

L&T HOWDEN PRIVATE LIMITED
DIRECTORS' REPORT

The Directors have pleasure in presenting their Thirteenth Annual Report and Audited Financial Accounts of the Company for the year ended 31st March 2023.

1. FINANCIAL RESULTS

Particulars	(Rs. In Lakhs)	
	2022-23	2021-22
Revenue from operation & other Income	29,058.54	29,760.58
Profit / (Loss) before Depreciation & Tax (PBDT)	4,191.14	4,058.10
Depreciation	262.66	279.45
Profit / (Loss) before tax (PBT)	3,928.47	3,778.65
Provision for taxes	1029.49	964.42
Profit / (Loss) after tax (PAT)	2,898.99	2,814.23
Add: Balance brought forward from previous year	12,218.19	10,078.96
Less: Dividend paid for the year (including dividend distribution tax)	(2,000.00)	(675.00)
Balance carried to Balance Sheet	13,117.18	12,218.19

CAPITAL & FINANCE

During the year under review, the Company has not allotted any equity shares. The Total Equity Share Capital as on 31st March, 2023, is Rs.30 Crore.

CAPITAL EXPENDITURE

Gross tangible and intangible assets including leased assets are Rs. 5921 Lakhs (Previous Year: Rs. 5889 Lakhs). During the year, the Company spent Rs. 31 Lakhs (Previous Year: Rs.209 Lakhs) on capital expenditure.

DEPOSITS

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

APPROPRIATIONS

Your Company has not made any appropriations.

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

The Company has not given any loan, guarantees, security or made any investment for the Financial Year 2022-23 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 'B' to this report.

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

4. STATE OF COMPANY AFFAIRS

The gross sales and other income for the financial year under review is Rs.290.59 crore as against Rs. 297.61 crore for the previous financial year registering decrease of 2%. The profit before tax from continuing operations including extraordinary and exceptional items is Rs.39.28 crore and the profit after tax from continuing operations including extraordinary and exceptional items of Rs.29.04 crore for the financial year under review as against Rs. 37.79 crore and Rs. 28.14 crore respectively for the previous financial year.

5. DIVIDEND

The Board at its Meeting held on December 23, 2022 declared an interim dividend of Rs. 6.67/- per share (previous year Rs. 2.25/- per share) amounting to Rs.20 crores and the same was paid on December 28, 2022.

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

6. DEPOSITORY SYSTEM

The Ministry vide its notification, requires certain companies to facilitate dematerialization of all its existing securities and has mandated that the stake of promoters, directors and key managerial personnel should be held in demat

form. As on March 31, 2022, 50.10% of the Company's total paid-up capital representing 1,50,30,000 shares are in dematerialized form. Further, the Ministry has prohibited the physical transfer of securities. Hence, members holding shares in physical mode are advised to avail of the facility of dematerialization. The Company submits the report on reconciliation of share capital audit from Practicing Company Secretary within the prescribed timelines.

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

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

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

A) Conservation of Energy:

Replacement of 350 CFM Air compressor with 47 CFM Air compressor in Fan testing shop has led to savings of around 5,617 Electricity units from April'22 to March'23

Replacement of conventional lighting with LED lighting in Fan Shop has led to conservation of 29,353 Units from April'22 to March'23

Replacement of 750 KVA DG set with 200 KVA DG set has helped LTH to save 2,520 Litre diesel consumption between April'22 to March'23

Implemented solar power unit of 50 KW – Total 32937 units generated from October'22 to March'23. Expecting 60,000 units generation every year. Expected Co2 reduction of 65,700 Kg per annum

B) Technology Absorption:

- i) FAN size optimization by using reduced solidity (less no. of blade) methodology.
- ii) Water neutrality: Implemented Rainwater Harvesting system in LTH factory in collaboration of LTSSH unit. Expected to obtain ~ 54% water neutrality by FY'24

- iii) Biodiversity Conservation : Plantation of 167 shaded trees done for the reduction of water consumption in Gardening. Total 760 Sq Mtr turf area converted to dense tree plantation.
- iv) During the year, the Company has foreign exchange earnings and the outgo is as under:

(1) Foreign Exchange Earnings:

(Rs. In Lakhs)		
Particulars	2022-23	2021-22
Foreign Exchange earned	1,129.01	940.86

(2) Expenditure in Foreign Currency

(Rs. In Lakhs)		
Particulars	2022-23	2021-22
Foreign Exchange Used	1,080.46	1185.11

9. **RISK MANAGEMENT POLICY**

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

10. **CORPORATE SOCIAL RESPONSIBILITY**

The Company has formulated the Corporate Social Responsibility (CSR) Committee. The Committee constituted by the Board of Directors presently comprises of Mr. Y. V. S. Sravankumar, Mr. Derek Michael Shah and Mr. Parvesh Mittal as Members. The Members elect one amongst themselves as the Chairman of the Meeting. The Committee met once on 26th April, 2022.

