

L&T HOWDEN PRIVATE LIMITED DIRECTORS' REPORT

The Directors have pleasure in presenting their Twelfth Annual Report and Audited Financial Accounts of the Company for the year ended 31st March 2022.

1. FINANCIAL RESULTS

Particulars	(Rs. In Lakhs)	
	2021-22	2020-21
Revenue from operation & other Income	29,760.58	25,750.35
Profit / (Loss) before Depreciation & Tax (PBDT)	4,058.10	4,086.37
Depreciation	279.45	264.45
Profit / (Loss) before tax (PBT)	3778.65	3,821.92
Provision for taxes	964.42	931.48
Profit / (Loss) after tax (PAT)	2,814.23	2,890.44
Add: Balance brought forward from previous year	10,078.96	7,563.52
Less: Dividend paid for the year (including dividend distribution tax)	(675.00)	(375.00)
Balance carried to Balance Sheet	12,218.19	10,078.96

CAPITAL & FINANCE

During the year under review, the Company has not allotted any equity shares. The Total Equity Share Capital as on 31st March, 2022, is Rs.30 Crore.

CAPITAL EXPENDITURE

Gross tangible and intangible assets including leased assets are Rs.5889 Lakhs (Previous Year: Rs. 5781 Lakhs). During the year, the Company spent Rs. 209 Lakhs (Previous Year: Rs.95 Lakhs) on capital expenditure.

DEPOSITS

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder and the requisite returns have been filed.

APPROPRIATIONS

Your Company has not made any appropriations.

2. 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 2021-22 as specified under section 186 of Companies Act, 2013.

3. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board has approved the Related Party Transactions for the Financial Year 2021-22. A statement containing details of all material transactions/ contracts/ arrangements is attached as Annexure 'B' to this report.

All the related party transactions were in the ordinary course of business and at arm's length. There are no materially significant related party transactions that may have conflict with the interest of the Company.

4. STATE OF COMPANY AFFAIRS

The gross sales and other income for the financial year under review is Rs.297.61 crore as against Rs. 257.50 crore for the previous financial year registering an increase of 16%. The profit before tax from continuing operations including extraordinary and exceptional items is Rs.37.79 crore and the profit after tax from continuing operations including extraordinary and exceptional items of Rs.28.14 crore for the financial year under review as against Rs. 38.22 crore and Rs. 28.90 crore respectively for the previous financial year.

5. DIVIDEND

The Board at its Meeting held on January 18, 2022 declared an interim dividend of Rs.2.25/- per share (previous year Rs.1.25/- per share) amounting to Rs.6.75 crores and the same was paid on January 23, 2022.

The Dividend is based upon the parameters mentioned in the Dividend Distribution Policy approved by the Board of Directors of the Company.

6. DEPOSITORY SYSTEM

The Ministry vide its notification, 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 March 31, 2022, 50.10% of the Company's total paid up capital

representing 1,50,30,000 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 Company submits the report on reconciliation of share capital audit from Practicing Company Secretary within the prescribed timelines.

7. 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 during the year between the end of the financial year and the date of the report.

8. CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO AS PER FORM A (RULE 2) OF COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A) Conservation of Energy:

Replacement of 350 CFM Air compressor with 47 CFM Air compressor in Fan testing shop has led to savings of around 6,110 Electricity units from April'21 to March'22

Replacement of conventional lighting with LED lighting in Fan Shop has led to conservation of 29,353 Units from April'21 to March'22

Replacement of 750 KVA DG set with 200 KVA DG set has helped LTH to save 3972 Litre diesel consumption between July'21 to March'22

B) Technology Absorption:

Latest technologies like "R" hub for fan and Heating Elements (HC7, HC8, HC9) for RAPH were introduced by LTH for marketing and enhanced competitiveness in India.

C) During the year, the Company has foreign exchange earnings and the outgo is as under:

(1) Foreign Exchange Earnings:

(Rs. In Lakhs)		
Particulars	2021-22	2020-21
Foreign Exchange earned	940.86	797.27

(2) Expenditure in Foreign Currency

(Rs. In Lakhs)

Particulars	2021-22	2020-21
Foreign Exchange Used	1185.11	1211.18

9. RISK MANAGEMENT POLICY

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

10. CORPORATE SOCIAL RESPONSIBILITY

The Company has formulated the Corporate Social Responsibility (CSR) Committee. The Committee constituted by the Board of Directors presently comprises of Mr. Y. V. S. Sravankumar, Mr. Derek Michael Shah and Mr. Parvesh Mittal as Members. The Members elect one amongst themselves as the Chairman of the Meeting. The Committee met once on 28th April, 2021.

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 as Annexure 'A' to this report.

The Chief Financial Officer of the Company has certified that CSR funds so disbursed for the projects have been utilized for the purposes and in the manner as approved by the Board.

The Corporate Social Responsibility Policy is disclosed on the Company's website at www.lnthowden.com.

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

Mr. Frederick Hearle, Mr. Derek Michael Shah, Mr. Y. V. S. Sravankumar and Mr. Parvesh Mittal are the present directors of the Company.

During the year under review, Mr. Pawan Mehndiratta has resigned as the Manager of the Company with effect from January 2, 2022 and Mr. Shekhar Sharda and Mr. Martin Zijlmans resigned from the Board on July 31, 2021 and January 10, 2022 respectively as Directors of the Company. The Board of

Directors place on record its sincere appreciation for the contributions made by them during their association with the Company.

The Company has also inducted Mr. Y. V. S. Sravankumar, nominated by Larsen & Toubro Limited, as an Additional Director with effect from August 31, 2021 and the same was approved by the shareholders of the Company. Mr. Parvesh Mittal was appointed as Director nominated by Howden Holdings B.V. to fill up the casual vacancy caused by the cessation of Mr. Martin Zijlmans as Director.

Pursuant to the provisions of section 161 of the Companies Act, 2013, as amended, any Director appointed in casual vacancy shall be approved by the members at the immediate next general meeting. Accordingly, Mr. Parvesh Mittal holds office upto the date of this Annual General Meeting and it has been proposed to appoint him as the Director of the Company.

The Board appointed Mr. D. K. Shrivastava as the Manager (designated as Chief Executive) of the Company for a period of three years with effect from January 3, 2022.

Mr. Frederick Hearle and Mr. Y. V. S. Sravankumar retires by rotation in the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

Mr. Atul Tandon as the Chief Financial Officer and Ms. Reena Raje is the Company Secretary of the Company.

12. 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, 4 meetings were held on April 28, 2021, July 12, 2021, October 19, 2021 and January 18, 2022.

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.

13. INTERNAL AUDITOR

The Internal Auditor 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.

14. VIGIL MECHANISM

During the year under review, the Company has voluntarily established a vigil mechanism framework for directors and employees to report genuine concerns.

This framework provides for adequate safeguards against victimization of persons who complain under the mechanism. The Board of the Company oversees the functioning of the Vigil Mechanism framework.

15. COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Board has formulated a policy on director's 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 appointments of the Directors and Key Managerial Personnel are done as per the policy.

16. 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 or 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 this Act 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.

17. 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 March 31, 2022, 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 exist. 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.

18. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEE AND DIRECTORS

The Board of Directors has laid down the manner, specific criteria and grounds in which formal annual evaluation of the performance of the Chairman, Board, Committees and individual directors shall be carried out. It includes circulation of questionnaires to all the Directors for evaluation of the Board, its committees and individual directors, Board composition and its structure, Board effectiveness, Board functioning, information availability, adequate discussions, etc. These questionnaires' also cover specific criteria and the grounds on which all directors in their individual capacity would be evaluated. The Chairman of the Board analyzes the individual directors' responses on the questionnaires to arrive at unbiased conclusions.

During the year under review, the Company has completed the performance evaluation and the summary of the evaluation given by all the directors were discussed in the meeting of the Board of Directors.

19. AUDITORS' REPORT

The Auditors report to the shareholders does not contain any qualification, observation, adverse comment or remark. The notes to the accounts referred to in the Auditors' Report are self-explanatory.

20. AUDITORS

As per the provisions of the Companies Act, 2013, M/s M P Chitale & Co. were appointed as statutory Auditors for a period of five continuous years i.e. from the conclusion of the 10th Annual General Meeting till the conclusion of the 15th Annual General Meeting of the Company.

The Certificate from M/s M P Chitale & Co has been received to the effect that they are eligible to act as auditors of the Company and their appointment would be within the limits as prescribed under Section 141 of the Companies Act, 2013.

21. 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.

22. PROTECTION OF WOMEN AT WORKPLACE

The parent 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 2021-22.

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

23. COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rule 3 and 4 of the Companies (Cost Records and Audit) Rules, 2014, as amended, the Board of Directors had appointed M/s Vaghela Kishor & Co., Cost Accountants (Registration No. 103811), Cost Accountants as Cost Auditors of the Company for audit of cost accounting records for the financial year ended March 31, 2023 at a remuneration of Rs.55,000. The appointment shall be intimated to the Central Government. They have confirmed their independent status and that they are free from any disqualifications under section 141 of the Companies Act, 2013.

A proposal for ratification of remuneration payable to the Cost Auditor for the financial year 2022-23 is placed before the shareholders for consideration.

The Report of the Cost Auditors for the financial year ended March 31, 2022 is under finalization and will be filed with the MCA within the prescribed period.

As per the requirements of section 148 of the Companies Act, 2013 read with the Rules, the Company is required to maintain the cost records and accordingly, such accounts are made, and records have been maintained in respect of the applicable products for the year ended 31st March 2022.

24. SECRETARIAL AUDIT REPORT

The Secretarial Audit Report issued by M/s. Alwyn Jay & Co, Practicing Company Secretary is attached as Annexure 'C' to this Annual Report.

The Secretarial Auditors' report to the shareholders does not contain any qualification, reservation or comment which has any material adverse effect on the functioning of the Company.

25. 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 committed against the Company by its officers or employees as specified under section 143(12) of the Companies Act, 2013.
- Credit Rating: India Ratings – the credit rating agency IND A assigned A category rating to the Company during the year signifying stable outlook.
- MSME: The Company has been complying with the requirement of submitting a half yearly return to the Ministry of Corporate Affairs within the prescribed timelines.

26. ANNUAL RETURN

As per the provisions of section 92(3) of the Companies Act, 2013, the Annual Return of the Company for the financial year 2021-22 is available on our website www.lnthowden.com.

27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY 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.

28. ACKNOWLEDGEMENTS

The Directors wish to thank the Customers, Vendors and business associates for their continued support and valuable co-operation during the year. The Directors also wish to place on record their appreciation of the contribution made by employees at all levels. The Directors acknowledge the support extended to the Company by the Banks, Central & State Governments authorities, the management of the promoter companies and other fellow subsidiaries.

For and on behalf of the Board

Derek Michael Shah

Director

DIN: 06526950

Place: Mumbai

Date: 26.04.2022

Frederick Hearle

Chairman

DIN: 08399370

Place: UK

Date: 26.04.2022

Annexure B**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Part A

Details of contracts or arrangements or transactions not at arm's length basis:
NIL

Part B

Details of Material contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party	Nature of relationship	Nature of contracts/arrangement s/ transactions	Duration	Salient terms of the contracts or arrangements or transactions including the value, if any
Company has entered various transactions for purchase, sales, services, and reimbursements with related parties' details of which are given in Note No. 22 attached with the Annual Accounts for the period from April'21 to March'22. These transactions are executed as per the terms of the contract with these parties.				

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. Brief outline on CSR Policy of the Company:

The Company's CSR 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 the following verticals as a part of its CSR programme viz.

Water & Sanitation – may include but not limited to support for programmes making clean drinking water available, conservation, purification of water and proper sanitation facilities.

