BOARD REPORT

Dear Members,

The Directors have pleasure in presenting their Seventeenth report and Audited Accounts for the year ended March 31, 2023.

1. FINANCIAL RESULTS/FINANCIAL HIGHLIGHTS:

Particulars	**2022-23**	**2021-22**
	₹ crores	₹ crores
Profit Before Depreciation & Tax	95.95	387.68
Less: Depreciation, amortization and obsolescence	(50.43)	(63.32)
Profit / (Loss) before tax	45.52	324.36
Less: Provision for tax	(13.27)	(83.34)
Profit after tax from continuing operations	32.25	241.02
Profit for the period carried to the balance sheet	32.25	241.02
Add: Balance brought forward from previous year	1524.21	1517.28
Less: Dividend paid for the year	(234.10)	(234.10)
Balance available for disposal & carried to Balance Sheet	**1322.36**	**1524.20**

Capital & Finance:

During the year under review, the Company has not allotted any equity shares. The total equity share capital as on March 31, 2023, is ₹ 234.10 crores.

Capital Expenditure:

As at March 31, 2023, the gross fixed and intangible assets including leased Assets, stood at ₹ 737.57 crores and the net fixed and intangible assets, including leased assets, at ₹ 260.95 crores. Capital Expenditure (including capital work in progress) during the year amounted to ₹ 9.90 crores.

Deposits:

During the year under review, the Company has not accepted any 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.

2. Particulars of loans given, investments made, guarantees given or security provided by the Company:

During the year under review, the Company has not entered into any of the above transaction 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 2022-23. A statement containing details of all material transactions/ contracts/ arrangements is attached as Annexure 'A' 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 sales and other income for the financial year under review were ₹ 2147.64 crores as against ₹ 2345.00 crores for the previous financial year registering a decrease of 8.42%. The profit before tax for the year under review, was lower at ₹ 45.52 crores and the profit after tax was ₹ 32.25 crores for the financial year under review as against ₹ 324.36 crores and ₹ 241.02 crores respectively for the previous financial year, registering a decrease of 85.97% and 86.62% respectively.

5. Amount to be Carried to General Reserve

The Company has not transferred any amount to the general reserve during the current financial year.

6. Dividend:

The Board has declared an interim dividend of Rs.10/- on 19th October, 2022 amounting to ₹ 234.10 crores (previous year ₹ 234.10 crores).

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

7. 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, 2023, 100% of the Company's total paid up capital representing 23,41,00,000 shares are in dematerialized form.

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

8. Material changes and commitments affecting the financial position of the company, between the end of the financial year and the date of the report:

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

9. Conservation of Energy, Technology absorption, foreign exchange earnings and outgo:

Information as per Rule 8 of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is provided in Annexure 'B' forming part of this Report.

10. 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 initiatives undertaken. It also periodically reviews the risk to ensure that executive management controls risk by means of a properly designed framework.

11. Corporate Social Responsibility:

The Corporate Social Responsibility (CSR) Committee has been reconstituted by the Board of Directors and presently comprises Mr. Srinivas Sirupa, Mr. Tatsuo Shibahara and Mr. Anup Sahay as Members. The Members elect one amongst themselves as the Chairman of the Meeting.

During the year under review, the Committee met once on April 21, 2022.

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure 'C' to the Board 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 https://www.lntmhipower.com/investors/.

12. Details of Directors and Key Managerial Personnel appointed/resigned during the year:

Mr. Derek Michael Shah, Mr. Srinivas Sirupa, Mr. Anup Sahay, Ms. K. Bhavani, Mr. Tatsuo Shibahara, Mr. Kazuhiro Domoto, Mr. Takeshi Umeda and Mr. Toru Yoshioka are the present Directors of the Company.

Mr. Derek Michael Shah is the Chairman of the Board of the Company.

During the year under review, Mr. Isao Miyake resigned from the Board on October 19, 2022 as Director of the Company. Ms. Vijaya Sampath and Mr. Shekar Viswanathan completed their second term as Independent Directors of the Company with effect from 20th January, 2023 and 26th March, 2023 respectively. Subsequent to the year under review, Mr. Shigeharu Kokuryo has completed his term as the Chief Operating Officer and Whole-time Director of the Company on 23rd April, 2023. Mr. Tetsuya Suzuki and Mr. Y. V. S. Sravankumar resigned as Directors from the Board on 7th April, 2023 and 28th April, 2023 respectively.

The Board of Directors places on record its sincere appreciation for the valuable contributions rendered by them during their tenure as Directors of the Company.

During the year under review, the Company has inducted Mr. Takeshi Umeda, nominated by Mitsubishi Heavy Industries, Ltd., as a Director in casual vacancy with effect from October 19, 2022. Subsequent to the year under review, Mitsubishi Heavy Industries, Ltd. nominated Mr. Kazuhiro Domoto as a Director in casual vacancy from 28th April, 2023 and Mr. Tatsuo Shibahara as the Chief Operating Officer and Whole-time Director of the Company for a period of three years with effect from April 28, 2023. Ms. K. Bhavani has been nominated by Larsen & Toubro Limited as an Additional Director on the Board from 28th April, 2023.

Pursuant to the provisions of section 161 of the Companies Act, 2013, any Director appointed as Director in causal vacancy or as an Additional Director shall be approved by the members at the immediate next general meeting. Accordingly, Mr. Takeshi Umeda, Mr. Kazuhiro Domoto, Mr. Tatsuo Shibahara and Ms. K. Bhavani holds office up to the date of this Annual General Meeting and it has been proposed to appoint them as Directors of the Company.

Mr. Derek Michael Shah and Mr. Toru Yoshioka retires by rotation in the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

Mr. Deepak Raj Jain is the Chief Financial Officer and Company Secretary of the Company.

13. 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 22, 2022, July 15, 2022, October 19, 2022 and January 12, 2023.

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

14. Internal Audit:

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.

15. Vigil Mechanism:

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

16. Company Policy on Director Appointment and Remuneration:

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder.

The Committee has formulated the Nomination and Remuneration 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 Independent Directors were paid remuneration by way of sitting fees and commission. The Nomination and Remuneration Policy is disclosed on the Company's website at https://www.lntmhipower.com/investors/.

During the year under review, the Committee met thrice on April 22, 2022, July 15, 2022 and October 19, 2022.

During the year under review, the Nomination and Remuneration Committee comprised Mr. Derek Michael Shah and Mr. Tetsuya Suzuki. The Members elect one amongst themselves as the Chairperson of the Meeting. However, in view of the notifications issued by Ministry of Corporate Affairs, the Company has dissolved the Nomination and Remuneration Committee of the Board.

17. 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.

18. 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, 2023, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses 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.

19. Performance evaluation of the Board, its Committees and Directors:

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

During the year under review, the Company has completed the performance evaluation of the Board, its Committee(s), Chairman and Directors and the summary of the evaluation has been shared with the members of the Board.

20. Meeting of the Independent Director's:

During the year under review, the Meeting of the Independent Director's was held on April 21, 2022, without the presence of Executive Directors and Management Personnel. They reviewed the performance of Non-independent Directors and the Board as a whole and accessed the quality, quantity and timeliness of the flow of information between management and the Board.

21. Auditor's Report:

The Auditors report to the shareholders does not contain any qualification, observation or comment or remark(s) which has/have an adverse effect on the functioning of the Company.

22. Secretarial Audit Report:

The Secretarial Audit Report issued by M/s. Bhumika & Co, Practicing Company Secretary is attached as Annexure 'D' 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.

23. Auditors:

M/s Sharp & Tannan, Chartered Accountants (FRN 109982W), were appointed as Statutory Auditors for a term of five consecutive years from the conclusion of this ensuing 16th Annual General Meeting till the conclusion of 21st Annual General Meeting of the Company.

The Certificate from M/s Sharp & Tannan, Chartered Accountants, has been received to the effect that they satisfy the criteria provided in Section 141 of the Companies Act, 2013 and that their appointment is within the limits prescribed under Section 141(3)(g) of the Act.

24. Extract of Annual Return:

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

25. 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.

26. 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 FY 2022-23.

Presently the Company has Internal/Local Complaints Committees at various locations under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 consisting of appropriate balance of members.

Awareness workshops / training programs are conducted across the Company to sensitize employees to uphold the dignity of their colleagues at workplace specially with respect to prevention of sexual harassment.

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. Cost auditors:

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 and records have been maintained in respect of the applicable products for the year ended March 31, 2023.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rule 3 and 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014, as amended from time to time, the Board of Directors had approved the appointment of M/s. Smit Manubhai & Associates, Cost Accountants as Cost Auditors of the Company for audit of cost accounting records for the financial year ended March 31, 2024 at a remuneration of ₹ 82,500/-. 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 2023-24 shall be placed before the shareholders for consideration.

The Report of the Cost Auditors for the financial year ended March 31, 2023 is under finalization and will be filed with the Ministry of Corporate Affairs within the prescribed period.

29. <u>Other Disclosures:</u>

- The Company enjoys a good reputation for its sound financial management and the ability to meet its financial obligations;

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

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

- MSME: The Company has been complying with the requirement of submitting a half yearly return to the Ministry of Corporate Affairs within the prescribed timelines.

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

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

30. Acknowledgement:

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. Our progress in setting up of world class hi-tech manufacturing facility and meeting challenges of project deliveries was made possible by their hard work, commitment, cooperation and support. The Directors thank the Reserve Bank of India, Financial Institutions, Banks, Central & State Governments authorities and the stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

Tatsuo Shibahara	**Derek Michael Shah**
Whole-time Director	Chairman
DIN: 09766635	DIN: 06526950
Place: Faridabad	Place: Faridabad
Date:- 28th April, 2023	Date:- 28th April, 2023

Annexure A

FORM 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 of Related Party	Nature of Relationship	Nature of the transaction/contract / arrangement	Duration	Salient terms	Value (₹)
Company has entered into various transactions for purchase, sales, services and reimbursements with related parties details of which are given in Note No. 44 attached with the Annual Accounts for the period from April'22 to March'23. These transactions are executed as per the terms of the contract with these parties.					

Annexure B

[A] Conservation of Energy:

(a) Energy Conservation measures taken:

1) Improving energy effectiveness/efficiency of equipment and systems-

- 12 Nos. Standard class motors were replaced with energy-efficient IE3 class induction motors (355 KW), resulting in a reduction of energy consumption.
- Thirty-nine “Inverter Air Conditioner” units were installed to minimize energy consumption.
- IOT enabled, real-time maximum demand controller was developed and installed to optimize the transformer loading. As a result of this initiative two 1500 KVA HT transformers became redundant, resulting in reduction of energy losses.
- An Acoustics imager device was procured to detect the gas leakages. This has helped in ensuring leak-proof system in the pressurized gas line network, resulting in energy savings in the form of NG, Ar, CO_2 & Compressed air.
- Electrical Circuit modification in Chiller unit in HBM-1 & 2 resulted in energy savings.

2) Improving energy effectiveness / efficiency of Manufacturing Processes

- Refurbished the Bogies of Furnace by changing refectory lining and modifying fuel exhaust duct to minimize heat wastage. These modifications resulted in a reduction of natural gas consumption.
- In-house developed VFD-based system has been commissioned at 2 Nos of centralized compressors resulting saving in electricity.
- Process improvement in machining of Air inlet ring segment & Hub Cover resulted in energy savings on machine.
- Eliminated PWHT by design changes for bend tubes of Khargone & Bara project caused saving in the NG.

(b) Additional investments and proposals, if any, being implemented for the reduction of consumption of energy:

Not Applicable

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and the consequent impact on the cost of production of goods:

- Total energy-saving measures have resulted in annual savings of ₹ 100.65 Lacs.
- This has also reduced LMB Hazira's carbon footprint by about 612 tons of carbon dioxide equivalent.

[B] Technology Absorption

- Established manufacturing processes for MHI design CFB boiler. Manufacturing completed for four units out of six units.
- Developed digital issue-return system for consumable for better tracking & reduce human efforts.
- Developed Machine Learning module for bending machine & reduced 50% of FOT cycle time.
- Developed orbital TIG welding process for SS tube welding & reduced 30% weld defect levels.

Other Initiatives

1) LMB`s strong commitment to conserve natural resources "Water" on 3R Principal i.e., Reduce, Reuse and Recycle of water has given following results.
   - Water Conservation: 47623 KL per annum
   - Reuse of Rainwater: 2500 KL per annum
   - Recycled process: Provided STP-treated water for flushing purposes in 4 Nos Toilet block.
   - Reduce water consumption by providing 20 Nos sensors in admin building washbasin water tap.

2) Use of compostable garbage bags and paper bags helped to eliminate the use of plastic bags of 42 kg. Per annum.

3) Biodiversity conservation is the protection and management of biodiversity to obtain resources for sustainable development. It has three main objectives:
   - To preserve the diversity of species, sustainable utilization of species and ecosystem
   - To maintain life-supporting systems and,
   - Essential ecological processes

   In line with the above objectives. Following initiatives were taken.
   - 75 trees were planted around the boundary wall.
   - 120 square meters of lawn have been converted to shrubs/trees.

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ crores)

Particulars	**2022-23**	**2021-22**
Earnings:- Foreign exchange earned/Deemed exports	374.28	706.56
Outgo:- Foreign exchange used	155.87	393.54

ANNEXURE C

ANNUAL REPORT ON CSR ACTIVITIES
FOR THE FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company:

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

The Company will primarily focus on the following verticals as a part of its CSR programme viz.

Water – may include but not limited to programmes making clean drinking water available, conservation and purification of water.

Education - may include but not limited to promoting education, including special education and employment-enhancing vocational skills especially among children, woman, elderly and the differently abled and livelihood enhancing projects, monetary contribution or education infrastructure support to academic institutions with the objective of assisting students in their studies.

Health - may include but not limited to 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.

Environmental Sustainability - may include but not limited to ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.

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. Srinivas Sirupa*	Chief Executive and Whole-time Director	-	-
2.	Mr. Shigeharu Kokuryo#	Chief Operating Officer and Whole-time Director	1	1
4.	Mr. Shekar Viswanathan@	Independent Director	1	1

*Appointed as a Member with effect from 22nd April, 2022
Ceased to be a Member with effect from 23rd April, 2023
@ Ceased to be a Member with effect from 26th March, 2023

Note: Mr. Tatsuo Shibahara and Mr. Anup Sahay have been appointed as Members of the CSR Committee with effect from 28th April, 2023.