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

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

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

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

Mr. Derek Michael Shah, Mr. Y. V. S. Sravankumar, Ms. Camille Levy and Mr. Parvesh Mittal are the present directors of the Company.

Subsequent to the year under review, Mr. Frederick Hearle resigned as Director from the Board of the Company on April 27, 2023. The Board of Directors place on record its sincere appreciation for the contributions made by him during his association with the Company.

Ms. Camille Levy has been appointed as Director nominated by Howden Holdings B.V. to fill up the casual vacancy caused by the cessation of Mr. Frederick Hearle as Director.

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

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

Mr. Dharmendra Shrivastava is the Manager of the Company, Mr. Atul Tandon is the Chief Financial Officer and Ms. Reena Raje is the Company Secretary of the Company.

12. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. During the year under review, 4 meetings were held on April 26, 2022, July 12, 2022, October 18, 2022 and January 10, 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.

13. INTERNAL AUDITOR

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

14. VIGIL MECHANISM

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

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

15. COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Board has formulated a policy on director's appointment and remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a Director. The appointments of the Directors and Key Managerial Personnel are done as per the policy.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

17. INTERNAL FINANCIAL CONTROLS

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 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.

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

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

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

19. AUDITORS' REPORT

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

20. AUDITORS

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

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

21. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS

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

22. PROTECTION OF WOMEN AT WORKPLACE

The parent company Larsen & Toubro Limited (L&T) has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group companies. This has been widely disseminated. There were no cases of sexual harassment received in the Company during the financial year 2022-23.

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

23. COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rule 3 and 4 of the Companies (Cost Records and Audit) Rules, 2014, as amended, the Board of Directors had appointed M/s Vaghela Kishor & Co., Cost Accountants (Registration No. 103811), Cost Accountants as Cost Auditors of the Company for audit of cost accounting records for the financial year ended March 31, 2024 at a remuneration of Rs.55,000. The appointment shall be intimated to the Central Government. They have confirmed their independent status and that they are free from any disqualifications under section 141 of the Companies Act, 2013.

A proposal for ratification of remuneration payable to the Cost Auditor for the financial year 2023-24 is 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 MCA within the prescribed period.

As per the requirements of section 148 of the Companies Act, 2013 read with the Rules, the Company is required to maintain the cost records and accordingly, such accounts are made, and records have been maintained in respect of the applicable products for the year ended 31st March 2023.

24. SECRETARIAL AUDIT REPORT

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

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

25. OTHER DISCLOSURES

- No disclosure is required under Section 67(3)(c) of the Companies Act, 2013, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.
- Reporting of Frauds: The Auditors of the Company have not reported any fraud committed against the Company by its officers or employees as specified under section 143(12) of the Companies Act, 2013.
- Credit Rating: India Ratings – the credit rating agency IND A assigned A category rating to the Company during the year signifying stable outlook.
- MSME: The Company has been complying with the requirement of submitting a half yearly return to the Ministry of Corporate Affairs within the prescribed timelines.
- 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.

26. ANNUAL RETURN

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

27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

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

28. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Derek Michael Shah
Director
DIN: 06526950
Place: Faridabad
Date: 27.04.2023

Frederick Hearle
Director
DIN: 08399370
Place: Faridabad
Date: 27.04.2023

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

1. Brief outline on CSR Policy of the Company:

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

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

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

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

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

Skill Development - may include but not limited to vocational training such as skill building, computer training, women empowerment, support to ITI's, support to specially abled (infrastructure support & vocational training), CSTI's, providing employability skills at project sites, creating training centres.

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Derek Michael Shah	Non – Executive Director	1	1
2.	Mr. Y.V. S. Sravankumar	Non – Executive Director	1	1
3.	Mr. Parvesh Mittal	Non – Executive Director	1	1

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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company. - www.lnthowden.com

4. Provide the 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. - NA
5. (a) Average net profit of the company as per sub-section (5) of section 135 INR 32,15,83,140/-
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135 INR 64,31,663/-
- (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)] INR 64,31,663/-
6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) INR 4,15,000/-
- b) Amount spent in Administrative Overheads -NIL-
- c) Amount spent on Impact Assessment, if applicable
- d) Total amount spent for the Financial Year [(a)+(b)+(c)] INR 4,15,000/-
- e) CSR amount spent or unspent for the Financial Year INR 60,16,663/-

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	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
4,15,000/-	60,16,663/-	Before 30.04.2023	NA	NA	NA

f) Excess amount for set-off, if any: **Not Applicable**

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

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

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

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

Yes No

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

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]	Pin code 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 ₹ 64.31 lakhs, the total spent is ₹ 4.15 lakhs and balance unspent is ₹ 60.16 lakhs. The Company spends amount on CSR projects keeping in mind sustainability, impact on the desired recipients, and efficacy of implementing agencies. For projects worth ₹ 60.16 lakhs, the contractor employed by the Company had faced financial and manpower resource related issues due to which he could not carry out the work in specified timelines despite the best efforts and continuous follow-ups by the Company. Hence these projects have been classified as ongoing projects and shall be completed within the approved timeframes.