Education - may include but not limited to construction and renovation of schools, libraries, science laboratories, etc., education infrastructure support to educational Institutions, educational programmes & nurturing talent at various levels.

Health - may include but not limited to support for community health centres, mobile medical vans, dialysis centres, general and specialized health camps and outreach programmes, centres for elderly / disabled, support to HIV / AIDS programme.

Skill Development - may include 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), CSTI's, providing employability skills at project sites, creating training centres.

Governance and Technology would be the key drivers across all the CSR initiatives.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Derek Michael Shah	Non – Executive Director	1	1
2.	Mr. Shekhar Sharda@	Non – Executive Director	1	1
3.	Mr. Martinus Zijlmans\$	Non – Executive Director	1	1
4.	Mr. Y.V. S. Sravankumar*	Non – Executive Director	-	-
5.	Mr. Parvesh Mittal*	Non – Executive Director	-	-

@ ceased to be a Member with effect from 31st July, 2022

\$ ceased to be a Member with effect from 10th January, 2022

* appointed as Members with effect from 18th January, 2022

Ms. Reena Raje is the Secretary of the Committee. The Committee elects one amongst

them as the Chairman.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company. - www.lnthowden.com
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). - NA
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **NOT APPLICABLE**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
	TOTAL		

6. Average net profit of the company as per section 135(5). - Rs. 2832.51 Lakhs
7. (a) Two percent of average net profit of the company as per section 135(5) - Rs. 56.65 Lakhs
 - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - NOT APPLICABLE
 - (c) Amount required to be set off for the financial year, if any - NOT APPLICABLE
 - (d) Total CSR Obligation for the financial year (7a+7b+7c) - Rs.56.65 Lakhs

8. (a) CSR Amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
56,65,400	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year: **NOT APPLICABLE**

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project State District		Project duration	Amount allocate d for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Impleme ntation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Nam e	CSR Registration number
	TOTAL											

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

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
1.	Establishing a Construction Skills Training Centre	promoting education	Yes	Bihar	Buxar	24,99,984	Yes	NA	NA
2.	Empowerment of Women and Girl Child in rural areas through skills development	promoting education	Yes	Haryana	Faridabad	4,02,272	No	PHD Family Welfare Foundation	CSR00004544
3.	Covid Relief Activities through providing Hospital beds for Covid War to Govt. Hospital	promoting health care	Yes	Haryana	Faridabad	27,56,418	Yes	NA	NA
TOTAL						56,58,674			

(c)	Amount spent in Administrative Overheads	Rs. 0.06 Lakhs
(d)	Amount spent on Impact Assessment, if applicable	Not Applicable
(e)	Total amount spent for the Financial Year (8b+8c+8d+8e)	Rs.56.65 Lakhs
(f)	Excess amount for set off, if any	Not Applicable

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	56,65,022
(ii)	Total amount spent for the Financial Year	56,65,400
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not Applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years:
NOT APPLICABLE

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **NOT APPLICABLE**

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed/ Ongoing
1.								
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)** **NOT APPLICABLE**

(a) Date of creation or acquisition of the capital asset(s)

(b) Amount of CSR spent for creation or acquisition of capital asset

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

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

<div>_____ Frederick Hearle Director <i>DIN: 08399370</i></div>	<div>_____ Y. V. S. Sravankumar (Chairman CSR Committee) <i>DIN: 01080060</i></div>
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SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,

The Members,

L&T Howden Private Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T Howden Private Limited** (CIN: U31401MH2010PTC204403) (hereinafter called "the Company").

Subject to limitation of physical interaction and verification of records caused by COVID-19 Pandemic restrictions, the Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances to express our opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder - **Not Applicable to the Company;**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **as amended from time to time** : -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not Applicable to the Company**;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not Applicable to the Company**;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable to the Company**;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not Applicable to the Company**;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not Applicable to the Company**;
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable to the Company**;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company**;
 - (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not applicable to the Company**;
 - (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other specific business/industry related laws applicable to the Company:

The Company has complied with the Electricity Act, 2003 and Rules and Regulations made there under, The Gas Cylinders (Amendment) Rules, 2022, The Static and Mobile Pressure Vessels (unfired) Rules, 2021, Petroleum Act, 1934 and Petroleum Rules, 2002 and the other applicable general laws, rules, regulations and guidelines.

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period, no events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

Place : Mumbai

ALWYN JAY & Co.

Date : April 26, 2022

Company Secretaries

Office Address :

[Jay D'Souza FCS.3058]

Annex-103, Dimple Arcade,

(Partner)

Asha Nagar, Kandivali (East),

[Certificate of Practice No.6915]

Mumbai 400101.

[UDIN : F003058D000206107]

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

Annexure A

To

The Members,

L&T Howden Private Limited

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **L&T Howden Private Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 Pandemic restrictions and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai

Date : April 26, 2022

ALWYN JAY & Co.

Company Secretaries

Office Address :

Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101.

[Jay D'Souza FCS.3058]

(Partner)

[Certificate of Practice No.6915]

[UDIN : F003058D000206107]

<p style="text-align: center;">INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF L&T HOWDEN PRIVATE LIMITED</p>
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Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of L&T Howden Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Changes in Equity, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Cash Flows for the year ended on that date, notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (the "Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs (financial position) of the Company as at March 31, 2022, the changes in equity, its profit (financial performance including other comprehensive income) and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SA) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further prescribed in the Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report

Provision for Warranty and Contingency expenditure and Liquidated damages to Rs. 12.60 Crore

The Company is liable to its customer for repairs or replace any defects as mentioned in respective contracts. Most contracts mentioned about the Defect Liability Period (DLP) for which the company needs to create appropriate provisions. The timing of the outflows is expected to be within a period of 2 to 5 years from the date of Balance sheet. Warranty and Contingency provision was considered at the rate of 1.22% and 1.09% respectively on each sale transaction which is as per the policy for estimated percentage for warranty and contingency. The warranty provision is a major aspect for the company and hence needs to be calculated on appropriate basis.

Liquidated damages are payable by the company in cases where the delivery of product does not take place within the time specified in the purchase order issued by the customer. The company follows a policy of creating provision for liquidated damages based on the current information made available by the production and marketing department with respect to actual delivery date vis-à-vis agreed date in the purchase order issued by the customer.

We focused on these areas as the completeness and valuation of the expected outcome of warranty provisions and provision for Liquidated damages requires significant management judgements and the use of estimates giving rise to inherent uncertainty in the amounts recorded in the financial statement.

Our audit approach was a combination of test of internal controls and substantive procedure which include the following:

We tested the relevant internal controls regarding completeness of warranty and contingency provisions and provision for liquidated damages, how management assesses valuation of provision. In the cases of provision for Liquidated damages we assessed whether the information used for calculating the provision is exhaustive and adequacy of provision for liquidated damages by validating the same with terms agreed with the customer.

We are satisfied with the provisioning methodology used by the entity are found that the provisions maintained as at the reporting date is adequate.

We tested disclosures as stated in Point no. 1.31 of Note No.22

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for preparation of other information. The other information comprises information included in the Management discussion and analysis, the Directors' Report including Annexures to Directors' Report (collectively called as "Other information") but does not include the Ind AS Financial Statements and our auditor's report thereon. The Other information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Other information, if, we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of state of affairs (financial position), changes in equity, profit or loss (financial performance including other comprehensive income) and cash flows and of the company of in accordance with the accounting principles generally accepted in India, including the Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with Rules 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 Ind AS Financial Statements 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 also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Ind AS 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 Ind AS 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 Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Ind AS Financial Statements 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- (i) As required by the Companies (Auditors' Report) Order, 2020 ("the order") issued by the Central Government of India in terms of sub-section (11) of the Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
- (ii) As required by sub-section (3) of the section 143 of the Act, 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 and, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid Ind AS Financial Statement comply with the Indian Accounting Standards referred under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended,
- (e) On the basis of written representations from the Directors as on March 31, 2022 and taken on record by the Board of Directors, in its meeting held on April 26, 2022 none of the Directors is disqualified as on March 31, 2022, from being appointed as a Director u/s 164(2) of the Companies Act, 2013;
- (f) With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Further, our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over with reference to Ind AS Financial Statements;
- (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 provisions of Section 197 read with Schedule V of the Act are not applicable to the Company as no managerial remuneration has been incurred by the Company.
- (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:
 - a) There are no pending litigations which would impact the financial position of the Company.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- e) (i) On the basis of written representations received from the management, there were no funds, that have been advanced or loaned or invested by the company to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries"), with the understanding, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) On the basis of written representations received from the management, there were no funds, that have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Basis the audit procedures performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- f) The Company has paid interim dividend during the current financial year which is in compliance with section 123 of the Companies Act, 2013.

For M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No.: 101851W

Anagha Thatte
Partner
ICAI Membership No.: 105525
UDIN : 22105525AJXBG2398
Place : Mumbai
Date : April 26, 2022

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE INDAS FINANCIAL STATEMENTS OF
L&T HOWDEN PRIVATE LIMITED**

(Referred to in paragraph (i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company.

We report that:

- i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of Property, Plant and Equipment and intangible assets;
- (b) According to the information and explanations given to us Property, Plant and Equipment were physically verified by management with a phased programme of verification, which is in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification as compared to the book records.
- (c) According to the information and explanations given to us and the records of the Company examined by us, company hold immovable property which is held in the name of the Company. Accordingly, paragraphs 3 (i) (c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets. Accordingly, paragraphs 3 (i) (d) of the Order is not applicable to the Company.
- (e) According to the information and explanation given to us, no proceeding have been initiated or pending against company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. Basis the information and explanation given to us no discrepancies noticed on such verification.
- b) According to information and explanation given to us and verification of record company has fund based and non-fund based limit from Bank basis the security of current assets. Further, the Company is regular in filing the quarterly stock statement with the Bank which are generally in agreements with books of accounts.

- iii) According to the information and explanations given to us, the Company has neither made any investment, provided any guarantee or security nor granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships and other parties. Accordingly, paragraphs 3(iii) (a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company
- iv) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect to investments made and loans and financial commitments given during the year. There is no guarantee or security provided to the Companies covered under Section 186 of the Act.
- v) According to the information and explanation given to us, the Company has not accepted deposits or amounts which is deemed to be deposit from public in terms of directives issued by Reserve Bank of India and of provisions of Sections 73 to 76 of the Companies Act, 2013. (Refer note no.13 of the Ind As Financials). Accordingly, paragraphs 3(v) of the Order is not applicable to the Company.
- vi) According to the information and explanations given to us, pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section sub-section (1) of section 148 of the Companies Act, 2013, the Company is required to maintain cost records in respect of product manufactured by the Company. Accordingly, we have broadly reviewed the books of account and records maintained by the company and are of the opinion that prima facie the prescribed accounts and records have been maintained. The contents of these accounts and records have not been examined by us.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Goods & Service tax, provident fund, employee state insurance, income-tax, sales tax , service tax , duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, there were no undisputed amounts payable in respect Goods and Service tax, provident fund, employees state insurance, income tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues outstanding as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of records of the company, 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 March 31, 2022 are as follows.

Name of the statute	Nature of the disputed dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where disputes are pending
Goods and Services Tax	ITC Credit disallowed	10.25	Mar-15 to Jun-17	Appeal filed with Commissioner Appeal (CGST)
Value Added Taxes (VAT)	Sales tax liability	6.81	FY 2016-17	Deputy Commissioner Commercial Tax
Value Added Taxes (VAT)	Sales tax liability	0.66	FY 2017-18	Deputy Commissioner Commercial Tax

- viii) According to the information and explanations given to us, no transaction which was not recorded in the books of account have been surrendered or disclosed as income by the Company during the year in the tax assessments under the Income Tax Act, 1961.
- ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of any dues to the Bank during the year.
- (b) According to the information and explanations given to us, the company is not declared as wilful defaulter by any bank or financial institution or other lender;
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and Accordingly, paragraphs 3(ix)(c) of the Order is not applicable to the Company.

