

M.K. DANDEKER & CO.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Kudgi Transmission Limited**

Report on the audit of the financial results

Opinion

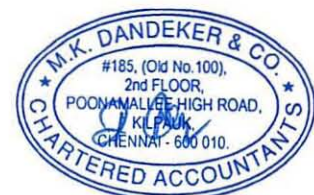
We have audited the accompanying Financial Results of **KUDGI TRANSMISSION LIMITED** ("the Company") for the quarter ended and year ended March 31, 2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of information and according to the explanations given to us, the aforesaid Financial Results:

- (i) are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for Financial Results" 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.



Management's Responsibility for the Financial Results

These Financial Results have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company, in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The Board of Directors of the Company are responsible for 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Financial Results 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 Results.

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

- Identify and assess the risks of material misstatement of the Financial Results, 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 control 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 with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 ability of the Company 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 Results 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 Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Date: April 17, 2023

Place: Chennai

UDIN: 23227630BGUWSO3134

For M.K. Dandeker & Co.,
(ICAI Reg. No.000679S)



R. Arun Kumar Mehta
Partner

Chartered Accountants
Membership No. 227630



Statement of Audited Financial Results for the year ended March 31, 2023

S.No.	Particulars	Quarter Ended			Year to date period ending		Previous year ended
		31.03.23	31.12.22	31.03.22	31.03.23	31.03.22	31.03.22
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1	INCOME						
2	Revenue from Operations	5,058	5,023	8,670	19,374	22,656	22,656
3	Other income	978	770	504	2,711	1,593	1,593
4	Total income	6,036	5,793	9,174	22,085	24,249	24,249
5	EXPENSES						
6	Operating expenses	342	319	320	1,313	1,401	1,401
7	Employee benefit expenses	39	34	33	138	107	107
8	Finance cost	3,164	3,162	3,255	12,510	12,870	12,870
9	Depreciation and amortisation	2	6	12	31	49	49
10	Other expenses	103	71	150	326	316	316
11	Total expenses	3,650	3,592	3,770	14,318	14,743	14,743
12	Profit/(loss) before tax	2,386	2,201	5,404	7,767	9,506	9,506
13	Tax Expenses	-	-	-	-	-	-
14	Profit/(loss) for the Period	2,386	2,201	5,404	7,767	9,506	9,506
15	Other Comprehensive Income						
16	i) Items that will not be reclassified to profit or loss	1	-	-	1	-	-
17	ii) Items that will be reclassified to profit or loss (net of tax)	-	-	-	-	-	-
18	Total Comprehensive income for the Period	2,387	2,201	5,404	7,768	9,506	9,506
19	Earnings per equity share (Basic and Diluted)	1.24	1.14	2.81	4.03	4.94	4.94
20	Face value per equity share (₹)	10.00	10.00	10.00	10.00	10.00	10.00
21	Debenture Redemption Reserve	13,330	13,330	10,006	13,330	10,006	10,006
22	Debt Equity Ratio	2.24 : 1	2.28 : 1	2.62 : 1	2.24 : 1	2.62 : 1	2.62 : 1
23	Networth	64,691	62,303	56,922	64,691	56,923	56,923
24	Debt Service Coverage Ratio (refer note e)	NA	NA	NA	1.23 : 1	1.36 : 1	1.36 : 1
25	Interest Service Coverage Ratio (refer note e)	1.75 : 1	1.58 : 1	1.74 : 1	1.62 : 1	1.74 : 1	1.74 : 1
26	Current Ratio	3.22	3.96	2.99	3.22	2.99	2.99
27	Long Term Debt to Working Capital	3.65	3.39	4.62	3.65	4.62	4.62
28	Bad Debts to Accounts Receivable Ratio	NA	NA	NA	NA	NA	NA
29	Current Liability Ratio	0.08	0.06	0.08	0.08	0.08	0.08
30	Total Debts to Total Assets	0.69	0.69	0.72	0.69	0.72	0.72
31	Debtors Turnover	NA	NA	NA	NA	NA	NA
32	Inventory Turnover	NA	NA	NA	NA	NA	NA
33	Operating Margin %	93%	89%	95%	93%	93%	93%
34	Net Profit Margin %	72%	34%	59%	40%	39%	39%

Notes:

