions	(0.01)	(1.18)	-	-
Experience adjustments	(30.35)	(51.05)	-	-
Less: benefits paid	(46.35)	(88.32)	(723.02)	(608.41)
Closing balance of the present value of defined benefit obligation	**360.53**	**393.14**	**3,139.68**	**2,154.09**

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 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Opening balance of the fair value of the plan assets	382.90	400.26	**2,292.77**	**2,406.21**
Add: Interest on plan asset	27.80	29.68	-	-
Add: Expected return on plan assets			186.33	212.54
Add/(less): Actuarial gains/(losses) due to actual return on plan asset less interest income	8.80	19.13	69.49	31.86
Add: Contribution by the employer	10.24	22.16	65.23	69.09
Add/(less): Transfer in/(out)			1256.98	
Add: Contribution by plan participants	-	-	177.70	181.48
Less: benefits paid	(46.35)	(88.32)	(723.02)	(604.81)
Closing balance of the plan assets	**383.40**	**382.90**	**3325.48**	**2,292.77**

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 ₹ 50 lakhs (P.Y. ₹ 50 lakhs) towards its gratuity plan and ₹ 76.74 lakhs (P.Y. ₹ 81.10 lakhs) towards its trust-managed provident fund plan in the financial year 2018-19.

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 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Government of India securities	51%	47%	51%	46%
Corporate bonds	47%	47%	47%	53%
Others	2%	6%	2%	1%

h) Category wise value of plan assets:

(₹ in lakhs)

Particulars	Period Ended		
	31 Mar 19	31 Mar 19	31 Mar 19
	Quoted	Unquoted	Total
Property	-	-	-
Government debt instruments	196.92	-	196.92
Other debt instruments	180.01	-	180.01
Equity's own equity instruments	-	-	-
Insurer managed funds	-	-	-
Others	-	6.46	6.46
Grand Total	**376.93**	**6.46**	**383.39**

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 31-03-2019	As at 31-03-2018
Discount rate (p.a.)	7.05%	7.45%
Attrition rate	10% to 20% for various age groups	10% to 20% for various age groups
Salary growth rate (p.a.)	5.00%	7.00%

Sensitivity Analysis:

Particulars	Gratuity plan	
	As at 31-03-19	As at 31-03-18
Discount rate		
Impact of increase in 50bps on defined benefit obligation	-2.45%	-2.68%
Impact of decrease in 50bps on defined benefit obligation	2.57%	2.82%
Salary growth rate		
Impact of increase in 50bps on defined benefit obligation	2.61%	2.82%
Impact of decrease in 50bps on defined benefit obligation	-2.51%	-2.70%

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 the balance sheet 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 are assumed to 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 31-03-2019	As at 31-03-2018
1	Defined benefit obligation	360.53	393.14
2	Plan assets	383.39	382.91
3	Surplus/ (deficit)	(22.86)	(10.23)

Experience adjustments on plan asset and liabilities of gratuity fund:

(₹ in lakhs)

	Particulars	As at 31-03-2019	As at 31-03-2018
1	Experience adjustments on plan liabilities	(30.35)	(51.05)
2	Experience adjustments on plan assets	8.80	19.12

Trust-managed provident fund plan:

(₹ in lakhs)

	Particulars	As at 31-03-2019	As at 31-03-2018
1	Defined benefit obligation	3,162.05	2,154.09
2	Plan assets	3,325.48	2,292.77
3	Surplus/ (deficit)	163.43	138.68

k) The Company has contributed ₹ 54.26 lakhs (P.Y. ₹ 62.36 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.

32. Related party transactions:

I Joint venture
- Larsen & Toubro Limited
- Sargent & Lundy LLC

II Member of same group
- L&T Infrastructure Finance Company Limited
- L&T Gulf Private Limited
- Nabha Power Limited
- L&T Hydrocarbon Engineering Limited
- L&T Uttaranchal Hydropower Ltd
- L&T Technology Services Ltd.
- L&T Chiyoda Ltd- Fellow Associate
- L&T – MHPS Boilers Private Limited
- L&T- Howden Private Limited

III Key Management Personnel
- Srikant Jainapur (Manager) (Resigned on 01-07-2018)
- K. M. Subramanian (Manager) (w.e.f 02-07-2018)
- Gurinder Pal Singh (Company Secretary)

IV. Disclosure of related party transactions:

(₹ in lakhs)

Sr. No.	Nature of transaction	2018-19	2017-18
1	**Purchase of goods & services (including software license fees, JV administration fees, technical service fees, fixed assets)**		
	Larsen & Toubro Limited	9.92	-
	Sargent & Lundy LLC	139.80	158.63
2	**Sale of fixed asset**		
	Larsen & Toubro Limited	0.37	-
	L&T – MHPS Boilers Private Limited	0.13	-
3	**Sale of goods/power/contract revenue & services**		
	Larsen & Toubro Limited	2,215.98	3,378.52
	L&T – MHPS Boilers Private Limited	61.92	153.26
	Nabha Power Limited	5.39	14.55