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet and statement of cash flows of the Company, we report that no funds raised on short term basis have been, prima facie, used for long term purposes.
 - (e) According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, paragraphs 3(ix)(f) of the Order is not applicable to the Company.
- x) In our opinion and according to the information and explanations given to us, on an overall basis the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Further, the Company has not made any preferential allotment or private allotment shares or fully or partly convertible debentures during the year.
- xi) a) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- b) In the course of the performance of our duties as auditor, there is no reason to believe that an offence of fraud has been committed in the company by its officers or employees hence no report has been filed under sub-section (12) of section 143 of the Companies Act in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, there are no whistle-blower complaints received during the year by the company.
- xii) Since the Company is not a nidhi company, Accordingly, paragraphs 3(xii) of the Order is not applicable to the Company.

- xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 as applicable and the details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv) In our opinion the Company has an internal audit system commensurate with its size and nature of its business. Report of Internal Auditors for the period under audit has been considered while conducting the Audit.
- xv) According to the information and explanations given to us, company has not entered into any non- cash transactions with directors or persons connected with him.
- xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the company.
- xvii) The company has not incurred any cash losses in the financial year and in immediately preceding financial year. Accordingly, paragraph 3(xvii) of the Order is not applicable to the Company.
- xviii) There is no resignation of the Statutory Auditors during the year, Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- xx) According to the records of the Company examined by us and the information and explanations given to us, there is no unspent amount which needs to be transferred to a Fund as specified in Schedule VII to the Companies Act for any ongoing projects or other than ongoing projects in compliance with second proviso to sub-section (5) and sub-section (6) of section 135 of the said Act. Accordingly, paragraph 3(xx) of the Order is not applicable to the Company.
- xxi) Ind-AS 110 on Consolidated Financial Statements exempts certain class of parent companies from preparing consolidated financial statements if it meets all four conditions as stipulated under Para 4 of the IND-AS 110. As the Company meets all these conditions, it has not prepared consolidated financial statements for the year. Accordingly, paragraph 3(xxi) of the Order is not applicable to the Company.

For M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No.: 101851W

Anagha Thatte
Partner
ICAI Membership No.: 105525
UDIN: 22105525AIJXBG2398
Place : Mumbai
Date : April 26, 2022

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE FINANCIAL STATEMENTS OF
L&T HOWDEN PRIVATE LIMITED**

(Referred to in paragraph (ii) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members the Company)

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 with reference to Ind AS Financial Statements of L & T Howden Private Limited ("the Company") as of March 31, 2022 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 (the "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 with reference to Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to Ind AS Financial Statements were 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 with reference to Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Ind AS Financial Statements, 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 Ind AS Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

A company's internal financial control with reference to Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS Financial Statements 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 the Ind AS 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 Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS Financial Statements, 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 with reference to Ind AS Financial Statements 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 with reference to Ind AS Financial Statements were operating effectively as at March 31, 2022, based on the internal control with reference to Ind AS Financial Statements 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.

For M. P. Chitale & Co.

Chartered Accountants

ICAI Firm Registration No.: 101851W

Anagha Thatte

Partner

ICAI Membership No.: 105525

UDIN : 22105525AIJXBG2398

Place : Mumbai

Date : April 26, 2022

L&T HOWDEN PRIVATE LIMITED
BALANCE SHEET as at March 31,2022

	NOTE	AS AT 31-03-2022 Rs.	AS AT 31-03-2021 Rs.
ASSETS			
<u>Non Current Assets</u>			
Property, plant and equipment	1.1	19,65,22,032	20,33,40,309
Capital work in progress		-	1,34,85,973
Other intangible assets	1.2	57,963	1,90,705
Right-of-use assets	1.3	3,12,46,117	3,16,00,180
Other non -current assets	2	6,70,07,281	4,78,20,724
<u>Current Assets</u>			
Inventories	3	34,14,74,224	18,32,14,240
Financial assets			
Trade receivables - current	4	1,16,29,10,671	1,24,88,07,289
Cash & Cash Equivalents	5.1	3,10,00,314	5,96,79,253
Other bank balances - current	5.2	48,97,03,167	43,36,11,363
Other current financial assets	6	27,86,920	36,23,974
Other current assets	7	1,05,85,17,261	92,49,63,159
TOTAL		3,38,12,25,949	3,15,03,37,169
EQUITY AND LIABILITIES			
<u>Equity</u>			
Equity share capital	8	30,00,00,000	30,00,00,000
Other equity	9	1,22,07,33,858	1,00,68,36,725
LIABILITIES			
<u>Non Current Liabilities</u>			
Deferred tax liabilities (Net)	10	1,28,46,149	1,66,51,588
<u>Current Liabilities</u>			
Financial Liabilities			
Trade payables			
Due to micro enterprises and small enterprises	11	8,21,53,175	14,64,80,126
Due to others		94,14,20,290	77,24,16,570
Other financial liabilities	12	60,90,734	58,92,299
Other current liabilities (Net)	13	32,14,11,971	53,38,58,612
Provisions	14	49,65,69,771	36,82,01,248
Total Equity and Liabilities		3,38,12,25,949	3,15,03,37,169

Significant accounting policies & other explanatory information forming part of the accounts

As per our report attached

M.P. Chitale & Co.

Chartered Accountants

Firm Registration No.:101851W

By the hand of

Anagha Thatte

Partner

Membership No.: 105525

Dharmendra K Shrivastava

Chief Executive

Place: Faridabad

Derek Michael Shah

Director

DIN : 06526950

Place: Mumbai

Frederick Hearle

Director

DIN : 08399370

Place : UK

Place: Mumbai

Date : 26.04.2022

Atul Tandon

Chief Financial Officer

Place: Faridabad

Reena Raje

Company Secretary

M. No. ACS21440

L&T HOWDEN PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED March 31,2022

	NOTE	2021-22 Rs.	2020-21 Rs.
INCOME			
Revenue from operations	15	2,92,99,23,627	2,54,80,20,437
Other Income	16	4,61,34,616	2,70,14,187
		<u>2,97,60,58,244</u>	<u>2,57,50,34,623</u>
EXPENDITURE			
Materials, manufacturing & operating Expenses	17	2,33,69,74,868	1,92,45,71,608
Change in inventories of finished goods, work-in-progress and stock-in-trade	18	(4,55,98,932)	2,30,47,747
Employee benefits expenses	19	11,37,46,490	9,81,86,048
Sales, administration & other expenses	20	16,50,75,272	12,19,61,297
Finance costs	21	49,930	(13,69,911)
Depreciation and amortisation	1.1 -1.3	2,79,45,060	2,64,45,028
		<u>2,59,81,92,689</u>	<u>2,19,28,41,816</u>
Profit before tax		37,78,65,555	38,21,92,806
Tax expense:			
- Current Tax		10,55,94,642	9,88,28,973
- Provision for Income tax - Earlier Years		(53,46,744)	(61,96,993)
- Provision for Deferred Tax		(38,05,439)	5,16,731
Profit after tax		<u>28,14,23,096</u>	<u>28,90,44,095</u>
Profit for the year		28,14,23,096	28,90,44,095
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of Post employment benefit obligation		(34,696)	4,35,627
Income Tax relating to these items		8,733	(1,09,647)
Items that will be reclassified subsequently to profit or loss			
Fair Value changes on cash flow hedges			(49,110)
Income Tax relating to these items			12,361
Total Comprehensive Income		<u>28,13,97,133</u>	<u>28,93,33,326</u>
 Earning Per Share (Face value of Rs.10 each)			
- Basic & Diluted		9.38	9.63
Weighted Average No. of Shares		3,00,00,000	3,00,00,000

Significant accounting policies & other explanatory information forming part of the accounts

As per our report attached

M.P. Chitale & Co.

Chartered Accountants
Firm Registration No.:101851W
By the hand of

Anagha Thatte
Partner
Membership No.: 105525

Dharmendra K Shrivastava
Chief Executive
Place: Faridabad

Derek Michael Shah
Director
DIN : 06526950
Place: Mumbai

Frederick Hearle
Director
DIN : 08399370
Place : UK

Place: Mumbai
Date : 26.04.2022

Atul Tandon
Chief Financial Officer
Place: Faridabad

Reena Raje
Company Secretary
M. No. ACS21440

L&T HOWDEN PRIVATE LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED March 31,2022

	2021-22 Rs.	2020-21 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/ (Loss) before tax	37,78,65,555	38,21,92,806
Adjustments for:		
Depreciation	2,79,45,060	2,64,45,028
Unrealized forex (gain) /loss	(38,44,703)	1,12,45,652
(Profit)/Loss on sale of fixed assets (net)	(22,55,450)	3,40,379
Allowances for doubtful debts	(54,41,875)	(28,55,224)
Interest (Net)	(2,04,33,686)	(1,84,54,896)
Operating profit / (Loss) before working capital changes	37,38,34,902	39,89,13,745
Adjustment for:		
(Increase) / decrease in Short term Loans & Advances	8,37,054	(1,41,560)
(Increase) / decrease in Trade Receivables	8,57,12,858	(56,61,84,199)
(Increase) / decrease in Other Current Assets	(13,35,54,102)	(23,15,43,615)
(Increase) / decrease in Inventories	(15,82,59,984)	3,88,94,382
Increase / (decrease) in Trade Payables	11,41,12,411	24,88,56,011
Increase / (decrease) in Other Current & Financial Liabilities	(21,22,48,206)	17,37,99,194
(Increase) / decrease in Other non -current assets	(1,91,86,557)	(1,37,62,736)
Increase / (decrease) in Provisions	12,83,68,523	17,63,81,567
Direct Taxes	(10,02,39,165)	(9,25,22,333)
Cash flow from operating activities (A)	7,93,77,734	13,26,90,456
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase/Sale of fixed assets including CWIP- Net	(48,98,555)	(1,94,03,413)
Interest received	2,04,83,616	1,70,84,985
Net cash flow (used in) /from investing activities (B)	1,55,85,061	(23,18,428)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend	(6,75,00,000)	(3,75,00,000)
Interest Paid	(49,930)	13,69,911
Net cash flow / (used in) from financing activities (C)	(6,75,49,930)	(3,61,30,089)
Net increase in cash and cash equivalents (A+B+C)	2,74,12,864	9,42,41,939
Cash and cash equivalents at beginning of the period	49,32,90,616	39,90,48,678
Cash and cash equivalents at end of the period	52,07,03,481	49,32,90,616
Net increase in cash and cash equivalents	2,74,12,864	9,42,41,938

1) Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS) 7 - Cash Flow Statements.

2) Additions to property, plant and equipment and intangible assets include movements of capital work-in-progress and intangible assets under development respectively during the year.

M.P. Chitale & Co.
Chartered Accountants
Firm Registration No.:101851W
By the hand of

Anagha Thatte
Partner
Membership No.: 105525

Dharmendra K Shrivastava
Chief Executive
Place: Faridabad

Derek Michael Shah
Director
DIN : 06526950
Place: Mumbai

Frederick Hearle
Director
DIN : 08399370
Place : UK

Place: Mumbai
Date : 26.04.2022

Atul Tandon
Chief Financial Officer
Place: Faridabad

Reena Raje
Company Secretary
M. No. ACS21440

L&T HOWDEN PRIVATE LIMITED**Statement of Changes in Equity****A. Equity Share Capital**

Particulars	Amount (Rs)
As at 31 March 2021	30,00,00,000
Changes in Equity Share Capital	-
As at 31 March 2022	30,00,00,000

B. Other Equity

in Rs

Particulars	Reserve & Surplus	Other Reserve	Total
	Retained Earning	Hedging Reserve	
As at 31 March 2020	75,49,66,650	36,749	75,50,03,399
Profit for the Year	28,90,44,095	-	28,90,44,095
Other Comprehensive Income	3,25,980	(36,749)	2,89,231
Dividend Paid	(3,75,00,000)		(3,75,00,000)
As at 31 March 2021	1,00,68,36,725	-	1,00,68,36,725
Profit for the Year	28,14,23,096	-	28,14,23,096
Other Comprehensive Income	(25,963)	-	(25,963)
Dividend Paid	(6,75,00,000)		(6,75,00,000)
As at 31 March 2022	1,22,07,33,858	-	1,22,07,33,858

M.P. Chitale & Co.