Mr. Deepak Raj Jain as 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.	*https://www.lntmhipower.com/investors/*
4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	NOT APPLICABLE
5.	(a) Average net profit of the company as per sub-section (5) of section 135	₹ 365,39,41,814
	(b) Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 7,30,78,836
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NOT APPLICABLE
	(d) Amount required to be set off for the financial year, if any	NOT APPLICABLE
	(e) Total CSR Obligation for the financial year [(b)+(c)-(d)]	₹ 7,30,78,836
6.	a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 3,52,90,677
	b) Amount spent in Administrative Overheads	₹ 36,53,942
	c) Amount spent on Impact Assessment, if applicable	NOT APPLICABLE
	d) Total amount spent for the Financial Year [(a)+(b)+(c)]	₹ 3,89,44,619
	e) CSR amount spent or unspent for the Financial Year	

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3,89,44,619	3,40,63,637	Before 30th Apr 2023	Clean Ganga Fund	70,580	Before 30th Apr-2023

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

Sl. No.	Particular	Amount (in ₹ crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of section135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previousFinancial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NOT APPLICABLE

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-21	1,96,00,427	0	Clean Ganga Fund	76,625	Before 30th Sep 2023	0
2.	2021-22	2,97,33,949	2,31,63,671		-		65,70,278
	TOTAL	4,93,34,376	2,31,63,671		76,625		65,70,278

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

○ ~~Yes~~ ○ **No**

If Yes, enter the number of Capital assets created/ acquired | NA |

Furnish the details relating to such asset(s) so created or acquired through Corporate Social

Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address

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

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135.

For the year 2022-23, the total budget of the Company for the CSR activities was ₹ 7.31 crores, the total spent is ₹ 3.90 crores and balance unspent is ₹ 3.41 crores**.** The Company spends amount on CSR projects keeping in mind sustainability, impact on the desired recipients, and efficacy of implementing agencies. During the year under review, the Company has identified projects worth ₹ 7.31 crores**,** out of which the Company has fully completed projects worth ₹ 1.50 crores Including ₹ 0.37 crores as overhead. For projects worth ₹ 5.81 crores, the Company could spend to the tune of ₹ 2.40 crores due to ban on construction activities by NGT and delay in Govt clearance for demolition of existing dilapidated structure. Hence an amount of ₹ 3.41 crores value is balance to be spent. These projects have been classified as ongoing projects and shall be completed within the approved timeframes.

Srinivas Sirupa
Chairman of CSR Committee
DIN: 09463815

Shigeharu Kokuryo
Whole Time Director
DIN: 08420289

Date: 15th April, 2023

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2023

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-MHI POWER BOILERS PRIVATE LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T-MHI POWER BOILERS PRIVATE LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 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;**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **as applicable**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 applicable*:-**

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **presently, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;**

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **presently the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018;**

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **presently the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013, **presently together read as Securities and Exchange Board of India (Issue and Listing of Non – convertible Securities) Regulations, 2021;**

f) 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;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, **presently the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021**;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **presently the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.**

(vi) Other specific business/industry related laws applicable to the Company–

- **Gas Cylinders (Amendment) Rules, 2022**
- **The Static and Mobile Pressure Vessels (Unfired) Rules, 2021**

- **Indian Boilers Regulations, 1950, read with the latest amendment of 2022**

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

i. Secretarial Standards on Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

ii. **The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time** and the Listing Agreements entered into by the Company with Stock Exchange(s), if applicable. **This is not applicable.**

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Women Directors. The changes in the composition of the Board of Directors or Committees thereof 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 **fifteen** days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for 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, respectively hence we have no reason to believe that the decisions by the Board were not approved by all the directors/members present

I further report that, based on review of the compliance mechanism established by the Company and the Compliance Certificates taken on record by the Board of Directors at their meetings there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the following events / actions have taken place, which have a major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., like -

(i) Public/Right/Preferential issue of shares/ debentures/ sweat equity, etc.–**NIL.**

(ii) Redemption / buy-back of securities. -**NIL.**

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013**. - NIL.**

(iv) Merger / amalgamation / reconstruction, etc. **- NIL.**

(v) Foreign technical collaborations.–**NIL.**

(vi) Other Events :
Integration of Thermal Power Business is transferred from Mitsubishi Power, Ltd to Mitsubishi Heavy Industries, Ltd.

For Bhumika & Co
Company Secretaries

Bhumika Sidhpura
Membership No: A37321
Certificate of Practice No. 19635
Peer Review No: 1272/2021
UDIN: U29119MH2006PTC165102

Place: Mumbai
Date: 19.04.2023

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- MHI POWER BOILERS PRIVATE LIMITED

Our report of even date is to be read along with this letter.

1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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.

For Bhumika & Co
Company Secretaries

Bhumika Sidhpura
Membership No: A37321
Certificate of Practice No. 19635
Peer Review No: 1272/2021
UDIN:U29119MH2006PTC165102

Place: Mumbai
Date: 19.04.2023

MANAGEMENT DISCUSSION & ANALYSIS

The Financial Year FY23 started on a very precarious note with the effects of Ukraine war on supply chain unfolding. The projects under execution which had started recovering from the adverse effects of Covid19 were again impacted due to the commodity price spikes, bottlenecks and delays in the global supply chain.

Despite the new challenges posed, LMB employees took up the challenge and put in sincere efforts to minimize the adverse effects and continue to propel ahead projects under execution. During the year, our projects under execution have completed important milestones by ensuring safety and quality compliance. We successfully completed the Hydro Test of the first unit of prestigious THDC Khurja Project (2x660 MW) and both the concrete chimney shells for Khurja project Inspite of serious local disturbance in Jan'23 & Feb'23 at Buxar project site, normalcy is getting restored after completion of CG jackup of Unit2 in 1st week of Dec'22.

The volatility in commodity and logistics prices continue to pose challenges to the execution cost of running projects as price levels remain high. But, we are taking all efforts to minimize the impact on the bottom line of the organization through tighter sourcing and controlling overheads.

We have taken actions on various projects to represent our plea for compensation for the unprecedented commodity price rise. This would required to be pursued continuously with clients for positive conclusion as per provisions of contract and other options, which is going to be a long haul.

During the year, the operations of HCU were reviewed due to the lack of business opportunities and our competitiveness in large casting segment. Accordingly, the facility has been leased for fabrication work alongwith disposal of few fixed assets to control the overhead costs and minimize the losses,

Business Development & Outlook

The overall business scenario for Coal based thermal power projects has significantly improved in FY23 and the bid to award timelines have reduced. After a long gap, price bids of three major EPC tenders were opened in this FY. The opportunities in the form of new tenders for coal based thermal plants will continue in FY24 and will definitely improve the order inflow and order book scenario of the company.

During the year, the Company has intensified its efforts to explore business opportunities in the international market for direct export orders and at the same time work for breakthroughs in the domestic spares and after sales market. CEA has released flexibilization guidelines and the market for projects related to implementation of these projects will likely open w.e.f. FY24. Apart from these business adjacencies, LMB is also eagerly waiting for the final judgement on SCR technology implementation in India and a positive outcome may open up opportunities in SCR business segment.

Going forward project profitability continues to remain under severe pressure but the commodity cycle is likely to stabilise and volatility may reduce. We will strive to complete the current projects as per the revised schedule and achieve the sales targets. We are also focusing on liquidation of milestone payments of legacy projects in FY24 through our parent companies and liaising with the direct customers so that the financial performance improves in upcoming years.

INDEPENDENT AUDITOR'S REPORT

To the Members of L&T-MHI Power Boilers Private Limited

Report on the audit of the financial statements

Opinion

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

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

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the 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 the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
<u>Revenue recognition</u> The Company is engaged in the business of design, engineering, manufacturing, selling, maintenance and servicing of supercritical Boilers, Pulverisers and related products. Revenue from long-term construction contracts is recognised in accordance with Ind AS 115, Revenue from Contracts with Customers, generally based on the extent of progress towards performance obligation. Recognition of the Company's revenue is complex as its core business activity of long-term manufacturing requires management to make assessments that significantly determine the quantum of revenue and margins recognised during a financial year. These assessments include assessing completion of contractually determined obligations, estimating total costs to complete the contract and identification of any possible delays and consequential penalties that may affect the revenue recognised. Revenues, total contract costs and profits could deviate from earlier estimates over the contract tenure depending on several factors. For the year ended 31 March 2023 revenue from operations was Rs. 2121.13 crore - refer note 22 to the financial statements.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: We tested the relevant internal controls to ensure completeness, accuracy and timing of revenue recognised, including contract assets or contract liabilities. We have assessed whether the revenue recognition methodology was relevant and consistent with Indian accounting standards, and had been applied consistently. We selected a sample of contracts with customers and performed the following procedures: a) Obtained and read contract documents for each selection, change orders, and other documents that were part of the agreement. b) Identified significant terms and deliverables in the contract to assess management's conclusions regarding the (i) identification of distinct performance obligations; (ii) changes to costs to complete as work progresses and as a consequence of change orders; (iii) the impact of change orders on the transaction price; and (iv) the evaluation of the adjustment to the transaction price on account of variable consideration. c) Compared costs incurred to date with the Company's estimates of costs to complete to identify significant variations and evaluated whether those variations have been considered appropriately in estimating the remaining costs to complete the contract and also obtained confirmation from project team for cost to complete. d) We performed inquiries of management teams to understand reasons for cost variations and to understand management's assessment of potential contract risks. Based on the procedures performed we consider the revenue recognised to be fairly stated.

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

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

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

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

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

Management's responsibility for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

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

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

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

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

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

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

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

i The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 45 to the financial statements;

ii The Company has disclosed foreseeable losses in respect to long-term contracts including derivative contracts for which there were any material foreseeable losses - refer note 24 to the financial statements; and

iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company– refer note 33 to the financial statements.

iv (a) Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries– refer note 52 to the financial statements;

(b) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries– refer note 52 to the financial statements;

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

v The dividend declared and paid during the year by the Company is in compliance with section 123 of the Act. – refer note 47b to the financial statements.

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

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

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN

Faridabad, April 28, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

(c) According to the information and explanations given to us with respect to the leasehold land on which manufacturing facilities are constructed by the Company, based on examination of the registered lease deeds provided to us, we report that the lease agreements are in the name of the Company as at the balance sheet date where the Company is the lessee in the agreement.

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

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

(ii) (a) According to the information and explanations given to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such verification, which were not material, have been properly dealt with in the books of account; and

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

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

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

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

(vi) We have broadly reviewed the books of account and records maintained by the Company specified by the central government for the maintenance of cost records under section 148(1) of the Act with respect to its manufacturing activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, 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 records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess have been regularly deposited during the year by the Company with the appropriate authorities.

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

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, the particulars of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess, which have not been deposited with the appropriate authorities on account of any dispute as at March 31, 2023 are as under.

Name of the statue	Nature of the disputed dues	Amount (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act and Local Sales Tax Act, Gujarat	Dispute of input tax reversal on capital goods and ITC mismatch	0.15	2010-2011	Deputy Commissioner Commercial Tax, Gujarat
Central Sales tax Act and Local Sales tax Act, Gujarat	Dispute of input tax credit mismatch	0.14	2012-2013	Gujarat VAT Tribunal -Ahmedabad
Central Sales tax Act and Local Sales tax Act, Maharashtra	Disallowance of sales in transit and high sea sales	270.39	2012-2013, 2013-2014, 2014-2015, 2015-2016 and 2016-2017	Appeal filed with Appellate Authority of Commercial Tax, Maharashtra.
Central Sales tax Act and Local Sales tax Act Uttar Pradesh	Disallowance of sales in transit	56.01	2015-2016, 2016-2017 and 2017-18	Commercial Taxes Tribunal, Lucknow U.P.

Central Sales tax Act and Local Sales tax Act, MP	Disallowance of sales in transit	0.70	2013-2014, 2014-2015, 2016-17	Appellate Authority of Commercial Tax, Bhopal

*Net of amounts paid including under protest.

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

(ix) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender. Accordingly, paragraph 3(ix) (a) of the Order is not applicable to the Company.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year. Accordingly, paragraphs 3(ix) (c), (d), (e) and (f) of the Order are not applicable to the Company

(x) (a) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.

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

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

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

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

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

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

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

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

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

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

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

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

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

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

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

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

(xx) a) According to the information and explanations given to us, in respect of other than on-going projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the balance sheet date out of the amounts that was required to be spent during the year, to a Fund specified in schedule VII to the Act in compliance with second proviso to subsection (5) of section 135 of the Act; and

b) In respect of ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount as at the balance sheet date out of the amounts that was required to be spent during the year, to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

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

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

Firdosh D. Buchia
Partner

Faridabad, April 28, 2023

Membership no. 038332
UDIN

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

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

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

Management's responsibility for internal financial controls

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

Auditors' responsibility

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

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

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

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

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

Opinion

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

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

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN

Faridabad, April 28, 2023

L&T - MHI Power Boilers Private Limited

BALANCE SHEET as at March 31, 2023

₹ crores

Particulars	Note	As at 31-03-2023		As at 31-03-2022	
ASSETS					
Non-current assets					
Property, plant and equipment	1	234.31		276.26	
Capital work-in-progress	36	0.32		0.56	
Intangible assets	2	1.51		1.78	
Right-of-use assets	3	25.13		24.54	
Financial assets - non current					
Trade receivables	4	67.30		72.39	
Loans	5	0.63		0.95	
Other financial assets	6	4.41		2.13	
Deferred tax assets (net)	37	66.94		69.35	
Other non-current assets	7	50.19		54.75	
			450.74		502.71
Current assets					
Inventories	8	67.99		136.06	
Financial assets - current					
Investments	9	119.39		98.08	
Trade receivables	10	802.57		823.87	
Cash and cash equivalents	11	248.55		288.76	
Other bank balances	12	18.63		221.32	
Others financial assets	13	4.66		10.79	
Other current assets	14	1,503.14		1,368.82	
			2,764.93		2,947.70
TOTAL ASSETS			**3,215.67**		**3,450.41**
EQUITY AND LIABILITIES					
Equity:					
Equity share capital	15	234.10		234.10	
Other equity		1,312.67		1,501.04	
			1,546.77		1,735.14
Liabilities:					
Non-current liabilities					
Lease liability- non current		0.51		-	
Financial liabilities - others	16	-		10.08	
			0.51		10.08
Current liabilities					
Financial liabilities					
Lease liability- current		0.30		0.01	
Trade payables - current	17				
- Due to micro and small enterprises		124.21		50.60	
- Due to others		763.67		641.12	
Other financial liabilities	18	207.35		230.49	
Other current liabilities	19	548.33		742.47	
Provisions	20	23.32		36.17	
Current tax liabilities (net)	21	1.21		4.33	
			1,668.39		1,705.19
TOTAL EQUITY AND LIABILITIES			**3,215.67**		**3,450.41**
Significant accounting policies	28				
Notes forming parts of financial statements	29-53				

As per our report attached.