	Sargent & Lundy LLC	363.75	887.66
	L&T Infrastructure Finance Company Limited	-	9.20
	L&T-Gulf Private Limited	11.70	-
	L&T Hydrocarbon Engineering Limited	70.24	59.98
	L&T Chiyoda Limited	195.82	218.21
	L&T Technology Services Ltd.	33.90	5.39
4	**Payment of salaries/ perquisites to Key Managerial Personnel**		
	Mr. Srikant Jainapur	36.82	93.64
	Mr. K. M. Subramanian	31.03	-
	Mr. Gurinder Pal Singh	-	-
5	**Infrastructure charges & overhead recoveries**		
	Larsen & Toubro Limited	1293.48	1,357.57

V. Transactions with post-employment benefit plans:

(₹ in lakhs)

Particulars	**Name**	**2018-19**	**2017-18**
Payment to trust managed provident fund	L&T Sargent & Lundy staff provident fund trust	65.23	69.09
Payment to approved gratuity fund	L&T Sargent & Lundy staff gratuity trust	10.24	22.15

VI. Amount due to / from related parties:

(₹ in lakhs)

Sr. No.	**Particulars**	**As at 31- 03-2019**	**As at 31- 0 3-2018**
1	**Accounts receivable from related parties**		
	Larsen & Toubro Limited	622.36	831.49
	L&T – MHPS Boilers Private Limited	-	20.00
	L&T Chiyoda Limited	9.89	22.34
	Nabha Power Limited	0.82	2.62
	L&T Uttaranchal Hydropower Ltd	-	2.95
	Sargent & Lundy LLC	70.35	123.03
	L&T Hydrocarbon Engineering Limited	17.84	48.03
	L&T Technology Services Ltd	7.69	5.39
	L&T Gulf Private Limited	2.43	-
2	**Accounts payable to related parties**		
	Larsen & Toubro Limited	807.64	862.13
	L&T – MHPS Boilers Private Limited	-	7.41
	Sargent & Lundy LLC	(1.12)	3.17
	L&T Hydrocarbon Engineering Limited	9.10	3.11
	L&T Howden Private Limited	-	-
3	**Advance received from customer**		
	Larsen & Toubro Limited	39.66	42.62
	L&T – MHPS Boilers Private Limited	2.11	7.54

33. Basic and Diluted Earnings per share [EPS]:

Particulars		2018-19	2017-18
Basic earnings per share			
Profit after tax as per accounts (₹ in lakhs)	A	1,213.91	981.77
Weighted average number of equity shares outstanding	B	55,65,463	55,65,463
Basic EPS (₹)	A/B	21.81	17.64
Diluted EPS (₹)		21.81	17.64
Face value per share (₹)		10	10

34. Auditors remuneration and expenses charged to the accounts:

(₹ in lakhs)

Particulars	2018-19	2017-18
Paid to Auditor – Statutory audit fees	2.28	1.75
Taxation matters	1.18	0.94
Company law matter	0.33	0.20
Other services including certification work	0.54	0.34

35. The Company has ₹ Nil (P.Y. ₹ Nil) amounts due to suppliers under The Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) as at March 31, 2019.

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

37. 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 ₹ 2,746.04 lakhs (P.Y. 2,583.48 lakhs). The same is being recovered over the period of vesting by the holding company. Accordingly, cost of ₹ 2,716.96 lakhs (P.Y. ₹ 2,542.48 lakhs) has been recovered by the holding company up to current year, out of which, ₹ 93.65 lakhs (P.Y. ₹ 12.82 lakhs) was recovered during the year. Balance ₹ 29.08 lakhs (P.Y. ₹ 41.00 lakhs) will be recovered in future periods.

38. 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.

39. Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 44.00 lakhs (P.Y ₹ NIL).

40. Contingent liability:

(₹ in lakhs)

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Service tax liability that may arise in respect of matters in appeal *(₹ 53.33 is paid towards admitting appeal)	1020.37*	1.06

41. The cash credit facilities from Bank are secured by hypothecation of book debts. The charge on these assets also extends to outstanding bank guarantees up to ₹ 546.89 lakhs (P.Y. ₹ 100.77 lakhs)

42. 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

FIRDOSH D. BUCHIA
Partner
Membership No.038332

Date: 25 April 2019
Place: Faridabad

K. M. SUBRAMANIAN
Manager

GURINDER PAL SINGH
Company Secretary

SHAILENDRA ROY
Director

B. K. BASU
Director

Date: 25 April 2019
Place: Faridabad