Chartered Accountants

Firm Registration No.:101851W

By the hand of

Anagha Thatte

Partner

Membership No.: 105525

Dharmendra K Shrivastava

Chief Executive

Place: Faridabad

Derek Michael Shah

Director

DIN : 06526950

Place: Mumbai

Frederick Hearle

Director

DIN : 08399370

Place : UK

Place: Mumbai

Date : 26.04.2022

Atul Tandon

Chief Financial Officer

Place: Faridabad

Reena Raje

Company Secretary

M. No. ACS21440

1.1 Property, Plant and equipment

Following are the changes in carrying value of property, plant and equipment for the year ended March 31, 2022

PARTICULARS	Leasehold Land	Buildings	Plant & Equipments	Furniture & Fixtures	Office Equipments	Computers	SUB TOTAL (A)
Gross Carrying Value as at 01.04.2021	-	16,58,73,379	32,79,11,944	55,59,987	34,35,142	1,01,68,682	51,29,49,135
Additions/Adjustments	-	-	1,95,80,227	-	3,04,355	9,93,000	2,08,77,581
Deductions/Adjustments	-	-	(71,00,994)	(9,81,975)	(1,90,033)	(17,62,334)	(1,00,35,336)
Gross Carrying Value as at 31.03.2022	-	16,58,73,379	34,03,91,177	45,78,012	35,49,464	93,99,348	52,37,91,380
DEPRECIATION / AMORTISATION upto 01.04.2021	-	4,04,25,681	25,29,44,620	48,07,660	31,42,926	82,87,939	30,96,08,825
For the year	-	46,38,638	2,09,79,560	5,03,932.85	1,09,133.26	12,26,991	2,74,58,254
Adjustment	-	-	(70,70,501)	(8,99,348)	(1,90,033)	(16,37,850)	(97,97,732)
DEPRECIATION / AMORTISATION upto 31.03.2022	-	4,50,64,319	26,68,53,679	44,12,245	30,62,027	78,77,079	32,72,69,347
Net Carrying Value as at 31.03.2022	-	12,08,09,060	7,35,37,499	1,65,768	4,87,437	15,22,269	19,65,22,032

Following are the changes in carrying value of property, plant and equipment for the year ended March 31, 2021

PARTICULARS	Leasehold Land	Buildings	Plant & Equipments	Furniture & Fixtures	Office Equipments	Computers	SUB TOTAL (A)
Gross Carrying Value as at 01.04.2020	-	16,58,73,379	32,13,07,395	55,59,987	32,81,498	85,45,995	50,45,68,255
Additions/Adjustments	-	-	57,94,540	-	2,12,500.00	16,88,400	76,95,440
Deductions/Adjustments	-	-	8,10,009	-	(58,855.50)	(65,714)	6,85,440
Gross Carrying Value as at 31.03.2021	-	16,58,73,379	32,79,11,944	55,59,987	34,35,142	1,01,68,682	51,29,49,135
DEPRECIATION / AMORTISATION upto 01.04.2020	-	3,57,87,043	23,37,20,310	42,52,853	31,67,886	74,91,770	28,44,19,862
For the year	-	46,38,638	1,98,65,701	5,54,806.58	33,895.27	8,34,364	2,59,27,404
Adjustment	-	-	(6,41,391)	-	(58,855.50)	(38,195)	(7,38,442)
DEPRECIATION / AMORTISATION upto 31.03.2021	-	4,04,25,681	25,29,44,620	48,07,660	31,42,926	82,87,939	30,96,08,825
Net Carrying Value as at 31.03.2021	-	12,54,47,698	7,49,67,325	7,52,328	2,92,216	18,80,743	20,33,40,309

1.2 Intangible Assets

Following are the changes in carrying value of property, plant and equipment for the year ended March 31, 2022

PARTICULARS	Software	Technical Know-how	SUB TOTAL (A)
Gross Carrying Value as at 01.04.2021	77,33,367	2,23,65,000	3,00,98,367
Additions/Adjustments	-	-	-
Deductions/Adjustments	-	-	-
Gross Carrying Value as at 31.03.2022	77,33,367	2,23,65,000	3,00,98,367
DEPRECIATION / AMORTISATION upto 01.04.2021	75,42,663	2,23,65,000	2,99,07,663
For the year	1,32,742	-	1,32,742
Adjustment	-	-	-
DEPRECIATION / AMORTISATION upto 31.03.2022	76,75,404	2,23,65,000	3,00,40,404
Net Carrying Value as at 31.03.2022	57,963	-	57,963

Following are the changes in carrying value of property, plant and equipment for the year ended March 31, 2021

PARTICULARS	Software	Technical Know-how	SUB TOTAL (A)
Gross Carrying Value as at 01.04.2020	77,33,367	2,23,65,000	3,00,98,367
Additions/Adjustments	-	-	-
Deductions/Adjustments	-	-	-
Gross Carrying Value as at 31.03.2021	77,33,367	2,23,65,000	3,00,98,367
DEPRECIATION / AMORTISATION upto 01.04.2020	73,79,103	2,23,65,000	2,97,44,103
For the year	1,63,560	-	1,63,560
Adjustment	-	-	-
DEPRECIATION / AMORTISATION upto 31.03.2021	75,42,663	2,23,65,000	2,99,07,663
Net Carrying Value as at 31.03.2021	1,90,705	-	1,90,705

1.3 Right-of-Use Assets

Following are the transfer in Right-of-Use Assets for the year ended March 31, 2022

PARTICULARS	Land
Gross Carrying Value as at 01.04.2021	3,50,52,301
Additions/Adjustments	-
Deductions/Adjustments	-
Gross Carrying Value as at 31.03.2022	3,50,52,301
DEPRECIATION / AMORTISATION upto 01.04.2021	34,52,121
For the year	3,54,064
Adjustment	-
DEPRECIATION / AMORTISATION upto 31.03.2022	38,06,184
Net Carrying Value as at 31.03.2022	3,12,46,117

L&T HOWDEN PRIVATE LIMITED
NOTES FORMING PART OF ANNUAL ACCOUNTS

		AS AT 31-03-2022 Rs.	AS AT 31-03-2021 Rs.
NOTE 2 : NON CURRENT ASSETS			
Income tax Receivable (Net of Provisions PY)	(A)	5,39,80,707	4,01,44,771
Advance Tax		11,05,00,000	10,37,87,000
TDS Receivable (Net)		81,12,483	28,27,573
		<u>11,86,12,483</u>	<u>10,66,14,573</u>
Less: Provision for Tax (Current Year)		(10,55,85,909)	(9,89,38,620)
	(B)	<u>1,30,26,574</u>	<u>76,75,953</u>
		<u>6,70,07,281</u>	<u>4,78,20,724</u>

CURRENT ASSETS

NOTE 3 : Inventories(at cost or net realisable value whichever is lower)

Raw materials, Stores Spares and components	20,71,56,630	9,38,86,706
Work in Progress	39,37,069	18,43,685
Goods in Transit	-	-
Finished goods	13,90,90,662	9,55,85,114
Stores & Spares	-	-
Less: Provision on Slow moving Goods	(87,10,137)	(81,01,264)
	<u>34,14,74,224</u>	<u>18,32,14,240</u>

NOTE 4 :Trade Receivable - current

Trade Receivables

Unsecured

Considered good - unsecured	1,16,29,10,671	1,24,88,07,289
Credit Impaired - unsecured	30,80,794	85,22,669
	(A)	1,16,59,91,465
Less: Allowance for doubtful debts	(B)	85,22,669
Total (A-B)	<u>1,16,29,10,671</u>	<u>1,24,88,07,289</u>

Ageing of Trade receivables - current

Particulars	2021-22						TOTAL
	March						
	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months to 1 year	1 year to 2 year	2 to 3 year	More than 3 years	
Undisputed:							-
- considered good	84,74,13,714	29,28,82,285	1,76,68,522	24,74,253	9,15,732	15,56,165	1,16,29,10,671
- increase in credit risk							-
- credit impaired			13,61,987	3,71,855	3,25,883	10,21,069	30,80,794
Disputed:							-
- considered good							-
- increase in credit risk							-
- credit impaired							-
Gross trade receivables	84,74,13,714	29,28,82,285	1,90,30,509	28,46,108	12,41,615	25,77,234	1,16,59,91,465
Less: Allowance for doubtful debts			(13,61,987)	(3,71,855)	(3,25,883)	(10,21,069)	(30,80,794)
Total trade receivables (net of allowance for doubtful debts)	84,74,13,714	29,28,82,285	1,76,68,522	24,74,253	9,15,732	15,56,165	1,16,29,10,671

Particulars	2020-21						TOTAL
	March						
	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months to 1 year	1 year to 2 year	2 to 3 year	More than 3 years	
Undisputed:							-
- considered good	96,20,53,933	26,24,61,685	27,18,840	23,89,125	1,88,09,276	3,74,430	1,24,88,07,289
- increase in credit risk							-
- credit impaired			1,81,447	3,42,672	77,40,942	2,57,608	85,22,669
Disputed:							-
- considered good							-
- increase in credit risk							-
- credit impaired							-
Gross trade receivables	96,20,53,933	26,24,61,685	29,00,287	27,31,797	2,65,50,218	6,32,038	1,25,73,29,958
Less: Allowance for doubtful debts			(1,81,447)	(3,42,672)	(77,40,942)	(2,57,608)	(85,22,669)
Total trade receivables (net of allowance for doubtful debts)	96,20,53,933	26,24,61,685	27,18,840	23,89,125	1,88,09,276	3,74,430	1,24,88,07,289

NOTE 5.1:Current - Cash & Cash Equivalents

Cash on Hand	-	-
Balance with Banks	3,10,00,314	5,96,79,253

NOTE 5.2:Other Bank Balances (Including Accrued Interest)

Fixed Deposit with Banks (maturity >3 months and <12 months)	48,90,43,792	43,36,11,363
Bank balance not available for immediate use *	6,59,375	-
	<u>52,07,03,481</u>	<u>49,32,90,616</u>

*Bank balance not available for immediate use relates to margin money in the nature of security offered for banking facility.