For Sharp & Tannan
Chartered Accountants
Firm's registration no. 109982W
By the hand of

For and on behalf of the Board

Deepak Raj Jain	**Srinivas Sirupa**	**Tatsuo Shibahara**	**Derek M Shah**
Chief Financial Officer & Company Secretary ACS:12162	Whole Time Director DIN: 09463815	Whole Time Director DIN: 09766635	Chairman DIN: 06526950

Firdosh D. Buchia
Partner
Membership no. 038332

Place : Faridabad
Date : 28.04.2023

Place : Faridabad
Date : 28.04.2023

L&T - MHI Power Boilers Private Limited

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

₹ crores

Particulars	Note	FY 2022-23		FY 2021-22	
INCOME					
Revenue from operations	22		2,121.13		2,310.60
Other income	23		26.51		34.40
TOTAL INCOME			**2,147.64**		**2,345.00**
EXPENSES					
Manufacturing, construction and operating expenses	24				
Cost of raw materials and components consumed		1,421.45		1,322.90	
Stores, spares and tools		6.49		5.25	
Sub-contracting charges		308.02		282.84	
Change in inventories of finished goods & work in progress		2.82		18.60	
Other manufacturing, construction and operating expenses		133.36		195.05	
			1,872.14		1,824.64
Employee benefit expenses	25		168.62		165.49
Sales, administration and other expenses	26		10.84		(33.11)
Finance costs	27		0.09		0.30
Depreciation and amortisation expense	1 to 3		50.43		63.32
TOTAL EXPENSES			**2,102.12**		**2,020.64**
Profit before tax			**45.52**		**324.36**
Tax expense:	37				
Current tax		15.53		79.00	
Income tax - earlier years		(0.09)		(0.36)	
Deferred tax		(2.17)		4.70	
			13.27		83.34
Profit after tax			**32.25**		**241.02**
Other comprehensive income (OCI)					
a. Items that will not be reclassified to profit or loss					
- Remeasurements of the net defined benefit plans		(0.17)		0.33	
- Income tax on above		0.04		(0.08)	
			(0.13)		0.25
b. Items that will be reclassified to profit or loss					
-Change in fair value of hedging instruments		18.19		(1.22)	
- Income tax on above		(4.58)		0.31	
			13.61		(0.91)
Total comprehensive income			**45.73**		**240.36**
Basic earnings per equity shares ₹	47		1.38		10.30
Diluted earnings per equity shares ₹	47		1.38		10.30
Face value per equity shares ₹			10.00		10.00
Significant accounting policies	28				
Notes forming parts of financial statements	29-53				

As per our report attached.

For Sharp & Tannan
Chartered Accountants
Firm's registration no. 109982W
By the hand of

Firdosh D. Buchia
Partner
Membership no. 038332

Place : Faridabad
Date : 28.04.2023

For and on behalf of the Board

Deepak Raj Jain
Chief Financial Officer & Company Secretary
ACS:12162

Srinivas Sirupa
Whole Time Director
DIN: 09463815

Tatsuo Shibahara
Whole Time Director
DIN: 09766635

Derek M Shah
Chairman
DIN: 06526950

Place : Faridabad
Date : 28.04.2023

L&T - MHI Power Boilers Private Limited

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

₹ crores

Particulars	As at 31-03-2023	As at 31-03-2022
A. Cash flow from operating activities:		
Profit before tax	**45.52**	**324.36**
Adjustments for :		
Depreciation and amortisation expense	50.43	63.32
Allowance for doubtful debts	7.53	8.74
Exchange difference in trade receivables and payables	(15.45)	2.29
Finance costs	0.09	0.30
Interest income	(21.33)	(24.92)
(Profit) / loss on sale of fixed assets (net)	(0.20)	0.29
(Gain) / loss on investments	(4.77)	(3.12)
Operating profit before changes in operating assets and liabilities	**61.82**	**371.26**
Adjustments for change in operating assets and liabilities:		
(Increase) / Decrease in inventories	68.08	172.91
(Increase) / Decrease in trade and other receivables	38.01	101.91
(Increase) / Decrease in other assets	(125.56)	(101.92)
Increase / (Decrease) in trade payables	192.46	28.10
Increase / (Decrease) in other liabilities	(222.14)	(270.78)
Cash generated from operations	**12.67**	**301.48**
Direct taxes refund / (paid) - net	(18.57)	(79.58)
Net cash (used in)/ from operating activities	**(5.90)**	**221.90**
B. Cash flow from investing activities:		
Purchase of fixed assets	(9.92)	(18.38)
Sale of fixed assets	1.51	0.33
Change in other cash and bank balance not available for immediate use	(0.79)	83.66
(Purchase) / Sale of investments (net)	(16.53)	1.54
Interest received	21.33	24.93
Net cash from investing activities	**(4.40)**	**92.08**
C. Cash flow from financing activities:		
Proceeds / (Repayment) of borrowings	-	(37.01)
Proceeds/(Repayment) of lease liabilities	0.79	(0.10)
Finance costs paid	(0.09)	(0.30)
Payment of dividends	(234.10)	(234.10)
Net cash used in financing activities	**(233.40)**	**(271.51)**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(243.70)	42.47
Cash and cash equivalents at beginning of the year	505.73	463.26
Cash and cash equivalents at end of the year	**262.03**	**505.73**
Notes :		
1. Cash and cash equivalents included in cash flow statement comprise the following:-	**As at 31-03-2023**	**As at 31-03-2022**
(a) Cash and cash equivalents disclosed under current assets (Note 11)	248.55	288.76
(b) Other bank balances disclosed under current assets (Note 12)	18.63	221.32
Total cash and cash equivalents as per balance sheet	**267.18**	**510.08**
Less : Other bank balances disclosed under current assets (not available for immediate use) (Note 12)	(5.15)	(4.35)
Total cash and cash equivalent as per statement of cash flows	**262.03**	**505.73**

2. Statement of cash flow has been prepared under indirect method as set out in the Indian Accounting Standard (Ind-AS) 7: Statement of Cash Flows.

3. Purchase of fixed assets represents additions to property, plant and equipment and intangible assets adjusted for movement of capital work-in-progress during the year.

4. Cash and cash equivalents includes unrealised exchange loss of ₹ 0.01 crores [previous year gain (₹ 0.01 crores)].

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

As per our report attached.

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

Firdosh D. Buchia
Partner
Membership no. 038332
Place : Faridabad
Date : 28.04.2023

For and on behalf of the Board

Deepak Raj Jain
Chief Financial Officer &
Company Secretary
ACS:12162

Srinivas Sirupa
Whole Time Director
DIN: 09463815

Tatsuo Shibahara
Whole Time Director
DIN: 09766635

Derek M Shah
Chairman
DIN: 06526950

Place : Faridabad
Date : 28.04.2023

L&T - MHI Power Boilers Private Limited

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

₹ crores

Particulars	Equity share capital	Other equity				
		Retained earnings	Items of other comprehensive income	Hedge reserve	Equity component financial instruments	Total other equity
Balance as at 1 April 2022 (A)	**234.10**	**1,524.20**	**(0.39)**	**(27.16)**	**4.39**	**1,501.04**
Profit for the year		32.25				32.25
Other comprehensive income (loss) for the year						
- Remeasurement gains (loss) on defined benefit plans			(0.13)			(0.13)
- Change in fair value of hedging instruments				13.61		13.61
Total comprehensive income (loss) for the year (B)	**-**	**32.25**	**(0.13)**	**13.61**	**-**	**45.73**
Other change in equity						
- Dividend distributed during the year		(234.10)				(234.10)
Total other change in equity (C)	**-**	**(234.10)**	**-**	**-**	**-**	**(234.10)**
Balance as at 31 March 2023 (A + B + C)	**234.10**	**1,322.35**	**(0.52)**	**(13.55)**	**4.39**	**1,312.67**

Particulars	Equity share capital	Other equity				
		Retained earning	Items of other comprehensive income	Hedge reserve	Equity component - financial instruments	Total other equity
Balance as at 1 April 2021 (A)	**234.10**	**1,517.28**	**(0.64)**	**(26.25)**	**4.39**	**1,494.78**
Profit for the year		241.02				241.02
Other comprehensive income (loss) for the year						
- Remeasurement gains (loss) on defined benefit plans			0.25			0.25
- Change in fair value of hedging instruments				(0.91)		(0.91)
Total comprehensive income (loss) for the year (B)	**-**	**241.02**	**0.25**	**(0.91)**	**-**	**240.36**
Other change in equity						
- Dividend distributed during the year		(234.10)				(234.10)
Total other change in equity (C)	**-**	**(234.10)**	**-**	**-**	**-**	**(234.10)**
Balance as at 31 March 2022 (A + B + C)	**234.10**	**1,524.20**	**(0.39)**	**(27.16)**	**4.39**	**1,501.04**

As per our report attached.

For Sharp & Tannan
Chartered Accountants
Firm’s registration no. 109982W
By the hand of

For and on behalf of the Board

Deepak Raj Jain
Chief Financial Officer &
Company Secretary ACS:12162

Srinivas Sirupa
Whole Time Director
DIN: 09463815

Tatsuo Shibahara
Whole Time Director
DIN: 09766635

Derek M Shah
Chairman
DIN: 06526950

Firdosh D. Buchia
Partner
Membership no. 038332

Place : Faridabad
Date : 28.04.2023

Place : Faridabad
Date : 28.04.2023

Notes forming part of the financial statements for the period ended March 31, 2023

₹ crores

1 Property, plant and equipment

Class of assets	Cost				Depreciation				Book value	
	As at 01.04.2022	Additions	Deductions	As at 31.03.2023	As at 01.04.2022	For the year	Deductions	As at 31.03.2023	As at 31.03.2023	As at 01.04.2022
Building	224.62	0.82	-	225.44	72.95	10.38	-	83.33	142.11	151.67
Plant and machinery	412.06	6.05	3.35	414.76	298.98	34.33	2.09	331.22	83.54	113.08
Computers	6.45	0.92	0.40	6.97	3.63	1.53	0.39	4.77	2.20	2.82
Office equipment	10.20	0.40	0.29	10.31	4.50	1.86	0.27	6.09	4.22	5.70
Furniture and fixtures	15.48	0.14	0.43	15.19	13.75	0.53	0.42	13.86	1.33	1.73
Vehicles	3.09	0.30	0.11	3.28	1.83	0.61	0.07	2.37	0.91	1.26
Total	**671.90**	**8.63**	**4.58**	**675.95**	**395.64**	**49.24**	**3.24**	**441.64**	**234.31**	**276.26**

Class of assets	Cost				Depreciation				Book value	
	As at 01.04.2021	Additions	Deductions	As at 31.03.2022	As at 01.04.2021	For the year	Deductions	As at 31.03.2022	As at 31.03.2022	As at 01.04.2021
Building	222.97	2.02	0.37	224.62	61.72	11.54	0.31	72.95	151.67	161.25
Plant and machinery	404.34	9.80	2.08	412.06	254.74	45.96	1.72	298.98	113.08	149.59
Computers	7.11	0.86	1.52	6.45	3.82	1.30	1.49	3.63	2.82	3.29
Office equipment	5.89	4.85	0.54	10.20	3.37	1.65	0.52	4.50	5.70	2.52
Furniture and fixtures	15.35	0.25	0.12	15.48	12.87	0.99	0.11	13.75	1.73	2.48
Vehicles	2.93	0.37	0.21	3.09	1.29	0.60	0.06	1.83	1.26	1.64
Total	**658.59**	**18.15**	**4.84**	**671.90**	**337.81**	**62.04**	**4.21**	**395.64**	**276.26**	**320.78**

2 Intangible assets

Class of assets	Cost				Amortisation				Book value	
	As at 01.04.2022	Additions	Deductions	As at 31.03.2023	As at 01.04.2022	For the year	Deductions	As at 31.03.2023	As at 31.03.2023	As at 01.04.2022
Specialised softwares	8.97	0.55	0.15	9.37	8.28	0.25	0.15	8.38	0.99	0.69
Lumpsum fees for technical knowhow	24.69	-	-	24.69	23.60	0.57	-	24.17	0.52	1.09
Total	**33.66**	**0.55**	**0.15**	**34.06**	**31.88**	**0.82**	**0.15**	**32.55**	**1.51**	**1.78**

Class of assets	Cost				Amortisation				Book value	
	As at 01.04.2021	Additions	Deductions	As at 31.03.2022	As at 01.04.2021	For the year	Deductions	As at 31.03.2022	As at 31.03.2022	As at 01.04.2021
Specialised softwares	8.96	0.14	0.13	8.97	8.09	0.32	0.13	8.28	0.69	0.87
Lumpsum fees for technical knowhow	24.69	-	-	24.69	23.03	0.57	-	23.60	1.09	1.66
Total	**33.65**	**0.14**	**0.13**	**33.66**	**31.12**	**0.88**	**0.13**	**31.88**	**1.78**	**2.53**

Notes forming part of the financial statements for the period ended March 31, 2023

₹ crores

3 Right-of-use assets

Particulars	Cost				Depreciation				Book value	
	As at 01.04.2022	Additions	Deductions	As at 31.03.2023	As at 01.04.2022	For the year	Deductions	As at 31.03.2023	As at 31.03.2023	As at 01.04.2022
Leasehold land	26.40	-	-	26.40	1.87	0.28	-	2.15	24.25	24.53
Building	0.20	-	-	0.20	0.19	0.01	-	0.20	-	0.01
Office equipments	-	0.96	-	0.96	-	0.08	-	0.08	0.88	-
Total	**26.60**	**0.96**	**-**	**27.56**	**2.06**	**0.37**	**-**	**2.43**	**25.13**	**24.54**

Right-of-use assets

Particulars	Cost				Depreciation				Book value	
	As at 01.04.2021	Additions	Deductions	As at 31.03.2022	As at 01.04.2021	For the year	Deductions	As at 31.03.2022	As at 31.03.2022	As at 01.04.2021
Leasehold land	26.40	-	-	26.40	1.58	0.29	-	1.87	24.53	24.82
Building	0.20	-	-	0.20	0.09	0.10	-	0.19	0.01	0.11
Office equipments	-	-	-	-	-	-	-	-	-	-
Total	**26.60**	**-**	**-**	**26.60**	**1.67**	**0.39**	**-**	**2.06**	**24.54**	**24.93**