- (a) The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on April 17, 2023.
- (b) There were no exceptional items.
- (c) Debenture Redemption Reserve is created for the quarter ended March 31, 2023 as per the Ministry of Corporate Affairs notification dated February 19, 2021.
- (d) In terms of clause 52 (7A) of the listing agreement, we hereby confirm that there is no material deviation in the use of proceeds of debt securities from the objects specified in the offer document.
- (e) Debt servicing is only in the month of April in each financial year, hence, debt service coverage ratio for the quarter ended March 31, 2023, December 31, 2022, and March 31, 2022 are not considered and accordingly have been computed only for the year ended.
- The Debt Service Coverage ratio and Interest Service Coverage ratio are based on the result for the quarter ended March 31, 2023, December 31, 2022, and March 31, 2022. The aggregate of accumulated cash and cash equivalents and investments as on March 31, 2023, December 31, 2022, and March 31, 2022 is ₹ 56,669 Lakhs, ₹ 49878 Lakhs and ₹ 52,124 Lakhs respectively and debt servicing for the financial year 2022-23 has been made in the month of April 2022.
- (f) The Non-Convertible debentures are secured by first ranking pari passu charge/ hypothecation on the movable assets of the issuer, i.e. movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles, present and future, intangible, goodwill, intellectual property, present and future, in favour of the Debenture Trustee.
- (g) The asset cover ratio works out to 1.45 times.
- (h) The Company is engaged in the business of Power Transmission on build, own, operate and maintain as a single business segment. Hence, reporting of operating segments is not required. The Company does not have operations outside India. Hence, disclosure of geographical segment information is also not required.
- (i) The Company's Non-Convertible Debentures have been rated AAA (Stable) by both ICRA Limited and CRISIL.
- (j) L&T Infrastructure Development Projects Limited (holding company) has entered into a share purchase agreement to sell 100% equity shares of the Company on 16th Dec 2022. The said transaction is subject to requisite approvals.
- (k) Previous periods / year's figures are regrouped / reclassified, wherever necessary to conform to the classification of current period.

For M.K.Dandeker & Co.
 Chartered Accountants
 (Firm Regn. No. 0006795)

R. Arun Kumar Mehta
 Partner
 Membership No. 227630



For and on behalf of the Board,
 Kudgi Transmission Limited

Pramod Sushila Kapoor
 Director
 (DIN : 02914307)

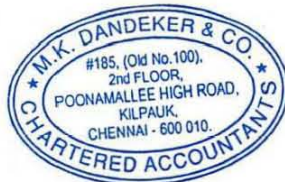
Place: Chennai
 Date: April 17, 2023

Note g : Annexure I



KUDGI TRANSMISSION LIMITED		
Regd. Office : P.B.No.979, Mount Poonamallee Road, Manapaklam, Chennai - 600 089.		
CIN : U40106TN2012PLC111122		
₹Lakhs		
Statement of Assets & Liabilities as at 31.03.2023		
Particulars	As at 31.03.23 (Current year ended)	As at 31.03.22 (Previous year ended)
	(Audited)	(Audited)
ASSETS		
Non-current assets		
a) Property, Plant and Equipment	784	816
b) Financial Assets		
i) Others financial assets	1,57,791	1,57,092
c) Other non-current assets	3	2
	1,58,578	1,57,909
Current assets		
a) Financial Assets		
i) Investments	10,789	15,234
ii) Cash and bank balances	554	506
iii) Other bank balances	39,751	31,857
b) Current Tax Assets (net)	198	717
c) Other current assets	135	147
	51,427	48,462
TOTAL	2,10,005	2,06,371
EQUITY AND LIABILITIES		
EQUITY		
a) Equity Share capital	19,260	19,260
b) Other Equity	45,431	37,663
	64,691	56,923
LIABILITIES		
Non-current liabilities		
a) Financial liabilities		
i) Borrowings	1,29,360	1,33,248
ii) Other financial liabilities	3	3
b) Provisions	1	1
b) Other non-current liabilities	3	3
	1,29,367	1,33,255
(2) Current liabilities		
a) Financial liabilities		
i) Borrowings	4,000	4,000
ii) Trade payables		
a) Total Outstanding dues to micro and small enterprises	38	67
b) Other than micro and small enterprises	190	56
iii) Other financial liabilities	11,565	11,888
b) Other current liabilities	154	180
c) Provisions	-	3
	15,947	16,193
Total Equity and Liabilities	2,10,005	2,06,371

For M.K.Dandeker & Co.
Chartered Accountants
(Firm Regn. No. 000679S)
by the hand of


R. Arun Kumar Mehta
Partner
Membership No. 227630



For and on behalf of the Board,
Kudgi Transmission Limited



Pramod Sushila Kapoor
Director
(DIN : 02914307)