L&T HOWDEN PRIVATE LIMITED
NOTES FORMING PART OF ANNUAL ACCOUNTS

	AS AT 31-03-2022 Rs.	AS AT 31-03-2021 Rs.
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NOTE 6 : Other current Financial Assets

- Security deposits - unsecured	9,30,080	9,05,080
- Earnest Money Deposit	18,56,840	27,18,894
	<u>27,86,920</u>	<u>36,23,974</u>

NOTE 7 : Other Current Assets

- Advance to Suppliers	10,50,48,653	17,63,22,274
- Advances recoverable in cash or in kind or for value to be received	10,02,07,842	10,88,79,446
- Input Credit Receivable for Excise & VAT	-	-
- Input Credit Receivable for GST	8,33,24,553	11,03,99,243
- Interest Accrued - FDs	19,25,248	-
- Retentions- Customer	76,80,10,966	52,93,62,195
	<u>1,05,85,17,261</u>	<u>92,49,63,159</u>

NOTE 8 : SHARE CAPITAL

Authorised

3,00,00,000 (Previous year 3,00,00,000) Equity Shares of Rs. 10/-each	<u>30,00,00,000</u>	<u>30,00,00,000</u>
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Issued, Subscribed & Paid up

3,00,00,000 (Previous year 3,00,00,000) Equity Shares of Rs. 10/-each fully paid up	<u>30,00,00,000</u>	<u>30,00,00,000</u>
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a. Equity Shares held by party with substantial interest

Name of Shareholder	Relationship	31-03-2022		31-03-2021	
		Number	Amount	Number	Amount
Larsen & Toubro Limited	JV Partner	1,50,30,000	15,03,00,000	1,50,30,000	15,03,00,000
Howden Holding B.V.	JV Partner	1,49,70,000	14,97,00,000	1,49,70,000	14,97,00,000

b. Equity Shares in the company held by each shareholder holding more than 5% share

Name of Shareholder	Relationship	31-03-2022		31-03-2021	
		Number	%	Number	%
Larsen & Toubro Limited	JV Partner	1,50,30,000	50.10%	1,50,30,000	50.10%
Howden Holding B.V.	JV Partner	1,49,70,000	49.90%	1,49,70,000	49.90%

c. Reconciliation of the shares outstanding at the beginning and at end of the reporting period;

Particulars	31-03-2022		31-03-2021	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000

d. Terms/Rights attached to the Equity Shares

The company has only one class of Equity Shares having a par value of Rs. 10 Per Share. Each holder of Equity Shares is entitled to one vote per share.

There is no change in % of equity in FY 21-22

NOTE 9 : Other Equity

Profit (Loss) as per last Balance Sheet	1,00,68,36,725	75,50,03,399
Profit (Loss) for the year	28,14,23,096	28,90,44,095
Other Comprehensive Income	(25,963)	2,89,231
Dividend Paid	(6,75,00,000)	(3,75,00,000)
Hedging Reserve	-	-
	<u>1,22,07,33,858</u>	<u>1,00,68,36,725</u>

L&T HOWDEN PRIVATE LIMITED
NOTES FORMING PART OF ANNUAL ACCOUNTS

	AS AT 31-03-2022 Rs.	AS AT 31-03-2021 Rs.
NOTE 10 : DEFERRED TAX LIABILITIES (NET)	<u>1,28,46,149</u>	<u>1,66,51,588</u>
	1,28,46,149	1,66,51,588

NOTE 11 : Trade Payables

Due to Micro & Small Enterprises	8,21,53,175	14,64,80,126
Due to Others	<u>94,14,20,290</u>	<u>77,24,16,570</u>
	1,02,35,73,465	91,88,96,697

Ageing of Trade Payable - Current

Particulars	2021-22						TOTAL
	March						
	Outstanding for following periods from due date of payment						
	Unbilled dues	Not Due	Less than 1 year	1 to 2 year	2 to 3 year	More than 3 years	
Undisputed:							-
- MSME		8,21,53,175					8,21,53,175
- Others		93,21,52,064	92,68,225				94,14,20,289
Disputed:							-
- MSME							-
- Others							-
Total trade payable	-	1,01,43,05,239	92,68,225	-	-	-	1,02,35,73,464

Particulars	2020-21						TOTAL
	March						
	Outstanding for following periods from due date of payment						
	Unbilled dues	Not Due	Less than 1 year	1 to 2 year	2 to 3 year	More than 3 years	
Undisputed:							-
- MSME		14,60,07,017	4,73,109				14,64,80,126
- Others		75,75,08,822	1,49,07,748				77,24,16,570
Disputed:							-
- MSME							-
- Others							-
Total trade payable	-	90,35,15,839	1,53,80,857	-	-	-	91,88,96,696

NOTE 12 : Other Financial Liabilities

Forward Contract Payable	-	-
Employees Payable	60,90,734	58,92,299
Security Deposit Received	<u>-</u>	<u>-</u>
	60,90,734	58,92,299

NOTE 13 : Other Current Liabilities

Advance from Customers*	24,90,42,535	43,27,46,660
Duties & Taxes	<u>7,23,69,436</u>	<u>10,11,11,952</u>
	32,14,11,971	53,38,58,612

* These advances are accepted only for business purpose pertaining to sales order raised by the party on the company. No advance which is due for repayment is remained unpaid.

NOTE 14:Provisions

Provision for Product warranty	12,47,25,482	10,60,48,047
Provision for Retirement Benefits	<u>2,18,27,559</u>	<u>1,95,09,697</u>
Provision for Contractual Obligation Cost	<u>35,00,16,730</u>	<u>24,26,43,504</u>
	49,65,69,771	36,82,01,248

L&T HOWDEN PRIVATE LIMITED
NOTES FORMING PART OF ANNUAL ACCOUNTS

	2021-22 Rs.	2020-21 Rs.
NOTE 15 : REVENUE FROM OPERATIONS		
Sale & Services		
Manufacturing & Trading activity	2,88,49,81,219	2,50,33,40,175
Sale of Services	4,14,49,385	4,10,90,389
(A)	<u>2,92,64,30,604</u>	<u>2,54,44,30,564</u>
Other operational income		
Non Production Scrap Sale	2,58,377	2,40,713
Miscellaneous Income	32,34,647	17,33,601
Premium on Forward Contract	-	16,15,559
(B)	<u>34,93,024</u>	<u>35,89,873</u>
(A+B)	<u>2,92,99,23,627</u>	<u>2,54,80,20,437</u>
NOTE 16 : OTHER INCOME		
Interest Income on Bank Deposits	2,04,83,616	1,70,84,985
Non operational sale	1,95,50,452	1,02,69,580
Gain on Sale of Fixed Asset	22,55,450	(3,40,379)
Foreign Currency Fluctuation (Net)	38,45,098	-
	<u>4,61,34,616</u>	<u>2,70,14,187</u>
NOTE 17 : MATERIALS, MANUFACTURING & OPERATING EXPENSES		
Materials, components & service consumed	2,21,96,67,294	1,82,15,93,107
Royalty & trademark fees on sales	7,11,52,929	6,28,43,083
Power, Fuel and Water	33,75,872	31,51,215
Other Direct Expenses	4,27,78,773	3,69,84,202
	<u>2,33,69,74,868</u>	<u>1,92,45,71,608</u>
NOTE 18: (INCREASE) / DECREASE IN INVENTORIES		
Opening Stocks		
Work-In-Progress	18,43,685	12,49,412
Finished Goods	<u>9,55,85,114</u>	<u>9,74,28,799</u>
		11,92,27,133
		12,04,76,546
Less : Closing Stocks		
Work-In-Progress	39,37,069	18,43,685
Finished Goods	<u>13,90,90,662</u>	<u>14,30,27,731</u>
		9,55,85,114
		9,74,28,799
	<u>(4,55,98,932)</u>	<u>2,30,47,747</u>
NOTE 19 : EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages	10,10,02,564	8,95,24,919
Contribution to Provident & Other Funds	26,75,883	24,87,543
Expenses on Employee Stock Option Scheme	10,77,643	-
Staff Welfare	48,67,034	37,02,330
Leave Encashment	26,98,961	11,83,000
Gratuity	14,24,404	12,88,255
	<u>11,37,46,490</u>	<u>9,81,86,048</u>

L&T HOWDEN PRIVATE LIMITED
NOTES FORMING PART OF ANNUAL ACCOUNTS

	2021-22 Rs.	2020-21 Rs.
NOTE 20 : SALES, ADMINISTRATION & OTHER EXPENSES		
Rent	9,15,620	6,59,946
Rates & Taxes	13,680	9,46,985
Insurance	4,20,965	3,57,198
Audit & Certification Fees	7,75,500	4,80,900
Travelling	74,94,484	33,90,059
Vehicle Running & Maintenance	71,55,184	50,20,965
Recruitment Expenses	11,698	3,62,694
Printing & Stationery	30,690	1,83,702
Office Running & Maintenance	10,37,278	1,87,202
Communication Expenses	10,02,258	8,48,894
Warranty & Contractual Obligation Cost	3,19,41,744	(1,50,81,632)
Freight Forwarding Exp	4,46,88,082	5,53,45,387
Legal and Professional	7,76,852	12,04,946
Community Welfare (CSR)	56,65,400	49,41,643
IT Software Exp	14,49,936	14,15,085
Training Fees	2,81,478	4,84,243
Miscellaneous	19,40,680	9,96,864
Allowances for doubtful debts	(54,41,875)	(28,55,224)
Bank Charges	12,13,287	5,86,169
Foreign Currency Fluctuation (Net)	-	1,04,51,767
Networking Fee	4,14,56,402	3,16,69,816
Corporate Infrastructure Charges	2,22,45,928	2,03,63,689
	16,50,75,272	12,19,61,297

NOTE 21 : FINANCE COSTS

Interest Expense:		
Term Loans	-	-
Others	49,930	(13,69,911)
	49,930	(13,69,911)

NOTE - 22

Company Overview

L&T Howden Private Limited (LTHPL), a joint venture between Larsen & Toubro Ltd and Howden Group U.K., design, engineer, manufacture, supply and provides aftermarket services for axial fans and rotary air pre-heaters for super critical thermal power plants.

28 SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except for certain items of property, plant and equipment that were revalued in accordance with the previous GAAP principles and the carrying value of all the items of property, plant and equipment as on date of transition is considered as the deemed cost and certain financial instruments that are measured at fair values in accordance with Ind AS. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment. The preparation of financial statements in conformity with IND AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for operating expenses, future obligations under Income Tax and useful lives of fixed assets. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

B. 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

C. Revenue Recognition

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

- a) Revenue from sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract where there is no uncertainty as to measurement or collectability of consideration.
- b) Revenue from engineering and service fees is recognized as per the terms of contract.
- c) Interest income is accrued on a time basis at effective interest rate applicable.
- d) Other items of Income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

D. 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. Property, plant and equipment acquired on hire purchase basis are stated at their cash values. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

For transition to Ind AS, the carrying value of PPE under i-GAAP as on April 1, 2015 is regarded as its deemed cost.

Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of the cost of the PPE.

The carrying value was original cost less accumulated depreciation and cumulative impairment. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

Depreciation on Property, Plant & Equipment has been provided based on useful life as prescribed in Schedule II of the Companies Act, 2013. Property, Plant & Equipment which are added/disposed-off during the year depreciation has been provided on pro-rata basis with reference to the month of addition/deletion.

In respect of the following asset categories, the depreciation is provided at useful life, based on the technical evaluation and business usage, which is different from the useful life prescribed under Schedule II to the Companies Act, 2013:

Asset Code	Asset Description	Useful Life	Useful Life as per Companies Act
1000531	Fan Test Bed Fencing arrangement	5	15

E. Intangible Assets

Intangible assets are stated at cost, less accumulated depreciation, and impairment, if any. Intangible assets are amortized over their estimated useful lives using the straight-line method.

F. Inventories

Inventories are valued after providing for obsolescence, as under:

- a) Raw materials, components, construction materials, stores, spares, and loose tools at lower of weighted average cost or net realizable value.
- b) Manufacturing work-in-progress at lower of cost including related overheads or net realizable value.
- c) Finished goods at lower of weighted average cost or net realizable value.

G. Foreign Currency Transactions

The reporting currency of company is Indian Rupee. Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rates at the date of transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Any resulting loss /gain is charged / taken to the Profit & Loss Account. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are recognized in profit or loss in the period in which they arise except for:

- a) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs.
- b) exchange differences on transactions entered to hedge certain foreign currency risks.