<p>_____ Parvesh Mittal Director <i>DIN: 09256509</i></p>	<p>_____ Derek Michael Shah (Chairman CSR Committee) <i>DIN: 06526950</i></p>
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Annexure B

Form No. AOC-2

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

Part A

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

Part B

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

Name(s) of the related party	Nature of relationship	Nature of contracts/arrangement s/ transactions	Duration	Salient terms of the contracts or arrangements or transactions including the value, if any
Company has entered various transactions for purchase, sales, services, and reimbursements with related parties' details of which are given in Note No.22 attached with the Annual Accounts for the period from April'22 to March'23. These transactions are executed as per the terms of the contract with these parties.				

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 and
Personnel) Rules, 2014]*

To,
The Members,
L&T HOWDEN 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 HOWDEN PRIVATE LIMITED [CIN: U31401MH2010PTC204403]** (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; **this is 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 SEBI (Prohibition of Insider Trading) Regulations, 2015;**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **presently SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **presently Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) 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 SEBI (Buyback of Securities) Regulations, 2018;**
- (vi) **Other specific business/industry related laws applicable to the Company –**
- The Gas Cylinders (Amendment) Rules, 2022,
 - The Static and Mobile Pressure Vessels (unfired) Rules, 2021,
 - Petroleum Act, 1934 and Petroleum Rules, 2002

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** 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 Non-Executive Director. Changes in the composition of the Board of Directors took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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 Company has **no** events / actions have taken place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, 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: NIL

For Bhumika & Co
Company Secretaries

Bhumika Sidhpura
Membership No: A37321
CP No. 19635
Peer Review No: 1272/2021
UDIN: A037321E000175877

Place: Mumbai
Date: 24.04.2023

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 HOWDEN PRIVATE LIMITED

My 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) I 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. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
- 4) Wherever required, I 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: A037321E000175877

Place: Mumbai
Date:24.04.2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF L&T HOWDEN PRIVATE LIMITED
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Report on the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS Financial Statements of L&T Howden Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Changes in Equity, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Cash Flows for the year ended on that date, notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

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

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SA) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further prescribed in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Key Audit Matters

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

Provision for Warranty and Contingency expenditure and Liquidated damages to Rs. 19.33 Crore

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

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

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

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

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

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

We tested disclosures as stated in Point no. 1.29 of Note No. 22 and Note no. 13.

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

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

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

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

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

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of state of affairs (financial position), changes in equity, profit or loss (financial performance including other comprehensive income) and cash flows and of the company of in accordance with the accounting principles generally accepted in India, including the Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls over financial reporting system with reference to Ind AS Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditors' Report) Order, 2020 ("the order") issued by the Central Government of India in terms of sub-section (11) of the Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
- (ii) As required by sub-section (3) of the section 143 of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS Financial Statement comply with the Indian Accounting Standards referred under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended,
 - (e) On the basis of written representations from the Directors as on March 31, 2023 and taken on record by the Board of Directors, in its meeting held on April 27, 2023 none of the Directors is disqualified as on March 31, 2023, from being appointed as a Director u/s 164(2) of the Companies Act, 2013;
 - (f) With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Further, our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over with reference to Ind AS Financial Statements;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company as no managerial remuneration has been incurred by the Company.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended; in our

opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer Point No. 1.33 of Note 22
- b) The Company has made provision as required under applicable law or accounting standards for material foreseeable losses (Point no. 1.29 of Note No. 22 and Note no. 13). The Company did not have any long-term contracts including derivative contracts.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- e)
 - (i) On the basis of written representations received from the management, there were no funds, that have been advanced or loaned or invested by the company to or in any other person(s) or entity (ies), including foreign entities (“Intermediaries”), with the understanding, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) On the basis of written representations received from the management, there were no funds, that have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (iii) Basis the audit procedures performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- f)
 - (i) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (ii) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- g) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April

01, 2023; and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rule, 2014 is not applicable for the financial year ended March 31, 2023.