Note g : Annexure II

KUDGI TRANSMISSION LIMITED			
Regd. Office : P.B.No.979, Mount Poonamallee Road, Manapakkam, Chennai - 600 089.			
CIN : U40106TN2012PLC111122			
₹ Lakhs			
Statement of Cash Flows for the year ended 31.03.2023			
S.No	Particulars	As at 31.03.23	As at 31.03.22
		(Current year ended)	(Previous year ended)
		(Audited)	(Audited)
		₹ Lakhs	₹ Lakhs
A	Cash flow from operating activities		
	Net profit / (loss) before tax	7,767	9,506
	Adjustments for:		
	Interest expenses	12,510	12,870
	Interest income from banks	(2,005)	(1,226)
	Depreciation and amortisation	31	49
	Profit on sale of Investments	(263)	(65)
	(Profit) / loss on financial instruments designated at FVTPL	(139)	(71)
	Other Comprehensive Income	1	-
	Operating profit before working capital changes	17,902	21,063
	Adjustments for:		
	Increase / (decrease) in long term provisions	-	(3)
	Increase / (decrease) in trade payables	105	1
	(Increase) / decrease in other financial liabilities	(5)	(10)
	Increase / (decrease) in other current liabilities	(24)	76
	Increase / (decrease) in short term provisions	(3)	0
	(Increase) / decrease in other non-current assets	(1)	0
	(Increase) / decrease in other financial assets	(699)	(6,867)
	(Increase) / decrease in other current assets	12	83
	Net cash generated from/(used in) operating activities	17,287	14,343
	Net Income tax (paid)	519	(59)
	Net Cash(used in)/generated from Operating Activities	17,806	14,284
B	Cash flow from investing activities		
	Redemption / (Investment) in Fixed deposits	(7,894)	(1,802)
	(Purchase)/Sale of current investments (net)	4,847	(12,675)
	Interest received	2,005	1,226
	Net cash (used in)/generated from investing activities	(1,042)	(13,250)
C	Cash flow from financing activities		
	Repayment of long term borrowings	(4,000)	(3,600)
	Interest paid	(12,716)	(13,021)
	Net cash (used in)/generated from financing activities	(16,716)	(16,621)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	48	(15,587)
	Cash and cash equivalents as at the beginning of the year	506	16,093
	Cash and cash equivalents as at the end of the year	554	506

Notes:

Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Cash Flow statements

For M.K.Dandeker & Co.
Chartered Accountants
(Firm Regn. No. 000679S)
by the hand of

R. Arun Kumar Mehta
R. Arun Kumar Mehta
Partner
Membership No. 227630



For and on behalf of the Board,
Kudgi Transmission Limited

Pramod Sushila Kapoor
Pramod Sushila Kapoor
Director
(DIN : 02914307)

Kudgi Transmission Limited

Disclosure of related parties / related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

a) List of related parties

Ultimate Holding Company:	Larsen & Toubro Limited
Holding Company:	L&T Infrastructure Development Projects Limited
Key Management Personnel:	
	Mr. Pramod Sushila Kapoor - Director
	Mr. P.G Suresh Kumar - Director
	Dr. Koshiy Varghese - Independent Director
	Ms. Samyuktha Surendran - Independent Director
	Mr. R. Lino Asir - Chief Financial Officer
	Mr. Ojes Cheriyan Madappattu - Manager
	Mr. Ravi.M - Company Secretary

b) Disclosure of related party transactions:

Particulars	₹ Lakhs	
	Year Ended March 31, 2023	Year Ended March 31, 2022
1 Purchase of goods and services incl. taxes		
Ultimate Holding Company		
Larsen & Toubro Limited	34	40
Holding Company		
L&T Infrastructure Development Projects Limited	463	479
	497	519
2 Reimbursement of expenses charged from		
Ultimate Holding Company		
Larsen & Toubro Limited	3	5
	3	5
3 Compensation to Key Management Personnel		
a) Sitting Fees		
Mr. Koshiy Varghese - Independent Director	5	3
Ms. Samyuktha Surendran - Independent Director	4	3
	9	6
b) Salary & Perquisites		
Mr. Ojes Cheriyan Madappattu - Sr. Manager	36	30
	36	30

c) Amount due to and due (from) related parties(net):

Particulars	Amounts due to / (from)	
	As at March 31, 2023	As at March 31, 2022
Larsen & Toubro Limited	(1)	(2)
L&T Infrastructure Development Projects Limited	-	43

d) Terms and conditions of transactions with related parties :

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) There is no provision for bad and doubtful debts to related parties with regard to outstanding payables and there is no expense recognized in respect of bad and doubtful debts due from related parties.

For M.K.Dandeker & Co.
Chartered Accountants
(Firm Regn. No. 004679S)
by the hand of

R. Arun Kumar Mehta

R. Arun Kumar Mehta
Partner
Membership No. 227630



For and on behalf of the Board,
Kudgi Transmission Limited

Pramod Sushila Kapoor

Pramod Sushila Kapoor
Director
(DIN : 02914307)