H. Employee Benefits

- a) Short term employee benefits:

All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits, which include benefits like salaries, short term compensated absences, expected cost of performance incentives, ex-gratia etc. are recognised as expense in the period in which the employee renders the related service.

b) Long term employee benefits:

Long term employee benefits including compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders related services are recognised as a liability at the present value of the defined benefit obligation based on actuarial valuation (under projected unit credit method) carried out at the Balance Sheet date.

c) Post-Employment Benefits:

i. Defined-contribution plans:

The Company has defined contribution plans (where Company pays pre-defined amounts and does not have any legal or informal obligation to pay additional sums) for post-employment benefits (viz. Provident Fund), the Company's contributions thereto are charged to Profit and Loss Account every year.

ii. Defined-benefit plan:

The Company has a defined benefit plan (viz., Gratuity) for employees, the liability for which is determined based on valuation carried out by an independent actuary (under projected unit credit method) at the Balance Sheet date.

Remeasurements, comprising actuarial gains and losses are recognized immediately in other comprehensive income and reflected in retained earnings and are not reclassified to profit & loss.

I. Operating Segment

The Company has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (IND AS 108)

J. Taxes on Income:

- a) Tax on income for the current period is determined based on taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961, and based on the expected outcome of assessments / appeals.
- b) Deferred tax liability is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing, enacted or substantially enacted regulations.
- c) Other 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.

K. Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
 - i. the Company has a present obligation because of a past event,
 - ii. a probable outflow of resources is expected to settle the obligation; and

iii. the amount of the obligation can be reliably estimated.

b) Contingent liability is disclosed in case of

- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- ii. a present obligation when no reliable estimate is possible; and
- iii. a possible obligation arising from past events where the probability of outflow of resources is not remote.

c) Contingent Assets are neither recognized, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

L. Impairment of Assets

At the Balance Sheet date, the carrying amount of assets is tested for impairment to determine

- a) the provision for impairment loss required, if any, or
- b) the reversal required of impairment loss recognized in previous periods, if any.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- a) in the case of an individual asset, at higher of the net selling price and the value in use.
- b) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at higher of the cash generating unit's net selling price and the value in use.

Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.

M. Borrowing Cost

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of such assets till such time as the asset is ready for intended use or sale. Qualifying asset is an asset that necessarily takes a substantial period to get ready for intended use or sale. All other borrowing costs are recognized as an expense in the year in which they are incurred.

N. Financial Instruments:

Financial assets and financial liabilities are recognized 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.

a) Financial Assets carried at amortized cost:

A Financial Asset is subsequently measured at amortized cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

b) Financial Assets at fair value through other comprehensive income:

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

c) Other Financial Assets are recognized in Profit or Loss

d) Financial liabilities including loans and borrowings are measured at amortized cost using Effective Interest Rate (EIR) method applied.

e) Cash Flow Hedges:

The Company designates certain hedging instruments, which include derivatives, in respect of foreign currency risk, as cash flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in equity under the heading of hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

f) Impairment of Financial Assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables and other contractual rights to receive cash or other financial asset. For the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a provision matrix which takes into account historical credit loss experience and forecast of future economic conditions based on reasonable and supportable information which is available at the reporting date.

O. Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed for estimated number of contracts remaining to be executed on capital account and not provided for.

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

P. Cash and Cash Equivalent

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation.

Q. Operating cycle for current and non-current classification

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

R. Key Source of Estimation Uncertainty

Examples of such estimates include 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. difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2022

NOTE : 22 OTHER EXPLANATORY INFORMATION:

1.1 Capital and other commitments

	In Rs	
Particulars	2021-22	2020-21
Estimated amount of contracts remaining to be executed on capital account and not provided for	30,56,085	34,09,731
Total	30,56,085	34,09,731

1.2 Income in Foreign Currency

	In Rs	
Particulars	2021-22	2020-21
Foreign Exchange earned	9,40,86,480	7,97,27,091
Total	9,40,86,480	7,97,27,091

1.3 Expenditure in Foreign Currency

	In Rs	
Particulars	2021-22	2020-21
Foreign Exchange used	11,85,10,914	12,11,18,269
Total	11,85,10,914	12,11,18,269

1.4. Value of imports calculated on CIF basis

	In Rs	
Particulars	2021-22	2020-21
Project Imports	17,87,89,289	8,66,87,714
Total	17,87,89,289	8,66,87,714

1.5 Remuneration to auditor

	In Rs	
Particulars	2021-22	2020-21
Statutory Audit	2,60,000	2,16,000
For Taxation Matters	2,40,000	1,94,400
For Certification works	1,10,000	70,500
Out of Pocket Expenses	22,500	-
Others	1,43,000	-
Total	7,75,500	4,80,900

1.6 Disclosures as required By Indian Accounting Standard (Ind AS) 19" Employee Benefits"

A) An amount of Rs 26,75,883/- (Previous year Rs 24,87,543/-) is recognized as an expense towards company's contribution to employees Provident Fund and is included in Employee Benefit Expense.

B) The company provides for gratuity to employees in accordance with Payment of Gratuity Act 1972 wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement whichever is earlier. The benefit vests after five years of continuous service.

Amount recognized in balance sheet - gratuity

	In Rs	
Particulars	2021-22	2020-21
Net defined benefit liability / (asset) recognized in balance sheet under current liabilities	80,62,507	70,29,473
Total	80,62,507	70,29,473

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2022

Reconciliation of Net Liability/Assets

Particulars	2021-22 Rs.	2020-21 Rs.
Opening net defined benefit Liability/(asset)	70,29,473	62,42,291
Expense Charges to P& L	14,24,404	12,88,255
Amount Recognized outside profit & Loss A/c	34,696	(4,35,627)
Employer Contribution	(4,26,066)	(65,446)
Closing Net Defined benefit liability /(asset)	80,62,507	70,29,473

Particulars	2021-22 Rs.	2020-21 Rs.
(a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at beginning of the year	70,29,473	62,42,291
Past Service Cost	-	-
Current Service Cost	9,84,065	8,89,992
Interest Cost	4,40,339	3,98,263
Actuarial (gain) / Loss arising from change in financial assumption	(1,23,992)	(26,136)
Actuarial (gain) / Loss arising from change in demographic assumption	-	-
Actuarial (gain) / Loss arising from change in experience changes	1,58,688	(4,09,491)
Benefits paid	(4,26,066)	(65,446)
Defined Benefit obligation at year end	80,62,507	70,29,473
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year		
Expected return on plan assets		
Actuarial gain / (loss)		
Employer contribution	4,26,066	65,446
Benefits paid	(4,26,066)	(65,446)
Fair Value of plan assets at year end		
(c) Expense recognised during the year		
Current Service Cost	9,84,065	8,89,992
Past Service Cost		
Interest Cost	4,40,339	3,98,263
Expected return on plan assets		
Actuarial Losses / (Gain) recognized		
Net Cost	14,24,404	12,88,255
Principal assumptions used in determining Gratuity obligations are as under:		
Discount rate	6.90%	6.70%
Expected rate of return on assets	0.00%	0.00%
Future salary increase	7.00%	7.00%

Amount Recorded in Other Comprehensive Income:

The total amount of remeasurement items and impact of liabilities assumed or settled, if any, which is recorded immediately in Other Comprehensive Income (OCI) during the period is shown in the table below:

Particulars	2021-22 Rs.	2020-21 Rs.
Opening amount recognized in OCI outside profit and loss account	15,51,288	19,86,915
Remeasurement during the period due to		
Changes in Financial assumptions	(1,23,992)	(26,136)
Changes in demographic assumptions	-	-
Experience adjustments	1,58,688	(4,09,491)
Actual return on plan assets less interest on plan assets		
Adjustment to recognize the effect of asset ceiling		
Closing amount recognized in OCI outside profit and loss account	15,85,984	15,51,288

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2022

Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising because an increase or decrease in the reported assumption by 100 basis points.

Particulars	Period Ended 2021-22	
	Discount Rate	Salary Escalation Rate
Impact of increase in 100 bps on DBO	-7.10%	8.04%
Impact of decrease in 100 bps on DBO	8.13%	-7.16%

Particulars	Period Ended 2020-21	
	Discount Rate	Salary Escalation Rate
Impact of increase in 100 bps on DBO	-6.94%	7.84%
Impact of decrease in 100 bps on DBO	7.95%	-6.98%

1.7 Disclosure of Segment information pursuant to Ind AS 108 "Operating Segments"

The Company operates in only one business segment (design, engineering, manufacturing, supply and aftermarket services for axial fans and rotary air pre-heaters for super critical thermal power plants) carried out primarily in India. Hence, requirements of Ind AS 108 on "Operating segments" are not applicable to it. However, geographic wise disclosure of revenue is stated below:

Disclosure pursuant to Ind AS 108 "Operating Segment" - geographical information of revenue

Particulars	Rs.	
	2021-22	2020-21
Revenue from India	2,86,80,65,457	2,52,78,35,746
Revenue from Outside India	6,18,58,170	2,01,84,690
Total revenue	2,92,99,23,627	2,54,80,20,437

1.8 Share based payments - Employee Stock Option Plan

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 Rs.32,77,197/-. The same is being recovered over the period of vesting by the holding company. Accordingly, cost of Rs.10,77,643/- (P.Y.Nil) has been recovered by the holding company upto current year, out of which, Rs.10,77,643/- (P.Y. Nil) was recovered during the year.

1.9 Details of Inventory Write Down Provision (Cost less Net Realisable Value)

Particulars	2021-22 Rs.	2020-21 Rs.
Raw materials, components and stores & spares	(6,08,308)	7,42,997
Work in Progress	(91,500)	29,663
Components in Transit	-	-
Finished goods	13,08,680	(2,71,828)
Total	6,08,872	5,00,832

1.10 Inventory pledged as Security

Particulars	AS AT 2021-22 Rs.	AS AT 2020-21 Rs.
Raw materials, components and stores & spares	20,71,56,630	9,38,86,706
Work in Progress	39,37,069	18,43,685
Finished goods	13,90,90,662	9,55,85,114
'Less: Provision on Slow moving Goods	(87,10,137)	(81,01,264)
Total	34,14,74,224	18,32,14,240

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2022

1.11 Details of Current Assets and Current Liabilities expected to be recovered within twelve months and after 12 months:

In Rs

Details of Current Assets						
Particulars	31.03.2022			31.03.2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Inventory	34,14,74,224		34,14,74,224	18,32,14,240		18,32,14,240
Financial Assets						
Trade receivables	1,16,29,10,671		1,16,29,10,671	1,24,88,07,289		1,24,88,07,289
Cash and bank balances	3,10,00,314		3,10,00,314	5,96,79,253		5,96,79,253
Other Bank Balances	48,97,03,167		48,97,03,167	43,36,11,363		43,36,11,363
Short term Loans & Advances	18,56,840	9,30,080	27,86,920	27,18,894	9,05,080	36,23,974
Other current assets						
Advance to Suppliers	10,40,31,253	10,17,400	10,50,48,653	17,52,68,194	10,54,080	17,63,22,274
Advances recoverable in cash or in kind or for value to be received	10,02,07,842		10,02,07,842	6,82,10,584	4,06,68,862	10,88,79,446
Input Credit Receivable for GST	8,33,24,553		8,33,24,553	11,03,99,243		11,03,99,243
Interest Accrued - FDs	19,25,248		19,25,248	-		-
Retentions- Customer	17,83,41,284	58,96,69,682	76,80,10,966	16,52,00,000	36,41,62,195	52,93,62,195
Total	2,49,47,75,395	59,16,17,162	3,08,63,92,557	2,44,71,09,061	40,67,90,218	2,85,38,99,278