Notes forming part of the financial statements for the period ended March 31, 2023 ₹ crores

4 Trade receivables - non-current

Particulars	As at 31-03-2023		As at 31-03-2022	
Unsecured:				
Considered good [note 35]	297.20		297.20	
Less: Allowance for expected credit loss	(229.90)		(224.81)	
		67.30		72.39
		67.30		**72.39**

5 Loans - non current

Particulars	As at 31-03-2023		As at 31-03-2022	
Considered good :				
Loan to employees		0.63		0.95
		0.63		**0.95**

6 Other financial assets - non current

Particulars	As at 31-03-2023		As at 31-03-2022	
Security deposits - unsecured		4.41		2.13
		4.41		**2.13**

7 Other non-current assets

Particulars	As at 31-03-2023		As at 31-03-2022	
Unsecured, considered good, unless otherwise stated				
Balance with revenue authorities		4.30		8.87
Deposits		35.49		35.49
Income tax receivable (net of provision)		10.40		10.39
		50.19		**54.75**

8 Current assets - inventories

Particulars	As at 31-03-2023		As at 31-03-2022	
Raw materials	32.61		70.77	
Add: Goods-in-transit	0.01		0.94	
		32.62		71.71
Components	32.21		59.18	
Add: Goods-in-transit	0.05		0.45	
		32.26		59.63
Stores spares parts	1.75		1.90	
Add: Goods-in-transit	-		0.00	
		1.75		1.90
Work-in-progress - manufacturing		1.36		2.82
		67.99		**136.06**

9 Current financial assets - investments

Particulars	As at 31-03-2023		As at 31-03-2022	
Unquoted investments				
Mutual funds at fair value through profit and loss		119.39		98.08
		119.39		**98.08**

Detail of current investments - mutual fund (unquoted)

Particulars	As at 31-03-2023		As at 31-03-2022	
	No. of units	Amount	No. of units	Amount
HSBC liquid fund	2,73,835	61.40	3,36,475	98.08
Axis liquid fund	2,31,874	57.99	-	-
		119.39		**98.08**

Notes forming part of the financial statements for the period ended March 31, 2023 ₹ crores

10 Current financial assets - trade receivables

Particulars	As at 31-03-2023		As at 31-03-2022	
Unsecured:				
Considered good [note 35]	815.19		834.06	
Less: Allowance for expected credit loss	(12.62)		(10.19)	
		802.57		823.87
		802.57		**823.87**

11 Current financial assets - cash and cash equivalents

Particulars	As at 31-03-2023		As at 31-03-2022	
Cash and cash equivalents:				
Balances with banks		2.31		0.91
Cash on hand		0.01		0.01
Fixed deposits with banks (maturity <= 3 months)		246.23		287.84
		248.55		**288.76**

12 Current financial assets - other bank balances

Particulars	As at 31-03-2023		As at 31-03-2022	
Fixed deposit with banks (maturity > 3 months and <=12 months)		13.48		216.97
Unspent CSR bank balance		0.95		0.18
Bank balance not available for immediate use*		4.20		4.17
		18.63		**221.32**

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

13 Current financial assets - others

Particulars	As at 31-03-2023		As at 31-03-2022	
Advances to employees		0.74		0.61
Forward contract receivable		2.48		6.54
Other receivables		1.23		3.63
Security deposits - unsecured		0.21		0.01
		4.66		**10.79**

14 Other current assets

Particulars	As at 31-03-2023		As at 31-03-2022	
Contract assets:				
Due from customers (project related activity)	51.87		27.40	
Retention money	1,246.20		1,116.49	
		1,298.07		1,143.89
Balance with revenue authorities		91.53		62.24
Advances to suppliers		106.13		154.88
Prepaid expenses		7.41		7.81
		1,503.14		**1,368.82**

Notes forming part of the financial statements for the period ended March 31, 2023 ₹ crores

15 **Equity share capital**

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity share capital of ₹ 10/- each	23,50,00,000	235.00	23,50,00,000	235.00
Issued, subscribed and paid-up share capital:				
Equity share capital of ₹ 10/- each	23,41,00,000	234.10	23,41,00,000	234.10

15(a) **Reconciliation of number of shares outstanding at the beginning and at the end of the year**

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Balance at the beginning of the year	23,50,00,000	235.00	23,50,00,000	235.00
Add / (less): Change during the year	-	-	-	-
Balance at the end of the year	**23,50,00,000**	**235.00**	**23,50,00,000**	**235.00**
Issued, subscribed and paid up share capital				
Balance at the beginning of the year	23,41,00,000	234.10	23,41,00,000	234.10
Add / (less): Change during the year	-	-	-	-
Balance at the end of the year	**23,41,00,000**	**234.10**	**23,41,00,000**	**234.10**

15(b) **Terms / rights attached to equity shares**

The Company has only one class of share capital i.e. equity shares having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number of shares	Shareholding %	Number of shares	Shareholding %
Larsen & Toubro Limited, India	11,93,91,000	51%	11,93,91,000	51%
Mitsubishi Power, Ltd., Japan	-	-	11,47,09,000	49%
Mitsubishi Heavy Industries, Ltd., Japan	11,47,09,000	49%	-	-
	23,41,00,000	**100%**	**23,41,00,000**	**100%**

15(d) **Shares held by promoters at the end of the year**

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number of shares	Shareholding %	Number of shares	Shareholding %
Larsen & Toubro Limited, India	11,93,91,000	51%	11,93,91,000	51%
Mitsubishi Power, Ltd., Japan	-	-	11,47,09,000	49%
Mitsubishi Heavy Industries, Ltd., Japan	11,47,09,000	49%	-	-
	23,41,00,000	**100%**	**23,41,00,000**	**100%**

Pursuant to business integration between Mitsubishi Power, Ltd. Japan and Mitsubishi Heavy Industries, Ltd. Japan, 11,47,09,000 shares held by Mitsubishi Power, Ltd. Japan were transferred to Mitsubishi Heavy Industries, Ltd. Japan during the year ended March 31, 2023. (previous year- Nil)

15(e) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2023 are Nil (previous year - Nil).

15(f) The aggregate number of equity shares issued pursuant to contract without payment being received in cash in immediately preceding five years ended March 31, 2023 are Nil (previous year - Nil).

16 **Non current - other financial liabilities**

Particulars	As at 31-03-2023		As at 31-03-2022	
Embedded derivatives payable		-		10.08
		-		**10.08**

Notes forming part of the financial statements for the period ended March 31, 2023 ₹ crores

17 Current - trade payables*

Particulars	As at 31-03-2023		As at 31-03-2022	
Due to related parties:				
Larsen & Toubro Limited and its' group companies	231.53		164.61	
Mitsubishi Heavy Industries, Ltd. and its' group companies	8.60		15.02	
		240.13		179.63
Due to micro and small enterprises		124.21		50.60
Due to others		523.54		461.49
		887.88		**691.72**

[* refer note 34 - classification and ageing]

18 Current - other financial liabilities

Particulars	As at 31-03-2023		As at 31-03-2022	
Embedded derivative payable		25.65		40.90
Due to others		181.70		189.59
		207.35		**230.49**

19 Other current liabilities

Particulars	As at 31-03-2023		As at 31-03-2022	
Contract liabilities:				
Due to customers (project related activity)	234.74		290.26	
Advance from customers	295.07		399.02	
		529.81		689.28
Provision for expected loss on construction contracts		0.82		-
Other payables		17.70		53.19
		548.33		**742.47**

20 Current - provisions

Particulars	As at 31-03-2023		As at 31-03-2022	
Employee benefits - compensated absences		14.67		14.64
Other provisions (Ind AS 37 related)		8.65		21.53
		23.32		**36.17**

21 Current tax liabilities (net)

Particulars	As at 31-03-2023		As at 31-03-2022	
Provision for current year income tax (net)		1.21		4.33
		1.21		**4.33**

Notes forming part of the financial statements for the period ended March 31, 2023 ₹ crores

22 Revenue from operations

Particulars	FY 2022-23		FY 2021-22	
Sales and services				
Manufacturing and trading activity	147.65		88.04	
Construction and project related activity	1,956.51		2,213.12	
Sale of services/others	13.66		7.15	
		2,117.82		2,308.31
Other operational income		3.31		2.29
		2,121.13		**2,310.60**

23 Other income

Particulars	FY 2022-23		FY 2021-22	
Interest income				
Interest received from banks and others		21.33		24.92
Gain / (loss) on investments				
Gain / (loss) on sale of investments	4.63		3.19	
Fair value gain / (loss) on investments	0.15		(0.07)	
		4.78		3.12
Other non-operating income				
Gain / (loss) on sale of fixed assets (net)	0.20		(0.29)	
Other miscellaneous income	0.20		6.65	
		0.40		6.36
		26.51		**34.40**

24 Manufacturing, construction and operating expenses

Particulars	FY 2022-23		FY 2021-22	
Raw material and component	1,430.69		1,334.17	
Less: Scrap sale	(9.24)		(11.27)	
		1,421.45		1,322.90
Stores, spares and tools		6.49		5.25
Sub-contracting charges		308.02		282.84
Changes in inventories of finished goods and work-in-progress				
Opening stock-work-in-progress	2.82		21.42	
Less: Closing stock- work-in-progress	-		(2.82)	
		2.82		18.60
Other manufacturing, construction and operating expenses:				
Power and fuel	13.59		18.06	
Royalty and technical know-how fees	5.75		28.23	
Packing and forwarding	12.64		25.75	
Rent and hire charges	17.30		23.16	
Bank guarantee charges	2.73		3.38	
Engineering, professional, technical or consultancy fees	27.81		41.14	
Insurance	9.25		5.28	
Travelling and conveyance	11.53		11.72	
Repairs and maintenance	10.24		9.79	
Provision for forseeable losses	0.82		-	
Other expenses	21.70		28.54	
		133.36		195.05
		1,872.14		**1,824.64**

Notes forming part of the financial statements for the period ended March 31, 2023 ₹ crores

25 Employee benefit expenses

Particulars	FY 2022-23		FY 2021-22	
Salaries and wages		144.74		142.85
Contribution to and provision for				
Provident fund and pension fund	5.28		5.21	
Gratuity funds	1.86		1.77	
		7.14		6.98
Expenses on employee stock option scheme		0.17		0.40
Employee insurance premium		2.28		2.10
Employee welfare expenses		14.29		13.16
		168.62		**165.49**

26 Sales, administration and other expenses

Particulars	FY 2022-23		FY 2021-22	
Rent		0.44		0.66
Rates and taxes		0.05		0.06
Travelling and conveyance		0.32		0.23
Repairs and maintenance		2.43		3.42
Professional fees		0.73		0.48
Audit fees		0.11		0.10
Directors' fees		0.16		0.16
Telephone and postage		2.21		2.02
Advertisement expenses		0.19		0.35
Stationery and printing		0.33		0.40
Bank charges		0.29		0.24
Allowance for doubtful debts		7.53		8.74
Exchange (gain) / loss		0.39		(8.33)
Warranty provisions		(12.88)		(50.89)
Corporate social responsibility		7.31		7.93
Miscellaneous expenses		1.23		1.32
		10.84		**(33.11)**

27 Finance costs

Particulars	FY 2022-23		FY 2021-22	
Other interest paid		0.09		0.30
		0.09		**0.30**

Notes forming part of the Financial Statements for the year ended March 31, 2023

NOTE NO. 28 - Significant Accounting Policies

I. Corporate Information

L&T- MHI Power Boilers Private Limited (the 'Company') is a private limited company incorporated & domiciled in India. The Company is a joint venture company between Larsen & Toubro Limited (L&T), India and Mitsubishi Power, Ltd. (MPW), Japan having its registered office at L&T House, Ballard Estate, Mumbai. The Company is engaged in the business of design, engineering, manufacturing, selling, maintenance and servicing of supercritical boilers, pulverizes and related products.

II. Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs under section 133 of Companies Act, 2013. In addition, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied, wherever applicable, except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

III. Basis of accounting

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

Fair value measurements are categorized into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

IV. 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") as amended. The statement of cash flows 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 accounts along with the other notes required to be disclosed under the notified Indian Accounting Standards.

The Company's financial statements are presented in Indian Rupees in crores (1 crore = Rs 10 million) rounded off to two decimal places. Per share data are presented in Indian Rupees to two decimals places.

V. 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 / service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period.

VI. Revenue recognition

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring a promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time, in other cases performance obligation is satisfied at a point in time. For each performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. This method appropriately depicts the progress achieved by the Company in satisfying the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstances. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Costs to obtain a contract which are incurred, regardless of whether the contract is obtained, are charged off in statement of profit and loss immediately in the period in which such costs are incurred.

Significant judgment is used in:

a. Determining the performance obligation;
b. Determining when the transfer of control of good or service to customer is done and when the performance obligation is satisfied; and
c. Determining and allocating the transaction price to performance obligation.

i. Revenue from operations

Revenue is exclusive of goods and service tax (GST) and includes adjustments made towards liquidated damages and other variation wherever applicable. Escalation and other claims, which are not ascertainable / acknowledged by customers are not taken into account.

a. Revenue from sale of goods:

Revenue from sale of manufactured and traded goods is recognised when the control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled in exchange of goods.

b. Revenue from construction / project related activity and contracts for supply / commissioning of complex plant and equipment:

1. Cost plus contracts: Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

2. Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as “due from customers”. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as “due to customers”. Amounts received before the related work is performed are disclosed in the balance sheet as liability towards advance from customer. The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment due, are disclosed in the balance sheet as trade receivables. The amount of retention money held by the customers is disclosed as part of other current assets and is reclassified as trade receivables when it becomes due for payment.

c. Revenue from rendering of services

Revenue from rendering services is recognised over time when performance obligation is satisfied and customer obtains the control of the transferred services. Following criteria is required to be met for transfer of control of services:

1. the customer simultaneously receives and consumes the benefits from the services transferred.
2. the Company has an enforceable right to payment for services transferred.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on the same basis as stated in (b) supra.

d. Government grants, which are revenue in nature and are towards compensation for the qualifying costs incurred by the Company, are recognised as other operational income in the statement of profit and loss in the period in which such costs are incurred.

e. Other operational revenue represents income earned from the activities incidental to the business and is recognised when performance obligation is satisfied and right to receive the income is established as per the terms of the contract.

ii. Other income

A. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified at fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the statement of profit and loss on accrual basis provided there is no uncertainty towards its realization.