Details of Current Liabilities						
Particulars	31.03.2022			31.03.2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities						
Trade payables	1,02,35,73,465		1,02,35,73,465	91,88,96,697		91,88,96,697
Other Financial Liabilities	60,90,734		60,90,734	58,92,299		58,92,299
Other current liabilities						
Advance from Customers	19,67,11,968	5,23,30,566	24,90,42,535	29,74,72,281	13,52,74,379	43,27,46,660
Duties & Taxes	7,23,69,436		7,23,69,436	10,11,11,952		10,11,11,952
Provisions						
Provision for Product warranty	6,30,54,659	6,16,70,823	12,47,25,482	4,33,75,711	6,26,72,336	10,60,48,047
Provision for Retirement Benefits	2,18,27,559		2,18,27,559	1,95,09,697		1,95,09,697
Provision for Contractual Obligation Cost	9,18,78,331	25,81,38,398	35,00,16,730	11,16,18,841	13,10,24,664	24,26,43,504
Total	1,47,55,06,153	37,21,39,788	1,84,76,45,941	1,49,78,77,477	32,89,71,379	1,82,68,48,855

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2022

1.12 Micro ,Small and Medium Enterprises

The Company has amount due to suppliers under the Micro, Small and medium Enterprises Development Act, 2006 (MSMED Act) as at March 31,2021. Disclosure Pursuant to the said act is as under:

	In Rs	
Particulars	31-03-2022	31-03-2021
Principal Amount due to Suppliers under MEMED Act	8,19,36,534	14,62,41,689
Interest Accrued due to Suppliers under MEMED Act on the above and unpaid	2,16,641	2,38,437
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest Paid to Suppliers under MEMED Act (other than Section 16)	-	-
Interest Paid to Suppliers under MEMED Act (Section 16)	-	-
Interest Due and Payable towards Suppliers under MEMED Act for payment already made	-	-
Interest Accrue and remaining unpaid at the end of the year to Suppliers under MEMED Act	-	-

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the company. Provision of interest is made based on principle of prudence.

1.13 Financial Instruments by category

In Rs		
The carrying value and fair value of financial instruments by category		
Categories of financial assets	As at	
	Mar-22	Mar-21
Measured at amortised cost		
a. Non-current investment -others		
b. Short term Loans & Advances	27,86,920	36,23,974
c. Cash and bank balances (including other bank balances)	52,07,03,481	49,32,90,616
d. Other financial assets	-	-
e. Trade receivable	1,16,29,10,671	1,24,88,07,289
Measured at FVTOCI		
a. Govt Securities,bonds and debentures		
b. Derivative instruments designated as cash flow hedges		
Total financial assets	1,68,64,01,072	1,74,57,21,880

	In Rs	
Categories of financial liabilities	As at	
	Mar-22	Mar-21
Measured at amortised cost		
a. Other financial liabilities	60,90,734	58,92,299
b. Trade Payables	1,02,35,73,465	91,88,96,697
Measured at FVTOCI		
a. Derivative instruments designated as cash flow hedges	-	-
Total financial liabilities	1,02,96,64,199	92,47,88,995

1.14 Fair Value Hierarchy

The Following table presents fair value hierarchy of Financial assets and liabilities measured at fair value on a recurring basis as of March 31,2022

	In Rs		
Particulars	Level 1	Level 2	Level 3
Financial Assets			
A) Derivative instruments designated as cash flow hedges			
B)Trade Receivable		1,16,29,10,671	
C) Cash and bank balances (including other bank balances)		52,07,03,481	
D)Other Receivable		27,86,920	
E)Other financial assets		-	
Financial Liabilities			
A) Derivative instruments designated as cash flow hedges		-	
B) Trade Payable		1,02,35,73,465	
C) Other financial liabilities		60,90,734	

* Level 2 -Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2022

1.15 The following table presents Net gain/(losses) on Financial assets and Financial liabilities

		In Rs
Particulars	Period ended	
Net gain/(losses) on financial assets and financial liabilities:	Mar-22	Mar-21
Financial assets that are measured at FVTOCI		
Gain recognised in OCI during the year	(25,963)	2,89,231
Financial assets measured at amortised cost		
Exchange differences gain / loss on re-valuation or settlement of items denominated in foreign currency (debtors, loans given etc)	-1,83,761	1,21,34,281
Allowance for expected Credit Loss during the year	54,41,875	28,55,224
Financial Liabilities measured at amortised cost		
Exchange differences gain / loss on re-valuation or settlement of items denominated in foreign currency (Creditors, borrowings availed)	40,28,463	(2,25,86,048)
Interest Revenue:		
Financial assets that are measured at amortised cost	2,04,83,616	1,70,84,985
Interest Expenses:		
Financial liabilities that are not measured at FVTPL	-	-
	2,97,44,231	97,77,672

1.16 Corporate Social Responsibility

a) Amount required to be spent by the company on corporate social responsibility (CSR) related activities during the year is Rs 56,65,022/- . (previous year Rs 49,41,599/-)

b) The Company has spent Rs 56,65,400/- (previous year Rs 49,41,642/-) towards corporate social responsibility activities during the financial year.

		In Rs
Particulars	2021-22	2020-21
(i) amount required to be spent by the company during the year	56,65,022	49,41,599
(ii) amount of expenditure incurred	56,65,400	49,41,642
(iii) shortfall at the end of the year	-	-
(iv) total of previous years shortfall	-	-
(v) reason for shortfall	-	-
(vi) nature of CSR activities	Promoting education & health care	Promoting education & health care
(vii) details of related party transactions	-	-
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

1.17 The Company has not traded or invested in Crypto Currency or Virtual Currency during the Financial year (Previous Year : NIL)

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2022

1.18 Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

(a) Disaggregation of revenue: Following table covers the revenue segregation in to Product Line:

Particulars	2021-22			2020-21		
	Revenue as per Ind AS 115 Rs.	Other Revenue Rs.	Total as per P&L reporting Rs.	Revenue as per Ind AS 115 Rs.	Other Revenue Rs.	Total as per P&L reporting Rs.
Manufacturing						
RAPH	76,84,12,873			22,79,92,146		
FAN	2,11,65,68,346			2,27,53,48,033		
Service			2,97,60,58,244			2,57,50,34,623
RAPH	27,36,417			23,89,139		
FAN	3,87,12,968			3,87,01,246		
Other		4,96,27,640			3,06,04,059	
Total	2,92,64,30,604	4,96,27,640	2,97,60,58,244	2,54,44,30,564	3,06,04,059	2,57,50,34,623

(b) Contract balances: Following table covers the movement in contract advance balances during the year.

Particulars	in Rs	
	2021-22	2020-21
Opening Balance as on April 1	43,27,46,660	31,39,17,363
(Less): Revenue recognised during the year	(37,53,62,249)	(30,69,63,250)
Add: Advance received during the year (net of adjustments)	19,16,58,124	42,57,92,547
Closing Balance as on March 31	24,90,42,535	43,27,46,660

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2022

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

Particulars	in Rs	
	2021-22	2020-21
Opening contracted price of orders at the start of the year (including full value of partially executed contracts)	6,37,95,50,360	5,75,77,94,948
Changes during the year on account of:		
Add: Fresh orders received	1,33,49,43,810	2,81,23,60,856
Less: Orders completed	1,01,60,69,235	2,19,06,05,444
Closing contracted price of orders on hand at the end of the year (including full value of partially executed contracts)	6,69,84,24,935	6,37,95,50,360
Revenue recognised during the year		
Out of orders completed during the year	73,91,91,586	80,74,16,909
Out of continuing orders at the end of the year (I)	2,18,72,39,018	1,73,70,13,659
Revenue recognised upto previous year (towards continuing orders at the end of the year) (II)	1,55,45,53,650	15,22,45,407
Balance revenue to be recognised in future (III)	2,95,66,32,267	4,49,02,91,294
Closing contracted price of orders on hand at the end of the year (including full value of partially executed contracts) (I+II+III)	6,69,84,24,935	6,37,95,50,360

(d) Remaining performance obligations: Following table covers the aggregate amount of transaction price allocated to remaining performance obligations and when company expects to convert the same into revenue.

Particulars	Total Rs.	Likely conversion in revenue	
		Upto 1 Year	From 1 to 2 years
		Rs.	Rs.
Transaction price allocated to the remaining performance obligation	2,95,66,32,267	2,85,00,00,000	10,66,32,267
Total	2,95,66,32,267	2,85,00,00,000	10,66,32,267

(e) Disclosure of amount by which financial statements are impacted by application of Ind AS 115 as compared to Ind AS 11 and Ind AS 18 is NIL.

1.19 The following table provides the reconciliation of cash flow hedge reserve for period ended March 31,2021

Movement of Cost of Hedging Reserve		In Rs
Cost of Hedging Reserve	2021-22	2020-21
Opening	-	1,27,543
Add: Changes in fair value for time period related hedge	-	(49,110)
Less: deferred tax related to above	-	12,361
Closing Balance	-	(36,749)

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2022

1.20 The following table provides details of Maturity Profile of Financial assets and Financial liabilities

In Rs

Particulars	31.03.2022			31.03.2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Trade receivables	1,16,29,10,671		1,16,29,10,671	1,24,88,07,289		1,24,88,07,289
Cash and bank balances	3,10,00,314		3,10,00,314	5,96,79,253		5,96,79,253
Other Bank Balances	48,97,03,167		48,97,03,167	43,36,11,363		43,36,11,363
Short term Loans & Advances	18,56,840	9,30,080	27,86,920	27,18,894	9,05,080	36,23,974
Total	1,68,54,70,992	9,30,080.00	1,68,64,01,072	1,74,48,16,800	9,05,080.00	1,74,57,21,880

Particulars	31.03.2022			31.03.2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities						
Trade payables	1,02,35,73,465		1,02,35,73,465	91,88,96,697		91,88,96,697
Other financial liabilities	60,90,734		60,90,734	58,92,299		58,92,299
Total	1,02,96,64,199	-	1,02,96,64,199	92,47,88,995	-	92,47,88,995

1.21 The Following table gives detail of carrying amount of Financial Assets pledged as security

In Rs

Particulars	31.03.2022	31.03.2021
	Total	Total
Financial Assets - Current		
Trade receivables	1,16,29,10,671	1,24,88,07,289
Cash and bank balances	3,10,00,314	5,96,79,253
Other Bank Balances	48,97,03,167	43,36,11,363
Short term Loans & Advances	27,86,920	36,23,974
Total	1,68,64,01,072	1,74,57,21,880

1.22 Details of allowance for expected credit loss on customer balances as per "INDAS 107"

In Rs

Movement in Expected Credit Loss		
Particulars	2021-22	2020-21
Opening	85,22,669	1,13,77,893
Loss Allowance based on Expected Credit Loss	(54,41,875)	(28,55,224)
Closing	30,80,794	85,22,669

1.23 Details of Amount of write off for contractual amount outstanding during the period and are still subject to enforcement activity

In Rs

Particulars	2021-22	2020-21
Amount of financial assets written off during the period but still enforceable	-	7,17,38,596

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2022

1.24 The Company's exposure to foreign currency risk at the end of reporting period expressed in INR, as below:

In Rs

Particulars	31.03.2022			31.03.2021		
	USD	Euro	GBP	USD	Euro	GBP
Financial Instrument						
Trade Payable	5,84,380	17,60,89,407	2,19,03,906	2,88,017	12,04,10,496	6,97,431
Trade Receivable	29,92,207	11,53,83,156	5,50,86,766	(2,43,025)	12,72,19,317	1,67,47,535
Net Exposure	(24,07,826)	6,07,06,250	(3,31,82,860)	5,31,043	(68,08,821)	(1,60,50,104)

1.25 Sensitivity

The sensitivity to profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

Particulars	Impact on profit after tax	
	Mar'22	Mar'21
USD Sensitivity		
INR/USD -increase by 5%	90,089	(19,869)
INR/USD -decrease by 5%	(90,089)	19,869
Euro Sensitivity		
INR/Euro -increase by 5%	(22,71,324)	2,54,752
INR/Euro -decrease by 5%	22,71,324	(2,54,752)
GBP Sensitivity		
INR/GBP -increase by 5%	12,41,537	6,00,515
INR/GBP -decrease by 5%	(12,41,537)	(6,00,515)

1.26 Income Taxes

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 recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

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.