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

C. Government grant receivable in the form duty credit scrips is recognised as other income in the statement of profit and loss in the period in which the application is made to the government authorities and to the extent there is no uncertainty towards its receipt.

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.

VII. Exceptional items

On certain occasions, the size, type or incidence of an item of income or expense is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed as such in the financial statements.

VIII. Property, plant and equipment (PPE)

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can measured reliably. PPE is stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation and cumulative impairment. PPE acquired on hire purchase basis are stated at their cash values. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company’s accounting policy.

Subsequent costs are included in the assets’ carrying amount or recognized as a separate asset, as appropriate, only when it is provable that economic future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. For transition to Ind AS, the carrying value of PPE under previous GAAP as on April 1, 2015 is regarded as its cost. Own manufactured PPE is capitalized at cost including an appropriate share of overheads, 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.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

PPE not ready for the intended use on the date of the balance sheet are disclosed as "capital work-in-progress". (Also refer to accounting policy on borrowing costs, impairment of assets and foreign currency transactions.)

Depreciation on PPE has been provided using straight line method so as to write off the cost of the assets less their residual values, if any, based on useful life / usage as prescribed in schedule II of the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset.

Gains or losses arising from recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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:

Category of assets	**Useful life as per schedule II (in years)**	**Useful life adopted (in years)**
Air Conditioning and refrigeration equipment	15	12
Motor cars	8	7
Assets deployed at project sites*:		
Construction equipment	15	5
Office equipment	5	5
Air conditioning and refrigeration equipment	15	5
Canteen equipment	15	5
Laboratory equipment	10	5
Photographic equipment	15	5

**Any assets deployed for project site with acquisition value less than Rs 50,000 for above categories of assets, full cost is depreciated in the same financial year.*

Any assets with acquisition value less than Rs 5,000 is depreciated in the same financial year.

IX. Leases

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

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

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

X. Intangible assets

Intangible assets are stated at original cost net of tax / duty credits availed, if any, less accumulated amortization and cumulative impairment. Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as part of the cost of the intangible assets.

Intangible assets are amortized on straight-line basis over the estimated useful life which is the period of six years.

Amortization method and useful life is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset.

XI. Impairment of assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

a. the provision for impairment loss, if any; and
b. the reversal 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 the higher of the net selling price and the value in use; and
b. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the 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).

XII. Employee benefits

a) Short term employee benefits:

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

b) Post-employment benefits:

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

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

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

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

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the statement of profit and loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the statement of profit and loss under finance cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

c) Long term employee benefits:

The obligation for long term employee benefits such as long term compensated absences, long service award etc. is measured and recognized in the similar manner as in the case of defined benefit plans as mentioned in (b) (ii) supra.

d) Termination benefits:

Termination benefits such as compensation under voluntary retirement cum pension scheme are recognized as expense and a liability is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

XIII. Financial instruments

i) Initial recognition:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instruments. Financial assets and financial liabilities are initially measured at fair value except for trade receivables not containing a significant financing component that are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

ii) Subsequent recognition:

a) Financial assets:

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

Impairment of financial assets: The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost viz. trade receivables and other contractual rights to receive cash and other financial asset. For the purpose of measuring expected credit loss allowance for trade receivables, the Company has used a provision matrix which takes into account expected credit loss.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

b) Financial liabilities:

Financial liabilities which are classified at initial recognition as financial liabilities at fair value through profit and loss including loans and borrowings, payables, derivatives designated as hedging instruments in an effective hedge are subsequently measured at fair value. All other financial liabilities including loans and borrowings are subsequently measured at amortized costs using effective interest rate (EIR) method.

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

The Company designates certain hedging instruments, which include derivatives, interest rate swaps, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Fair value hedges: Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are also subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognized in statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit and loss from that date.

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 hedge reserve. The gain or loss relating to the ineffective portion is recognized immediately in statement of profit and loss. Amounts previously recognized in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to statement of profit and loss in the periods when the hedged item affects profit or loss, in the same head as the recognized hedged item. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in statement of profit and loss.

XIV. 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. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

b) Manufacturing work-in-progress at lower of weighted average cost including related overheads or net realizable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.

c) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realizable value.

Cost includes related overheads on such goods.

Assessment of net realizable value is done in each reporting period end and when the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed (i.e. the reversal is limited to the amount of the original write-down) so that the new carrying amount is the lower of the cost and the revised net realizable value.

XV. Cash and cash equivalents

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

XVI. Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized / inventorised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized in statement of profit and loss in the period in which they are incurred.

XVII. Foreign currency transactions

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

b) Foreign currency transactions are recorded on initial recognition using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currencies and carried at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. 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 statement of profit and loss in the period in which they arise except for:

i. 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 adjustment to interest costs in a foreign currency not translated; and

ii. Exchange differences on transactions entered into in order to hedge certain foreign currency risks.

XVIII. Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

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Reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. The identification of operating segments and reporting of amounts is consistent with performance assessment and resource allocation by the management.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.

XIX. Taxes on income

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

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

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

Deferred tax assets relating to unabsorbed depreciation / business losses / losses under the head "capital gains" are recognized and carried forward to the extent there is convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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.

Transaction or event which is recognized outside statement of profit and loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

XX. Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

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

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
b) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

XXI. Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed for estimated amount 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.

XXII. Statement of cash flows

Statement of cash flows is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the profit before tax is adjusted for the effects of:

i. changes during the period in inventories, operating receivables and payables transactions of a non-cash nature;
ii. non-cash items such as depreciation, amortization, unrealised foreign currency gains and losses; and
iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents exclude items which are not available for general use as on the date of balance sheet

XXIII. Earnings per share

a. Basic earnings per share: Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period.

b. Diluted earnings per share: Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

XXIV. Key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

XXV. Recent pronouncements

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

Ind AS 1 –Presentation of financial statements-

It is specified when the accounting policy information is material, and the requirement to disclose significant accounting policies is substituted with the disclosure of material accounting policy information.

Ind AS 8 – Accounting policies, changes in accounting estimates and errors –

The definition of "change in accounting estimate" is substituted with the definition of "accounting estimates". Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty.

Ind AS 12 – Income taxes –

It is required to recognise deferred tax liability or asset for all temporary differences arising from initial recognition of an asset or liability in a transaction that gives rise to equal taxable and deductible temporary differences.

The above amendments will not have material impact on the Company's financial statements.

Other notes forming part of the financial statements for the year ended March 31, 2023 ₹ crores

29 Disclosure pursuant to Ind AS 115 "Revenue from contracts with customers"

a) Disaggregation of revenue for the year 2022-23

Particulars	Revenue as per Ind AS 115			Other revenue	Total as per P&L
	Domestic	Foreign	Total		
a) Revenue recognised based on performance obligations satisfied over a period of time	1,797.14	159.37	1,956.51	-	1,956.51
b) Revenue recognised based on performance obligations satisfied at a point in time	161.27	0.04	161.31	-	161.31
c) Other operational income	-	-	-	3.31	3.31
Total	**1,958.41**	**159.41**	**2,117.82**	**3.31**	**2,121.13**

Disaggregation of revenue for the year 2021-22

Particulars	Revenue as per Ind AS 115			Other revenue	Total as per P&L
	Domestic	Foreign	Total		
a) Revenue recognised based on performance obligations satisfied over a period of time	2,150.81	62.31	2,213.12	-	2,213.12
b) Revenue recognised based on performance obligations satisfied at a point in time	95.02	0.17	95.19	-	95.19
c) Other operational income	-	-	-	2.29	2.29
Total	**2,245.83**	**62.48**	**2,308.31**	**2.29**	**2,310.60**

b) Movement in expected credit loss during the year

Particulars	Provision on trade receivables covered under Ind AS 115	
	2022-23	2021-22
Opening balance (A)	234.99	226.25
Changes in loss allowance:		
• Loss allowance based on expected credit loss	7.53	8.74
• Additional provision (net)	-	-
• Write off as bad debts	-	-
Closing balance (B)	**242.52**	**234.99**

c) (i) Movement in contract balances for the year 2022-23

Particulars	Contract assets	Contract liabilities	Net contract balances
Opening balance as at April 1, 2022	1,143.89	689.28	454.61
Closing balance as at March 31, 2023	1,298.07	529.81	768.26
Net increase (decrease)	**154.18**	**(159.47)**	**313.65**

Movement in contract balances for the year 2021-22

Particulars	Contract assets	Contract liabilities	Net contract balances
Opening balance as at April 1, 2021	1,037.39	807.54	229.85
Closing balance as at March 31, 2022	1,143.89	689.28	454.61
Net increase (decrease)	**106.50**	**(118.26)**	**224.76**

(ii) Revenue recognised during the year from opening balance of contract liabilities amounts to ₹ 290.26 crores (previous year ₹ 281.02 crores).

d) Reconciliation of contracted price with revenue during the year

Particulars	2022-23	2021-22
Opening contracted price of orders at the start of the year (including full value of partially executed contracts)	9,790.43	11,664.03
Changes during the year on account of:		
Add: Fresh / change orders received	188.35	265.63
Add: Additional consideration, exchange rate movement and claims	215.61	65.15
Less: Orders completed	(274.31)	(2,204.38)
Closing contracted price of orders on hand at the end of the year (including full value of partially executed contracts)	**9,920.08**	**9,790.43**

Other notes forming part of the financial statements for the year ended March 31, 2023 ₹ crores

Reconciliation of contracted price with revenue during the year continues………..

Particulars	2022-23	2021-22
Revenue recognised during the year	2,117.82	2,308.31
Less : Revenue out of orders completed during the year	266.86	200.22
Revenue out of orders under execution at the end of the year (I)	1,850.96	2,108.09
Revenue recognised upto previous year (from orders pending completion at year end) (II)	6,041.23	3,940.59
Balance revenue to be recognised in future (III)	2,027.89	3,741.75
Closing contracted price of orders on hand at the end of the year (including full value of partially executed contracts) (I+II+III)	**9,920.08**	**9,790.43**

e) Remaining performance obligations

Particulars	Likely conversion in revenue		
	Upto 1 year	Beyond 1 year	Total
Transaction price allocated to the remaining performance obligation	1,398.00	629.89	2,027.89

The Company has made provisions, as required under the applicable law or accounting standards, for material forseeable losses, where ever required on long-term contracts.

30 Disclosure pursuant to Ind AS 116 “Leases”

i) The Company has availed of following practical expedients as provided by the Ind AS 116 ('the standard') :-

a) Leases for which the lease term ends within 12 months of the date of initial application are accounted in the same way as short term lease.

b) Leases for which total payment is less than ₹ 0.10 crores in a year are accounted as low value lease.

c) The Company has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

ii) Expense and cash outflow relating to payments not included in the measurement of lease liability

Particulars	2022-23	2021-22
Short term lease	23.72	29.11
Low value lease	0.20	0.14
Variable lease payments	-	-
Interest expenses on lease liabilities	0.02	0.00
Total	**23.94**	**29.25**

iii) There are no variable lease payments associated with the lease contracts entered by the Company. There are no significant extension / termination options associated with the leases which have not been factored in the determination of the lease liability. There are no exceptional / restrictive covenants in the lease agreements.

31 Auditors remuneration and expenses charged to accounts

Particulars	2022-23	2021-22
Audit fees	0.07	0.07
Taxation matters	0.01	0.01
Certification work	0.03	0.02
Reimbursement	-	-
Total	**0.11**	**0.10**

32 Micro and small enterprises

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSME). The disclosure pursuant to the said Act are as under:

Particulars	2022-23	2021-22
Principal amount due to suppliers under MSMED Act	123.48	49.87
Interest accrued, due to suppliers under MSMED Act	0.73	0.73
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payment already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED 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.

33 Investor education and protection fund

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

Other notes forming part of the Accounts for the year ended March 31,, 2023 ₹ crores

34 Trade payable - classification and ageing

a. Current period ended as at March 31, 2023

Particulars	Outstanding from due date of payment					Total
	Unbilled Dues	Upto 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues						
(i) MSME	-	124.21	-	-	-	**124.21**
(ii) Others	1.02	762.65	-	-	-	**763.67**
Disputed dues						
(i) MSME	-	-	-	-	-	**-**
(ii) Others	-	-	-	-	-	**-**
Total	**1.02**	**886.86**	**-**	**-**	**-**	**887.88**

b. Comparative for previous period ended as at March 31, 2022

Particulars	Outstanding from due date of payment					Total
	Unbilled Dues	Upto 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues						
(i) MSME	-	50.60	-	-	-	**50.60**
(ii) Others	1.24	639.88	-	-	-	**641.12**
Disputed dues						
(i) MSME	-	-	-	-	-	**-**
(ii) Others	-	-	-	-	-	**-**
Total	**1.24**	**690.48**	**-**	**-**	**-**	**691.72**

35 Trade receivable - classification and ageing

a. Current period ended as at March 31, 2023

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues (a)						
Trade receivables – considered good	745.52	17.53	13.08	6.79	329.47	**1,112.39**
Trade receivables – considered doubtful	-	-	-	-	-	**-**
Less: Allowance for doubtful debts	-	(0.89)	(1.41)	(1.10)	(239.12)	**(242.52)**
Disputed dues (b)						
Trade receivables – considered good	-	-	-	-	-	**-**
Trade receivables – considered doubtful	-	-	-	-	-	**-**
Less: Allowance for doubtful debts	-	-	-	-	-	**-**
Debtors having significant increase in credit risk (c)						
Trade receivables – considered good	-	-	-	-	-	**-**
Trade receivables – considered doubtful	-	-	-	-	-	**-**
Less: Allowance for doubtful debts	-	-	-	-	-	**-**
Total (a+b+c)	**745.52**	**16.64**	**11.67**	**5.69**	**90.35**	**869.87**

b. Comparative for previous period ended as at March 31, 2022

Particulars	Upto 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues (a)						
Trade receivables – considered good	777.37	12.40	6.27	9.94	325.27	**1,131.26**
Trade receivables – considered doubtful	-	-	-	-	-	**-**
Less: Allowance for doubtful debts	-	(0.70)	(0.70)	(1.59)	(232.00)	**(235.00)**
Disputed dues (b)						
Trade receivables – considered good	-	-	-	-	-	**-**
Trade receivables – considered doubtful	-	-	-	-	-	**-**
Less: Allowance for doubtful debts	-	-	-	-	-	**-**
Debtors having significant increase in credit risk (c)						
Trade receivables – considered good	-	-	-	-	-	**-**
Trade receivables – considered doubtful	-	-	-	-	-	**-**
Less: Allowance for doubtful debts	-	-	-	-	-	**-**
Total (a+b+c)	**777.37**	**11.70**	**5.57**	**8.35**	**93.27**	**896.26**