The major components of tax expense for the year ended March 31,2022 and March 31, 2021

In Rs

Particulars	2021-22	2020-21
Consolidated statement of Profit and Loss:		
(i) Profit and Loss section		
Current Income tax :		
Current income tax charge	10,55,94,642	9,88,28,973
Deferred Tax:		
Relating to origination and reversal of temporary differences	(38,05,439)	5,16,731
Effect of previously unrecognised tax losses and tax offsets used during the current year to reduce deferred tax expense	-	-
Effect on deferred tax balances due to the change in income tax rate	-	-
Income tax expense reported in the statement of profit or loss	10,17,89,203	9,93,45,704
Other Comprehensive Income (OCI) Section:		
Current Income tax :		
Net loss/ (gain) on remeasurement of defined benefit plans	8,733	(1,09,647)
Deferred Tax:		
Net gain / (loss) on cash flow hedges	-	12,361
Unrealised gain / (loss) on debt securities (FVTOCI)		
Income tax expense reported in the OCI section	8,733	(97,286)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31,2022 and March 31, 2021

In Rs

Particulars	2021-22	2020-21
Profit before tax	37,78,65,555	38,21,92,806
Applicable tax rate	25.17%	25.17%
PBT * applicable tax rate (1*2)	9,51,01,203	9,61,90,285
Items of expense not deductible for tax purposes:		
CSR Expenses	14,25,773	12,43,713
Difference in Books & Income Tax	12,76,837	(6,78,955)
Other	77,90,831	7,16,019
Tax expense recognised during the year	10,55,94,643	9,74,71,061
Effective tax Rate	27.95%	25.50%

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2022

1.27 Components of Deferred Tax Assets and Liabilities recognised in the Balance Sheet and Statement of Profit & Loss:

Particulars	Balance Sheet		Statement of Profit & Loss	
	31.3.2022	31.3.2021	2021-22	2020-21
Difference in Book and Income tax depreciation	1,91,15,582	2,37,07,336	(45,91,753)	3,221
Provision for compensated absences disallowed u/s 43B	(34,64,663)	(31,41,272)	(3,23,391)	(7,017)
Provision for Gratuity	(20,29,332)	(17,69,318)	(2,60,015)	(1,98,134)
Provision towards Expected credit loss and doubtful debts	(7,75,438)	(21,45,158)	13,69,720	7,18,660
Changes in Fair value of cash flow hedges	-	-		
Deferred tax expense / (income)			(38,05,439)	5,16,730
Net deferred tax (assets) / liabilities	1,28,46,149	1,66,51,588		

1.28 The Gross movement in the deferred income tax account during the year:

Particulars	In Rs	
	2021-22	2020-21
Opening Balance as on April 1	1,66,51,588	1,61,47,219
Tax (income) / expense during the period recognised in statement of Profit and Loss in Profit & Loss section	(38,05,439)	5,16,730
Tax (income) / expense during the period recognised in statement of Profit and Loss in OCI Section	-	(12,361)
Closing Balance as on March 31	1,28,46,149	1,66,51,588

1.29 Ind AS 116 - Leases

The company has changed classification of its leasehold land from "Property, plant and equipment" to "Right-of-use assets". Depreciation/amortisation amounting to Rs. 3,54,064/- has been charged to the Statement of Profit & Loss Account. Further, there is no impact of implementation of IND AS 116 on the results for the year ended March 31, 2022.

1.30 Detail of Sales, raw material and components:

A) Sales:

Class of Goods	In Rs	
	2021-22 Rs.	2020-21 Rs.
Rotary Air Preheater & Axial Fans	2,88,49,81,219	2,50,33,40,175

B) Raw Material & Components Consumed:

Class of Goods	In Rs	
	2021-22 Rs.	2020-21 Rs.
Steel and structure and other materials	2,17,40,68,362	1,84,46,40,854

C) Inventories

Class of Goods	In Rs	
	2021-22 Rs.	2020-21 Rs..
Steel and structure and other materials	34,14,74,224	18,32,14,240

1.31 Disclosures required by pursuant to IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets":

A. Movement in Provision

Particulars	Class of Provisions	
	Product Warranties	Contractual Obligation Cost
Opening Balance as on 01-04-2021	10,60,48,047	24,26,43,504
Provision made during the year	3,06,61,443	15,99,75,913
Provision used during the year	(1,19,84,008)	(5,26,02,687)
Balance as on 31-03-2022	12,47,25,482	35,00,16,730

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2022

B. Nature of provision

i). Product Warranties: The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31,2022 represents the amount of the expected cost of meeting such obligations of rectifications/replacement. The timing of the outflows is expected to be within a period of 2 to 5 years from the date of Balance Sheet.

ii) Provision for Contractual Obligation Cost: It is mainly in respect of estimated cost which company is likely to incur as per the contractual obligations .

1.32 The company has not capitalized any borrowing cost during the year, as there were no qualifying assets (Previous Year Nil).

1.33 Related Party Disclosure

A) List of related parties with whom transactions have taken place during the year

Name	Relationship
Larsen & Toubro Limited	JV partner
Howden Holding B.V.	JV partner
Howden Hua Engineering Co Ltd	Member of same group
Howden Solyvent (India) Private Ltd	Member of same group
Howden Taiwan Co. Ltd	Member of same group
Howden Vietnam Company Limited	Member of same group
Howden Australia Pvt Ltd	Member of same group
Howden Thomassen Middle East FZCO	Member of same group
Howden Axial Fans ApS	Member of same group
Howden Spain Ltd	Member of same group
Howden Group Limited	Member of same group
Howden UK Limited	Member of same group
L&T - MHPS Boilers Pvt. Limited	Member of same group
Nabha Power Limited	Member of same group

B) Balances of Related Parties

		In Rs	
Name of Related Party	Particulars	2021-22	2020-21
Larsen & Toubro Limited	Trade Payables	1,83,99,570	2,45,59,441
	Advances to Vendor	74,966	15,92,645
	Trade Receivables	47,84,00,438	79,67,15,656
	Advances From Customer	4,94,51,776	12,84,52,665
Howden Axial Fans ApS	Trade Payables	5,99,84,874	3,12,68,153
Howden UK Limited	Trade Payables	1,76,12,798	14,05,552
Howden Group Limited	Trade Payables	1,83,45,886	7,13,567
Howden Solyvent (India) Private Ltd	Trade Payables	16,45,29,641	13,88,24,693
L & T MHPS Boiler Pvt Ltd	Trade Payables	6,90,040	1,57,525
Howden Australia Pvt Ltd	Trade Receivables	35,659	22,16,277
Howden UK Limited	Trade Receivables	7,660	7,660
Howden Thomassen Middle East FZCO	Trade Receivables	16,48,617	4,42,500
Nabha Power Limited	Trade Receivables	55,83,336	-
	Advance From Customer	71,77,219	-
L & T MHPS Boiler Pvt Ltd	Trade Receivables	87,59,59,318	43,58,45,098
	Advance From Customer	9,47,75,488	19,31,07,324
Howden Vietnam Company Limited	Advance From Customer	25,56,767	24,59,302

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st

C) Transactions with Related Parties

		In Rs	
Name of Related Party	Particulars	2021-22	2020-21
Larsen & Toubro Limited	Dividend Paid	3,38,17,500	1,87,87,500
	Sale of Goods & Services*	1,01,65,30,655	1,16,77,54,527
	Training Fees	21,500	4,25,651
	ESOPs Cost	10,77,643	-
	Infrastructure Charges	3,57,33,798	3,62,81,602
	Administration & Sales Overheads	2,71,37,178	2,08,36,135
L & T MHPS Boiler Pvt Ltd	Sale of Goods & Services*	93,26,36,402	22,93,91,287
Nabha Power Limited	Sale of Goods & Services	11,50,58,308	6,63,490
Howden Vietnam Company Limited	Sale of Goods & Services	83,16,044	65,42,972
Howden Australia Pvt Limited	Sale of Goods & Services	1,83,52,278	1,36,41,718
Howden Taiwan Co. Ltd	Sale of Goods & Services	3,51,89,849	-
Howden Axial Fans ApS	Purchase of Project Goods & Services	9,29,67,346	4,30,33,723
Howden UK Limited	Purchase of Project Goods & Services	2,06,68,498	29,47,083
Howden Hua Engineering Co Ltd	Purchase of Project Goods & Services	34,52,918	20,32,741
Howden Solyvent (India) Private Ltd	Purchase of Project Goods & Services	61,24,51,700	69,18,06,144
Howden Spain, S.L.	Purchase of Project Goods & Services	-	76,48,840
Howden Group Limited	Trade Mark Fees	2,87,10,483	2,53,23,104
Howden Axial Fans ApS	Royalty Fees	3,09,17,932	3,41,00,096
Howden UK Limited	Royalty Fees	1,15,24,514	34,19,883
Howden Holding B.V.	Dividend Paid	3,36,82,500	1,87,12,500

* The above disclosure does not include free issue as the same given as per the contractual terms

1.34 Financial Ratios

Ratios	2021-22	2020-21
Current Ratio	1.67	1.56
Debt-Equity Ratio	-	-
Debt Service Coverage Ratio	-	-
Return on Equity Ratio	93.81	96.35
Inventory turnover ratio	8.91	9.50
Trade Receivables turnover ratio	2.43	2.66
Trade payables turnover ratio	2.41	2.47
Net capital turnover ratio	2.37	2.48
Net profit ratio	9.60	11.36
Return on Capital employed	26.32	30.84
Return on investment	93.80	96.44

1.35 Contingent Liabilities

			In Rs	
Nature Of Liability	Name of Statute	Status	31.03.2022	31.03.2021
Disallowance of Cenvat Credit of Service Tax	Central Goods and Services Tax Act, 2017	Appeal filed with Commissioner Appeal (CGST) on 26-02-2021	10,25,013	10,25,013
Sales tax liability	Central Sales Tax Act and Local Sales Tax Act Gujarat	Appeal filed with Commissioner Appeal (SGST) on 19-02-2021	6,81,214	6,81,214
Sales tax liability	Central Sales Tax Act and Local Sales Tax Act Gujarat	Appeal filed with Commissioner Appeal (SGST) on 19-02-2021	66,254	66,254
Total			17,72,481	17,72,481

L&T Howden Private Limited**Notes forming part of Accounts for the year ended 31st March,2022****1.36 Basic and diluted earnings per share (EPS) computed in accordance with Ind AS 33 " Earnings per Share"**

Particulars	In Rs	
	2021-22	2020-21
Net profit/(loss) after tax available for Equity Shareholders	28,14,23,096	28,90,44,095
Weighted Average Number of Equity Shares (in numbers)	3,00,00,000	3,00,00,000
Face Value Per Share	10	10
Basic and Diluted Earnings Per Share	9.38	9.63

M.P. Chitale & Co.

Chartered Accountants

Firm Registration No.:101851W

By the hand of

Anagha Thatte

Partner

Membership No.: 105525

Dharmendra K Shrivastava

Chief Executive

Place: Faridabad

Derek Michael Shah

Director

DIN : 06526950

Place: Mumbai

Frederick Hearle

Director

DIN : 08399370

Place : UK

Place: Mumbai

Date: 26.04.2022

Atul Tandon

Chief Financial Officer

Place: Faridabad

Reena Raje

Company Secretary

M. No. ACS21440