36 CWIP - property, plant & equipment - ageing and expected completion schedule

a. CWIP ageing schedule for the current period ended as at March 31, 2023

Particulars	Amount in CWIP for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.32	-	-	-	0.32
Total	**0.32**	**-**	**-**	**-**	**0.32**

CWIP ageing schedule for the previous year ended as at March 31, 2022

Particulars	Amount in CWIP for				Total
	Upto 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.56	-	-	-	**0.56**
Total	**0.56**	**-**	**-**	**-**	**0.56**

b. CWIP expected completion schedule for the current year ended as at March 31, 2023

Particulars	Amount of CWIP to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.32	-	-	-	0.32
Total	**0.32**	**-**	**-**	**-**	**0.32**

CWIP expected completion schedule for the previous year ended as at March 31, 2022

Particulars	Amount of CWIP to be completed in				Total
	Upto 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.56	-	-	-	**0.56**
Total	**0.56**	**-**	**-**	**-**	**0.56**

Other notes forming part of the financial statements for the year ended March 31, 2023 ₹ crores

37 Tax expenses

Major componets of tax expense

Sr. no.	Particulars	2022-23	2021-22
(a)	**Income tax expense in profit or loss section**		
1	**Current income tax :**		
	Current income tax charge	15.53	79.00
	Effect of prior period adjustments	(0.09)	(0.36)
2	**Deferred tax:**		
	Relating to origination and reversal of temporary differences	(2.17)	4.70
Income tax expense reported in profit or loss section		**13.27**	**83.34**
(b)	**Other comprehensive income (OCI) section:**		
	Current tax on remeasurement of defined benefit plans	(0.04)	0.08
	Deferred tax on fair value change of hedging instruments	4.58	(0.31)
Income tax expense reported in OCI section		**4.54**	**(0.23)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Sr. no.	Particulars	2022-23	2021-22
1	**Profit before tax**	45.52	324.36
2	Applicable tax rate	25.17%	25.17%
3	Tax on accounting profit (1*2)	11.46	81.64
4	**Items effecting tax rate:**		
(a)	Tax on CSR expenses being not deductible	1.84	1.99
(b)	Difference in book and income tax depreciation	0.04	(0.00)
(c)	Effect of prior period tax adjustments	(0.09)	(0.36)
(d)	Others	0.02	0.07
Tax expense recognised during the year in profit or loss section (3 + 4)		**13.27**	**83.34**
Effective tax rate		*29.14%*	*25.69%*

Components of deferred tax (assets) and liabilities recognised in the balance sheet and profit or loss section

Sr. no.	Particulars	Balance sheet		Profit or loss section	
		31-Mar-23	31-Mar-22	2022-23	2021-22
1	Fair valuation gain on equity securities (FVTPL)	0.05	0.02	0.03	(0.01)
2	Provision for compensated absences disallowed u/s 43B	(3.69)	(3.68)	(0.01)	(0.18)
3	Difference in book and income tax depreciation	4.48	8.01	(3.54)	(5.72)
4	Fair valuation of derivatives w.r.t. cash flow hedges	(4.56)	(9.13)	-	-
5	Provision for warranty cost	(2.18)	(5.43)	3.24	12.81
6	Provision for ECL	(61.04)	(59.14)	(1.89)	(2.20)
Deferred tax expense / (income)				**(2.17)**	**4.70**
Net deferred tax (assets) / liabilities		**(66.94)**	**(69.35)**		

Reconciliation of deferred tax (assets) / liabilities

Sr. no.	Particulars	2022-23	2021-22
1	Opening balance	(69.35)	(73.74)
2	Tax income / (expense) during the period recognised in profit or loss section	(2.17)	4.70
3	Tax income / (expense) during the period recognised in OCI for fair valuation of derivatives w.r.t. cash flow hedges	4.58	(0.31)
Closing balance		**(66.94)**	**(69.35)**

Other notes forming part of the financial statements for the year ended March 31, 2023 ₹ crores

38 Movement in provisions: product warranties & others

Particulars	Warranty		Others	
	2022-23	2021-22	2022-23	2021-22
Opening balance	21.53	72.41	-	-
Add:- Additional provision during the year	1.31	11.13	0.82	-
Less:- Provision used / reversed during the year	(14.19)	(62.01)	-	-
Closing balance	**8.65**	**21.53**	**0.82**	**-**

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 period end represents the amount of the expected cost of meeting such obligations of rectification/replacement.

*Other provision mainly includes onerous contracts.

39 Employee benefits

Employee benefits –provision for / contributions to retirement benefit schemes are made in accordance with Ind AS - 19 Employee Benefits as follows –

i. Defined Contribution Plan - The Company has contributed ₹ 3.26 crores (previous year ₹ 3.06 crores) towards provident fund during the year, which is recognised as expense in the statement of profit and loss account.

ii. Defined Benefit Plan :

a) General description of gratuity plans

The Company makes contributions to the Employees Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to employees at the time of retirement, death while in employment or termination of employment, of an amount equivalent to 15 days of last drawn salary for every completed year of service or part thereof in excess of six months, provided the employee has completed five years in service, subject to a maximum of ₹ 0.20 crores.

Table 1-A : Amount recognized in balance sheet - gratuity

Particulars	Gratuity plan	
	31-Mar-23	31-Mar-22
Present value of funded defined benefit obligation	17.06	15.23
Less : Fair value of plan assets	(15.10)	(13.78)
Net defined benefit liability / (asset) recognized in balance sheet	**1.96**	**1.45**

b) General description of provident fund

The provident fund is managed by the holding Company – Larsen & Toubro Limited. The plan envisages contribution by employer and employees and guarantees interest at the rate notified by provident fund authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

Table 1-B : Amount recognized in balance sheet - provident fund

Particulars	Trust managed provident fund plan	
	31-Mar-23	31-Mar-22
Present value of funded defined benefit obligation	111.61	102.23
Less : Fair value of plan assets	(114.15)	(110.00)
Net defined benefit liability / (asset - not recognised in balance sheet)	**(2.54)**	**(7.77)**

Table 2 - Current year expense charged to statement of profit and loss account

Particulars	Gratuity plan		Trust managed provident fund plan	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Current service cost	1.80	1.76	3.26	3.06
Interest income on plan assets	(0.93)	(0.85)	(8.26)	(7.36)
Interest cost on defined benefit obligation	0.99	0.86	8.26	7.36
Actuarial losses / (gains)	0.17	(0.33)	4.95	(0.40)
Actuarial gain/(loss) not recognized in books	-	-	(4.95)	0.40
Expense charged to statement of profit & loss account	**2.03**	**1.45**	**3.26**	**3.06**
I. Amount included in employee benefits expense	1.86	1.77	3.26	3.06
II. Amount included as part of "other comprehensive income"	0.17	(0.32)	-	-
Total expense charged to statement of profit and loss (I + II)	**2.03**	**1.45**	**3.26**	**3.06**

Other notes forming part of the financial statements for the year ended March 31, 2023 **₹ crores**

Table 3 - Reconciliation of opening and closing balance of present value of defined benefit obligations

Particulars	Gratuity plan		Trust managed provident fund plan	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Opening balance of present value of defined benefit obligations	**15.23**	**13.62**	**102.23**	**88.99**
Add: Current service cost	1.80	1.76	3.26	3.06
Add: Interest cost	0.99	0.86	8.26	7.36
Add: Contribution by plan participants	-	-	9.81	9.71
Add (Less): actuarial losses / (gains) arising from:	-			
Changes in financial assumptions	0.74	(0.40)	-	-
Experience adjustments	(0.33)	0.06	-	-
Less: Benefits paid	(1.28)	(0.76)	(10.21)	(6.86)
Add: Liabilities assumed on transfer of employees	(0.09)	0.09	(1.74)	(0.02)
Closing balance of present value of defined benefit obligations	**17.06**	**15.23**	**111.61**	**102.24**

Table 4 - Reconciliation of plan assets

Particulars	Gratuity plan		Trust managed provident fund plan	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Opening fair value of plan assets	13.78	12.94	110.00	97.18
Add: Interest income on plan assets	0.93	0.85	8.26	7.36
Add: Actuarial gain / (losses) - actual return on plan assets less interest income	0.25	(0.01)	(4.95)	0.40
Add: Contributions by employer	1.42	0.69	3.25	3.05
Add: Assets acquired / (settled)*		0.09	(1.74)	(0.02)
Add: Contribution by plan participants	-	-	9.54	8.89
Less: Benefits paid	(1.28)	(0.76)	(10.21)	(6.86)
Closing balance of plan assets	**15.10**	**13.78**	**114.15**	**110.00**

* On account of inter group transfer

The Company expects to fund ₹ 1.96 crores (previous year ₹ 1.36 crores) towards its gratuity plan for the next annual reporting period.

Table 5 - Major categories of plan assets as percentage of total plan assets

Category of Assets	Gratuity plan		Trust managed provident fund plan	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Govt. of India securities	-	-	11.35%	17.48%
State Govt. securities	-	-	34.02%	27.81%
Corporate bonds	-	-	32.21%	30.50%
Public Sector bonds	-	-	6.44%	10.37%
Special deposit scheme	-	-	2.92%	3.29%
Insurer managed fund (LIC)	99.60%	99.85%	0.00%	0.00%
Mutual Funds	-	-	11.98%	10.11%
Others	0.40%	0.15%	1.08%	0.44%
Total	**100%**	**100%**	**100%**	**100%**

Table 6 : Category wise value of plan assets

Category of Assets	Gratuity plan		Trust managed provident fund plan	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Govt. of India securities	-	-	12.96	19.23
State Govt. securities	-	-	38.83	30.58
Corporate bonds	-	-	36.77	33.55
Public Sector bonds	-	-	7.35	11.41
Special deposit scheme	-	-	3.33	3.62
Insurer managed fund (LIC)	15.04	13.76	-	-
Mutual funds	-	-	13.68	11.12
Others	0.06	0.02	1.23	0.49
Closing balance of plan assets	**15.10**	**13.78**	**114.15**	**110.00**

Table 7: Principal actuarial assumptions for gratuity

Particulars	31-Mar-23	31-Mar-22
Discount rate (p.a.)	7.45%	6.95%
Salary escalation rate (p.a.)	6.00%	5.00%
Attrition rate	6% to 8%	6% to 8%

Estimate of future salay increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Other notes forming part of the financial statements for the year ended March 31, 2023 **₹ crores**

Table 8 : Sensitivity analysis - impact of increase / decrease in actuarial assumptions in gratuity

Particulars	Gratuity plan	
	31-Mar-23	31-Mar-22
Discount rate		
Impact of increase in 100 bps on defined benefit obligations	(8.09%)	(7.93%)
Impact of decrease in 100 bps on defined benefit obligations	9.43%	9.24%
Salary escalation rate		
Impact of increase in 100 bps on defined benefit obligations	9.47%	9.33%
Impact of decrease in 100 bps on defined benefit obligations	(8.27%)	(8.14%)

Average duration of defined benefit obligations of gratuity plan for current year is 8.72 years (previous year 8.54 years).

Interest payment obligation of trust-managed provident fund is adequately covered by the interest income of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the statement of profit and loss .

40 Corporate social responsibility

(a) Nature of CSR activities

The Company undertakes CSR projects in sectors as identified under Schedule VII of the Companies Act, 2013 with special focus on the following four verticals viz water, education, health & environment sustainability. It undertakes its CSR activities whether directly as projects/programmes/activities or through partners such as NGOs, registered trust, business associates. Annexure C to the board report may be referred for the details.

(b)

Particulars	2022-23	2021-22
1. Amount required to be spent by the Company during the year	7.31	7.93
2. Amount of expenditure incurred	3.90	4.96
3. Amount transferred to unspent CSR - provision made during the year	3.41	2.97
4. Total of prior years unspent	2.98	1.96
5. Amount spent out of above point 4	2.31	1.95
6. Closing unspent CSR amount as at balance sheet date	4.08	2.98

41 Fair value measurements

The following methods of assumptions were used to estimate the fair values:

1. Fair value of the cash, short term deposits, trade and other short receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amount largely due to short term maturities of these instruments.

2. Fixed and variable interest rates are revalued by the Company based on the parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluations allownace are taken to account for the expected loss on these receivables.

The Company uses the following hirarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

Level 3: Unobservable inputs for the asset or liability.

Financial assets by category:

Sr. no.	Particulars	31-Mar-23	31-Mar-22
1	**Measured at fair value thru profit and loss (FVTPL)**		
(a)	Mutual funds	119.39	98.08
(b)	Derivative instruments not designated as cash flow hedges	2.48	5.53
2	**Measured at amortised cost**		
(a)	Trade Receivables	869.87	896.26
(b)	Advances recoverable in cash	1.37	1.56
(c)	Cash and cash equivalents	248.55	288.76
(d)	Other bank balances (incl. fixed deposit having maturity >12 mths)	18.63	221.32
(e)	Security deposits	4.62	2.14
(f)	Other receivables	1.23	3.63
3	**Measured at Fair value thru OCI (FVTOCI)**		
(a)	Derivative instruments designated as cash flow hedges	-	1.01
Total financial assets		**1,266.14**	**1,518.29**

Financial liabilities by category:

Sr. no.	Particulars	31-Mar-23	31-Mar-22
1	**Measured at fair value thru profit and loss (FVTPL)**		
(a)	Embedded derivatives not designated as cash flow hedges	8.30	13.66
(b)	Derivative instruments not designated as cash flow hedges	0.56	1.62
2	**Measured at amortised cost**		
(a)	Lease liability	0.81	0.01
(b)	Trade payables	887.88	691.72
(c)	Other financial liabilities	180.38	187.98
3	**Financial liabilities at fair value thru OCI**		
(a)	Embedded derivatives designated as cash flow hedges	17.35	37.32
(b)	Derivative instruments designated as cash flow hedges	0.76	-
Total financial liabilities		**1,096.04**	**932.31**

Other notes forming part of the financial statements for the year ended March 31, 2023 ₹ crores

Disclosures in statement of profit and loss

Sr. no.	Particulars	2022-23	2021-22
1	**Net gain / (losses) on financial assets and financial liabilities**		
(a)	**Mandatorily measured at fair value thru" P&L**		
	Gain / (loss) on fair valuation or sale of investment in Mutual Fund	4.78	3.12
(b)	**Designated as at fair value thru" P&L**		
	(i) Gain / (loss) on fair valuation or settlement of forward contract not designated cash flow hedges	1.62	14.36
	(ii) Gain / (loss) on fair valuation or settlement of Embedded derivative contract not designated cash flow hedges	(18.25)	(14.85)
(c)	**Financial assets measured at amortised cost**		
	(i) Exchange gain / (loss) on revaluation or settlement of items denominated in foreign currency	17.34	(3.69)
	(ii) (Allowances)/reversal of expected credit loss during the year	(7.53)	(8.74)
(d)	**Financial liabilities measured at amortised cost**		
	(i) Exchange gain / (loss) on revaluation or settlement of items denominated in foreign currency	(1.10)	12.51
(e)	**Financial assets measured at FVTOCI:**		
(i)	Gains recognized in OCI		
	(a) Gain / (loss) on fair valuation of settlement of forward contracts designated as cash flow hedges	(1.78)	(0.00)
	(b) Gain / (loss) on fair valuation of settlemen of embedded derivatives contracts designated as cash flow hedges	19.97	(1.22)
(ii)	Gains reclassified to P&L from OCI upon de-recognition		
	(a) on embedded derivative contracts upon underlying hedged assets affecting the P&L account or related assets or liabilities.	(4.58)	(21.05)
2	**Interest revenue**		
	Financial assets measured at amortised cost	21.33	24.92
3	**Interest expense**		
	Financial liabilities that are not measured at FVTPL	(0.09)	(0.30)

Outstanding hedge instruments as at March 31, 2023

Particulars	Nominal Amount	Average Rate (₹)	Timing	
			Upto 12 months	More than 12 months
Currency exposure				
Cash flow hedge				
Foreign currency forward covers				
Payable hedges				
USD including USD pegged currency	-	-	-	-
EUR	0.07	90.08	0.07	-
JPY	-	-	-	-
GBP	0.02	101.67	0.02	-
Receivable hedges				
USD including USD pegged currency	2.32	82.29	2.32	-
EUR	0.53	89.54	0.53	-
JPY	154.70	0.64	154.70	-

Outstanding hedge instruments as at March 31, 2022

Particulars	Nominal Amount	Average Rate (₹)	Timing	
			Upto 12 months	More than 12 months
Currency exposure				
Cash flow hedge				
Foreign currency forward covers				
Payable hedges				
USD including USD pegged currency	-	-	-	-
EUR	0.06	83.25	0.06	-
JPY	13.30	0.67	13.30	-
GBP	0.06	100.73	0.06	-
Receivable hedges				
USD including USD pegged currency	2.66	77.18	2.38	0.28
EUR	0.78	87.46	0.65	0.14
JPY	199.90	0.65	199.90	-

Other notes forming part of the financial statements for the year ended March 31, 2023

₹ crores

Carrying amounts of hedge instruments

Particulars	2022-23		2021-22	
	Currency exposure	Interest rate exposure	Currency exposure	Interest rate exposure
(i) Forward contracts				
Current				
Asset - Other financial assets	2.48	-	6.54	-
Liability - Other financial liabilities	1.32	-	1.62	-
Non current				
Asset - Other financial assets	-	-	-	-
Liability - Other financial liabilities	-	-	-	-
(ii) Embedded derivative				
Current				
Asset - Other financial assets	-	-	-	-
Liability - Other financial liabilities	25.65	-	40.90	-
Non current				
Asset - Other financial assets	-	-	-	-
Liability - Other financial liabilities	-	-	10.08	-

Movement of hedge reserve

Particulars	2022-23	2021-22
Opening balance	**27.16**	**26.25**
Add: Movement in forward contract	1.78	0.00
Add: Movement in embedded derivative	(19.97)	1.22
Add: Deferred tax related to above	4.58	(0.31)
Closing balance	**13.55**	**27.16**

Fair value hierarchy as at March 31, 2023

Financial assets and liabilities measured - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Measured at fair value thru Profit and loss (FVTPL)				
Mutual funds	119.39	-	-	119.39
Embedded derivative not designated as cash flow hedges	-	-	-	-
Derivative instruments not designated as cash flow hedges	-	2.48	-	2.48
Measured at amortised cost				
Trade receivables	-	869.87	-	869.87
Advances recoverable in cash	-	1.37	-	1.37
Cash and cash equivalents	-	248.55	-	248.55
Other bank balances (incl. fixed deposit having maturity >12 mths)	-	18.63	-	18.63
Security deposits	-	4.62	-	4.62
Other receivables	-	1.23	-	1.23
Measured at Fair value thru OCI				
Derivative financial instruments designated as cash flow hedges	-	-	-	-
Total financial assets	**119.39**	**1,146.75**	**-**	**1,266.14**
Financial liabilities				
Measured at fair value thru profit and loss (FVTPL)				
Embedded derivatives not designated as cash flow hedges	-	8.30	-	8.30
Derivative instruments not designated as cash flow hedges	-	0.56	-	0.56
Measured at amortised cost				
Lease liability	-	0.81	-	0.81
Trade payables	-	887.88	-	887.88
Other financial liabilities	-	180.38	-	180.38
Financial liabilities at fair value thru OCI				
Embedded derivatives designated as cash flow hedges	-	17.35	-	17.35
Derivative instruments designated as cash flow hedges	-	0.76	-	0.76
Total financial liabilities	**-**	**1,096.04**	**-**	**1,096.04**

Other notes forming part of the financial statements for the year ended March 31, 2023 ₹ crores

Fair Value Hierarchy as at March 31, 2022

Financial assets and liabilities measured - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Measured at fair value thru profit and loss (FVTPL)				
Mutual funds	98.08	-	-	98.08
Embedded derivative not designated as cash flow hedges	-	-	-	-
Derivative instruments not designated as cash flow hedges	-	5.53	-	5.53
Measured at amortised cost				-
Trade receivables	-	896.26	-	896.26
Advances recoverable in cash	-	1.56	-	1.56
Cash and cash equivalents	-	288.76	-	288.76
Other bank balances (incl. fixed deposit having maturity >12 mths)	-	221.32	-	221.32
Security deposits	-	2.14	-	2.14
Other receivables	-	3.63	-	3.63
Measured at Fair value thru OCI				-
Embedded derivatives designated as cash flow hedges	-	-	-	-
Derivative financial instruments designated as cash flow hedges	-	1.01	-	1.01
Total financial assets	**98.08**	**1,420.21**	**-**	**1,518.29**
Financial Liabilities				
Measured at fair value thru profit and loss (FVTPL)				
Embedded derivatives not designated as cash flow hedges	-	13.66	-	13.66
Derivative instruments not designated as cash flow hedges	-	1.62	-	1.62
Measured at amortised cost				
Lease liability	-	0.01	-	0.01
Trade payables	-	691.72	-	691.72
Other financial liabilities	-	187.98	-	187.98
Financial liabilities at fair value thru OCI				-
Embedded derivatives designated as cash flow hedges	-	37.32	-	37.32
Derivative instruments designated as cash flow hedges	-	-	-	-
Total financial liabilities	**-**	**932.31**	**-**	**932.31**

Fair value of financial assets and liabilities measured at amortised cost:

The carrying amounts of trade receivables, trade payables and cash and cash equivalents and other financial assets and liabilities (measured at amortised cost) are considered to be the same as their fair value due to their short term nature.

42 Financial risk management

The Company is exposed to credit/counter-party risk, liquidity risk, and currency risk and interest rate risk.

The Company's risk management policy (including financial risk) is approved by the board of directors.

The Company's risk management committee is responsible for the implementation of the risk management policy.

a) Credit / counter-party risk

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

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

In addition, for delay in collection of receivables, the Company has made provision for expected credit loss ('ECL') based on ageing analysis of its trade receivables. These range from 7.85% (Previous year 7.85%) for dues outstanding from six months to twelve months and 80% (Previous year 80%) for dues outstanding for more than 108 months . The provision for ECL is based on external and internal credit risk factors such as the Company's historical experience for customers, type of customer e.g. public sector, private sectors etc.

ECL reconciliation on trade receivable has been given at note 29(b).

The percentage of revenue from its top two customers is 74.75% for 2022-23 (Previous year 77.14%).

The counter-party risk that the Company is exposed to is principally for financial instruments taken to hedge its foreign currency risks (see below). The counter-parties are mainly banks and the Company has entered into contracts with the counterparties for all its hedge instruments and in addition, entered into suitable credit support agreements to cap counter-party risk where necessary.

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

b) Liquidity risk

The Company's treasury department monitors the cash flows of the Company and surplus funds are invested in non-speculative financial instruments that are usually highly liquid funds (see counter-party risk above).

The Company has credit facilities (both fund based and non-fund based) with banks that will help it to generate funds and other financial facilities for the business.

Other notes forming part of the financial statements for the year ended March 31, 2023 **₹ crores**

Maturity profile of financial liabilities as at March 31, 2023

Sr. no.	Particulars	Up to 12 months	More than 12 months	Total
1	**Measured at fair value thru profit and loss (FVTPL)**			
(a)	Embedded derivatives not designated as cash flow hedges	8.30	-	8.30
(b)	Derivative instruments not designated as cash flow hedges	0.56	-	0.56
2	**Measured at amortised cost**			
(a)	Lease liability	0.30	0.51	0.81
(b)	Trade payables	887.88	-	887.88
(c)	Other financial liabilities	180.38	-	180.38
3	**Financial liabilities at fair value thru OCI**			
(a)	Embedded derivatives designated as cash flow hedges	17.35	-	17.35
(b)	Derivative instruments designated as cash flow hedges	0.76	-	0.76
Total financial liabilities		**1,095.53**	**0.51**	**1,096.04**

Maturity profile of financial assets as at March 31, 2023

Sr. no.	Particulars	Up to 12 months	More than 12 months	Total
1	**Measured at fair value thru profit and loss (FVTPL)**			
(a)	Mutual funds	119.39	-	119.39
(b)	Derivative instruments not designated as cash flow hedges	2.48	-	2.48
2	**Measured at amortised cost**			
(a)	Trade receivables	802.57	67.30	869.87
(b)	Advances recoverable in cash	0.74	0.63	1.37
(c)	Cash and cash equivalents	248.55	-	248.55
(d)	Other bank balances	18.63	-	18.63
(e)	Security deposits	0.21	4.41	4.62
(f)	Other receivables	1.23	-	1.23
3	**Measured at fair value thru OCI**			
(a)	Derivative financial instruments designated as cash flow hedges	-	-	-
Total financial assets		**1,193.80**	**72.34**	**1,266.14**

Maturity profile of financial liabilities as at March 31, 2022

Sr. no.	Particulars	Up to 12 months	More than 12 months	Total
1	**Measured at fair value thru profit and loss (FVTPL)**			
(a)	Embedded derivatives not designated as cash flow hedges	12.56	1.10	13.66
(b)	Derivative instruments not designated as cash flow hedges	1.62	-	1.62
2	**Measured at amortised cost**			
(a)	Lease liability	0.01	-	0.01
(b)	Trade payables	691.72	-	691.72
(c)	Other financial liabilities	187.98	-	187.98
3	**Financial liabilities at fair value thru OCI**			
(a)	Embedded derivatives designated as cash flow hedges	28.34	8.98	37.32
Total financial liabilities		**922.23**	**10.08**	**932.31**

Maturity profile of financial assets as at March 31, 2022

Sr. no.	Particulars	Up to 12 months	More than 12 months	Total
1	**Measured at fair value thru profit and loss (FVTPL)**			
(a)	Mutual funds	98.08	-	98.08
(b)	Derivative instruments not designated as cash flow hedges	5.53	-	5.53
2	**Measured at amortised cost**			
(a)	Trade receivables	823.87	72.39	896.26
(b)	Advances recoverable in cash	0.61	0.95	1.56
(c)	Cash and cash equivalents	288.76	-	288.76
(d)	Other bank balances	221.32	-	221.32
(e)	Security deposits	0.01	2.13	2.14
(f)	Other receivables	3.63	-	3.63
3	**Measured at fair value thru OCI**			
(a)	Derivative financial instruments designated as cash flow hedges	1.01	-	1.01
Total financial assets		**1,442.82**	**75.47**	**1,518.29**

Other notes forming part of the financial statements for the year ended March 31, 2023 ₹ crores

c) Market risk:
Market risk is the risk of loss of future earnings, fair value and future cash flows that may result from change in price of financial instrument. The value of the financial instrument may change as a result of change in interest rate scenario and other market changes that affect the market risk sensitive instrument. Market risk is attributable to market risk sensitive instruments viz. investments in mutual funds. The Company has got a treasury team which manages cash resources, implementation of hedging strategies for foreign currency exposures, borrowing strategies and ensure compliance with market risk limits and policies. This team is guided by the treasury committee. Company manages the market risk through the treasury committee which evaluates and exercises independent control over the entire process of market risk management. The treasury committee recommends the policies & processes for investments. The committee is appraised the implementation of plan & policies on quarterly basis. Board of the Company is also appraised of the proceedings of the treasury committee on quarterly basis.

(i) Foreign currency risk
Foreign exchange risk is a significant financial risk for the Company. The Company uses derivative financial instruments to mitigate foreign exchange related exposures. Specialist teams that have the appropriate skills and experience take decisions for risk management purposes. The Company's operations also involves foreign currencies and maximum exposure is in US dollars and Japanese Yen.

The board of directors has approved the Company's financial risk management policy covering management of foreign currency exposures. The Company's treasury department monitors the foreign currency exposures and takes appropriate forward covers to mitigate its risk. The Company hedges its exposure both on cash flow basis as well as on net basis (i.e. net expected outcome of the project). These hedges are cash flow hedges. In addition, the Company has embedded derivatives mainly for projects in India that were won on an international competitive bidding basis. These are quoted in foreign currency to match the exposure that the Company has as liabilities for the project. Since embedded derivatives are considered ineffective, they are charged to the statement of profit and loss along with the corresponding hedge instrument taken (if any) to mitigate the foreign exchange risk.

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

Contracts with maturity not later than twelve months include certain contracts that can be rolled over to subsequent periods in line with underlying exposures.

Exchange rate risk

Particulars	Impact on profit after tax		Impact on other components of equity	
	2022-23	**2021-22**	**2022-23**	**2021-22**
USD sensitivity				
INR/USD -increase by 5%*	1.29	0.97	9.46	9.59
INR/USD -decrease by 5%*	(1.29)	(0.97)	(9.46)	(9.59)
EURO Sensitivity				
INR/EURO -increase by 5%*	0.04	(0.04)	1.91	2.71
INR/EURO -decrease by 5%*	(0.04)	0.04	(1.91)	(2.71)
JPY Sensitivity				
INR/JPY -increase by 5%*	0.28	0.61	3.88	4.60
INR/JPY -decrease by 5%*	(0.28)	(0.61)	(3.88)	(4.60)
GBP Sensitivity				
INR/GBP -increase by 5%*	(0.08)	(0.02)	(0.09)	(0.29)
INR/GBP -decrease by 5%*	0.08	0.02	0.09	0.29
CNY Sensitivity				
INR/CNY -increase by 5%*	0.00	0.00	-	-
INR/CNY -decrease by 5%*	(0.00)	(0.00)	-	-

* Holding all other variable constant

(ii) Interest rate risk exposure

Particulars	31-Mar-23	31-Mar-22
Variable rate borrowings	-	-
Fixed rate borrowings	-	-
Total borrowings	**-**	**-**

(iii) Price risk in mutual fund investments

Particulars	Impact on profit after tax	
	2022-23	**2021-22**
Liquid funds		
NAV -increase by 1%*	1.19	0.98
NAV -decrease by 1%*	(1.19)	(0.98)

* Holding all other variable constant

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

Other notes forming part of the financial statements for the year ended March 31, 2023 **₹ crores**

43 Segment information

The operations of the Company are only in single business segment of "Designing, engineering, manufacturing and commissioning of super critical steam boilers" carried out primarily in India. Hence, requirements of Ind AS 108 on "Operating segments" are not applicable to it. However customer wise and geographic wise disclosure of revenue is stated below :-

Customers constituting more than 10% of the revenue

Particulars	Segment	2022-23	2021-22
Customer 1	Supercritical boilers & its components	1,105.04	1,084.75
Customer 2	Supercritical boilers & its components	480.50	697.54
Customer 3	Supercritical boilers & its components	214.57	290.87
Customer 4	Supercritical boilers & its components	97.88	71.88

Disclosure pursant to Ind AS 108 "Operating segments" - geographical information of revenue

Particulars	2022-23	2021-22
Revenue from India	1,961.72	2,248.11
Revenue from Japan	97.88	24.14
Revenue from Austria	61.53	37.55
Revenue from USA	-	0.80
Total revenue	**2,121.13**	**2,310.60**

44 Related party disclosures pursuant to Ind AS 24 "Related party disclosures"

a. **List of related parties who exercise control**

Sr. no.	Name of the related party	Country of incorporation	% equity interest in the Company	
			31-Mar-23	31-Mar-22
1	Larsen & Toubro Limited	India	51%	51%
2	Mitsubishi Power, Ltd.	Japan	0%	49%
3	Mitsubishi Heavy Industries, Ltd.	Japan	49%	0%

b. **Key management personnel (KMP) :**

Name	Designation
Mr Deepak Raj Jain	Chief Financial Officer and Company Secretary

Payment of salaries, commission and perquisites to KMP - Mr Deepak Raj Jain

Sr. no.	Particulars	2022-23	2021-22
a	Short-term employee benefits	0.57	0.52
b	Other long term benefits	0.01	0.01
Total amount paid to KMP		**0.58**	**0.53**

c. **Payments made to independent directors**

Fees paid	2022-23		2021-22	
	Mr. Shekar Viswanathan	Mrs. Vijaya Sampath	Mr. Shekar Viswanathan	Mrs. Vijaya Sampath
Sitting fees	0.03	0.03	0.03	0.02
Commission	0.05	0.05	0.05	0.05
Total	**0.08**	**0.08**	**0.08**	**0.07**

d. **Post-employment benefit plans with whom transactions were carried out during the year**

Name of post employment benefit plan	Transaction	2022-23	2021-22
Larsen & Toubro Officers and Supervisory Staff Provident Fund	Payment to trust managed provident fund	3.25	3.05
L&T MHI Boilers Gratuity Trust	Payment to approved gratuity fund	1.42	0.69

Other notes forming part of the financial statements for the year ended March 31, 2023

₹ crores

e. Disclosure of related party transactions

Particulars	Year	Joint venturer		Members of same group									
		Larsen & Toubro Limited	Mitsubishi Heavy Industries Ltd*	L&T-MHI Power Turbine Generators Private Limited	L&T-Sargent & Lundy Limited	L&T Howden Private Limited	Nabha Power Limited	LTI Mindtree Limited**	L&T Special Steels & Heavy Forgings Private Limited	L&T Valves Limited	L&T Technology Services Limited	Mitsubishi Power Hangzhou Environmental Equipment Co Ltd	Mitsubishi Power India Private Limited
Transactions with the related parties:													
Sale of goods/contract revenue	2022-23	478.11	97.88	0.81	-	-	1.26	-	0.32	-	-	-	-
	2021-22	696.27	24.14	27.68	-	-	8.39	-	-	-	-	-	-
Service rendered	2022-23	2.39	-	0.03	-	0.04	-	-	3.01	-	-	-	-
	2021-22	1.33	0.09	1.18	1.16	-	-	-	2.49	-	-	-	-
Deputation fees paid	2022-23	-	-	-	-	-	-	-	-	-	-	-	2.30
	2021-22	-	-	-	-	-	-	-	-	-	-	-	1.41
Purchase of fixed assets	2022-23	0.38	-	-	-	-	-	-	-	-	-	-	-
	2021-22	0.25	-	-	-	-	-	-	-	-	-	-	-
Sales of fixed assets	2022-23	-	-	-	-	-	-	-	1.46	-	-	-	-
	2021-22	0.15	-	-	-	-	-	-	-	-	-	-	-
Engineering services, purchase of goods, sub-contracting and other revenue charges (net of recoveries)	2022-23	136.86	0.84	(0.07)	3.41	126.60	-	0.01	-	44.76	-	27.85	(0.39)
	2021-22	97.02	5.77	(0.05)	3.89	91.94	0.19	0.01	0.04	22.41	-	15.05	(0.31)
Royalty paid	2022-23	-	5.75	-	-	-	-	-	-	-	-	-	-
	2021-22	-	28.23	-	-	-	-	-	-	-	-	-	-
Provision towards bad and doubtful debts (including expected credit loss on account of delay	2022-23	-	0.12	-	-	-	0.01	-	0.00	-	-	-	-
	2021-22	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	2022-23	119.39	114.71	-	-	-	-	-	-	-	-	-	-
	2021-22	119.39	114.71	-	-	-	-	-	-	-	-	-	-
Year end balances with related parties:													
Accounts receivables including retention money	31.03.2023	897.06	34.12	2.70	-	0.01	0.31	-	4.30	-	-	-	0.12
	31.03.2022	926.82	1.13	25.68	0.04	0.02	0.55	-	0.45	-	-	-	0.03
Advances from customers	31.03.2023	10.62	24.11	-	-	-	-	-	-	-	-	-	-
	31.03.2022	25.07	39.49	0.08	-	-	-	-	-	-	-	-	-
Accounts payables	31.03.2023	93.77	2.24	0.28	0.48	104.43	-	0.01	-	32.56	-	5.89	0.47
	31.03.2022	52.32	11.19	0.28	0.54	101.79	-	0.00	0.03	9.65	-	3.00	0.83
Advances to vendors	31.03.2023	7.45	-	-	0.00	0.77	-	-	-	2.17	-	-	-
	31.03.2022	18.01	-	-	0.00	13.86	-	-	-	5.11	-	-	-

f. Amount written off or written back in respect of debts due from or to related parties is ₹ NIL (previous year : ₹ NIL)

g. For *, **, refer note 44 (h).

Other notes forming part of the financial statements for the year ended March 31, 2023 ₹ crores

h. Names of related parties with whom transactions were carried out during the year and description of relationship:

Sr. no.	Related party	Relationship
1	Larsen & Toubro Limited	Joint venturer
2	Mitsubishi Heavy Industries Ltd*	Joint venturer
3	L&T-MHI Power Turbine Generators Private Limited	Member of same group
4	L&T-Sargent & Lundy Limited	Member of same group
5	L&T Howden Private Limited	Member of same group
6	Nabha Power Limited	Member of same group
7	LTI Mindtree Limited**	Member of same group
8	L&T Special Steels & Heavy Forgings Private Limited	Member of same group
9	L&T Valves Limited	Member of same group
10	L&T Technology Services Limited	Member of same group
11	Mitsubishi Power Hangzhou Environmental Equipment Co Ltd	Member of same group
12	Mitsubishi Power India Private Limited	Member of same group

*Pursuant to business integration between Mitsubishi Power, Ltd Japan and Mitsubishi Heavy Industries, Ltd Japan, transactions and balances of Mitsuibishi Power, Ltd Japan has been merged into Mitsubishi Heavy Industries, Ltd Japan

**The Scheme of merger of Mindtree Limited with Larsen & Toubro Infotech Limited got approved during the year and is effective from April 1, 2022. The merged entity has been renamed as "LTIMindtree Limited"

i. Purchase commitment with related parties - revenue

Sr. no.	Related party	31-Mar-23	31-Mar-22
1	Larsen & Toubro Limited	29.31	151.65
2	Mitsubishi Heavy Industries Ltd	5.13	3.89
3	L&T-MHI Power Turbine Generators Private Limited	-	0.01
4	L&T - Sargent & Lundy Limited	2.66	5.89
5	L&T Howden Private Limited	18.01	139.59
6	Nabha Power Limited	0.01	0.01
7	LTI Mindtree Limited*	0.49	0.09
8	L&T Special Steels & Heavy Forgings Private Limited	-	0.70
9	L&T Valves Limited	17.24	58.17
10	L&T Technology Services Limited	0.01	0.01
11	Mitsubishi Power Hangzhou Environmental Equipment Co Ltd	-	25.11
Total commitment with related parties		**72.86**	**385.12**

45 Contingent liabilities

Contingent liabilities as at balance sheet date are as under:-

Nature of liability	Name of statue	Status	31-Mar-23	31-Mar-22
Sales tax liability	Central Sales Tax Act and Local Sales Tax Act Gujarat	Appeal filed with appellate authority	0.15	0.15
Sales tax liability	Central Sales Tax Act and Local Sales Tax Act, Madhya Pradesh	Appeal filed with Appellate authority of Commercial Tax, Bhopal.	0.67	0.67
Customs duty	Customs Act, 1962	Reply submitted to Dy. Commissioner, Customs for the demand notice	-	0.13

The Company does not expect any reimbursements in respect of the above contingent liabilities. It is not practicable to estimate the timings of cash outflows, if any, in respect of above pending resolution of the appellate proceedings.

46 Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) as on balance sheet date is ₹ 2.18 crores (previous year ₹ 3.48 crores).

47 Earnings per share & dividend

a. Basic and diluted earnings per share (EPS)

Particulars	2022-23	2021-22
Profit / (loss) after tax (₹ crores)	32.25	241.02
Number of shares outstanding (in crores)	23.41	23.41
Weighted average number of shares outstanding (in crores)	23.41	23.41
Basic and diluted earning per share (₹ per share)	**1.38**	**10.30**

b. Dividend :

During the year ended March 31, 2023, the company had declared and paid interim dividend of ₹ 10/- per equity share (previous year ₹ 10/- per equity share) on 23.41 crore equity shares of ₹ 10 each amounting to ₹ 234.10 crores (previous year ₹ 234.10 crores).

48 Disclosure relating to ratios

Ratio	Current period			Previous period			% variance	Reason for variance
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
Current ratio	2,764.93	1,668.39	1.66	2,947.70	1,705.19	1.73	-4%	NA
Debt-equity ratio	-	1,546.77	-	-	1,735.14	-	0%	NA
Debt service coverage ratio	45.61	0.09	506.78	324.67	0.30	1,077.20	-53%	Variance is mainly due to fall in profits in FY23 on account of account of increase in project cost.
Return on equity	45.52	1,640.96	3%	324.36	1,732.01	19%	-85%	
Inventory turnover ratio	1,430.76	102.03	14.02	1,346.75	222.52	6.05	132%	Variance is mainly due to decrease in inventory level on dispacthes in running projects.
Trade receivables turnover ratio	2,121.13	883.07	2.40	2,310.60	917.47	2.52	-5%	NA
Trade payables turnover ratio	1,872.14	789.80	2.37	1,824.64	681.63	2.68	-11%	NA
Net capital turnover ratio	2,121.13	1,169.53	1.81	2,310.60	1,230.53	1.88	-3%	NA
Net profit ratio	32.25	2,121.13	2%	241.02	2,310.60	10%	-85%	Variance is mainly due to fall in profits in FY23 on account of account of increase in project cost.
Return on capital employed (ROCE)	32.32	1,640.96	2%	241.25	1,750.52	14%	-86%	
Return on investment	26.11	495.18	5%	28.05	764.24	4%	44%	Variance is mainly due to increase in return in MF investment/ Bank deposits due to increase in interest rate.

49 Disclosure of struck off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

Other notes forming part of the financial statements for the year ended March 31, 2023 **₹ crores**

50 Share based payments - employee option plan

Pursuant to the Employees Stock Options Scheme established by the Joint Venturer (i.e. Larsen & Toubro Limited), stock options were granted to the employees of the Company. Total cost incurred by the joint venturer, in respect of the same is ₹ 46.20 crores. (previous year ₹ 46.47 crores). The same is being recovered over the period of vesting by the joint venturer. Accordingly, cost of ₹ 45.98 crores (previous year ₹45.83 crores) has been recovered by the joint venture upto current year, out of which, ₹ 0.15 crores (previous year ₹ 0.41 crores) was recovered during the year. Balance ₹ 0.22 crores will be recovered in future periods.

51 Assets pledged as security

Carrying amount of assets pledged as security for current borrowings:

Particulars	31-Mar-23	31-Mar-22
Financial assets		
Trade receivables	869.87	896.26
Non financial assets		
Inventories	67.99	136.06
Retention money	1,246.20	1,116.49
Total assets pledged as security	**2,184.06**	**2,148.81**

52 Ultimate beneficiary

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

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

53 Previous years figures have been re-grouped/reclassified wherever necessary.

As per our report attached

For Sharp & Tannan
Chartered Accountants
Firm’s registration no. 109982W
By the hand of

Firdosh D. Buchia
Partner
Membership no. 038332

Place : Faridabad, India
Date : 28.04.2023

For and on behalf of the Board

Deepak Raj Jain	**Srinivas Sirupa**	**Tatsuo Shibahara**	**Derek M Shah**
Chief Financial Officer & Company Secretary	Whole Time Director	Whole Time Director	Chairman
ACS: 12162	DIN: 09463815	DIN: 09766635	DIN: 06526950

Place : Faridabad, India
Date : 28.04.2023