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

Anagha Thatte
Partner
ICAI Membership No.: 105525
UDIN : 23105525BGVAAZ4327
Place : Mumbai
Date : April 27, 2023

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

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

We report that:

- i)
 - (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of Property, Plant and Equipment and intangible assets;
 - (b) According to the information and explanations given to us Property, Plant and Equipment were physically verified by management with a phased programme of verification, which is in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification as compared to the book records.
 - (c) According to the information and explanations given to us and the records of the Company examined by us, company hold immovable property which is held in the name of the Company. Accordingly, paragraphs 3 (i) (c) of the Order is not applicable to the Company.
 - (d) The Company has not revalued its Property, Plant and Equipment or intangible assets. Accordingly, paragraphs 3 (i) (d) of the Order is not applicable to the Company.
 - (e) According to the information and explanation given to us, no proceeding have been initiated or pending against company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii)
 - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. Basis the information and explanation given to us no discrepancies noticed on such verification.
 - b) According to information and explanation given to us and verification of record company has fund based and non-fund based limit from Bank basis the security of current assets. Further, the Company is regular in filing the quarterly stock statements with the Bank which are generally in agreements with books of accounts.
- iii) According to the information and explanations given to us, the Company has neither made any investment, provided any guarantee or security nor granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability

Partnerships and other parties. Accordingly, paragraphs 3(iii) (a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company

- iv) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect to investments made and loans and financial commitments given during the year. There is no guarantee or security provided to the Companies covered under Section 186 of the Act.
- v) According to the information and explanation given to us, the Company has not accepted deposits or amounts which is deemed to be deposit from public in terms of directives issued by Reserve Bank of India and of provisions of Sections 73 to 76 of the Companies Act, 2013. (Refer note no.13 of the Ind As Financials). Accordingly, paragraphs 3(v) of the Order is not applicable to the Company.
- vi) According to the information and explanations given to us, pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section sub-section (1) of section 148 of the Companies Act, 2013, the Company is required to maintain cost records in respect of product manufactured by the Company. Accordingly, we have broadly reviewed the books of account and records maintained by the company and are of the opinion that prima facie the prescribed accounts and records have been maintained. The contents of these accounts and records have not been examined by us.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Goods & Service tax, provident fund, employee state insurance, income-tax, sales tax , service tax , duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, there were no undisputed amounts payable in respect Goods and Service tax, provident fund, employees state insurance, income tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues outstanding as at March 31, 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 income tax, value added tax, sales tax, service tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at March 31, 2023 are as follows.

Name of the statute	Nature of the disputed dues	Amount (Rs. In Lakhs)	Period to which the	Forum where disputes are pending
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			amount relates	
Value Added Taxes (VAT)	Sales tax liability	6.81	FY 2016-17	Deputy Commissioner Commercial Tax
Value Added Taxes (VAT)	Sales tax liability	0.66	FY 2017-18	Deputy Commissioner Commercial Tax
Income Tax	Disallowance of Expenses and rejection of due credit of advance tax and TDS	755.81	AY 2020-21	Commissioner of Income-tax (Appeals)
Customs Act	Custom Special Valuation Branch (Refer Point No. 1.33 of Note no. 22)	769.00	FY 2010-11 to till date	Commissioner of Appeal

- viii) According to the information and explanations given to us, no transaction which was not recorded in the books of account have been surrendered or disclosed as income by the Company during the year in the tax assessments under the Income Tax Act, 1961.
- ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of any dues to the Bank during the year.
- (b) According to the information and explanations given to us, the company is not declared as wilful defaulter by any bank or financial institution or other lender;
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and Accordingly, paragraphs 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet and statement of cash flows of the Company, we report that no funds raised on short term basis have been, prima facie, used for long term purposes.
- (e) According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- (f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, paragraphs 3(ix)(f) of the Order is not applicable to the Company.
- x) In our opinion and according to the information and explanations given to us, on an overall basis the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Further, the Company has not made any preferential allotment or private allotment shares or fully or partly convertible debentures during the year.
- xi) a) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- b) In the course of the performance of our duties as auditor, there is no reason to believe that an offence of fraud has been committed in the company by its officers or employees hence no report has been filed under sub-section (12) of section 143 of the Companies Act in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, there are no whistle-blower complaints received during the year by the company.
- xii) Since the Company is not a nidhi company, Accordingly, paragraphs 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 as applicable and the details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv) In our opinion the Company has an internal audit system commensurate with its size and nature of its business. Report of Internal Auditors for the period under audit has been considered while conducting the Audit.
- xv) According to the information and explanations given to us, company has not entered into any non- cash transactions with directors or persons connected with him.
- xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the company.

- xvii) The company has not incurred any cash losses in the financial year and in immediately preceding financial year. Accordingly, paragraph 3(xvii) of the Order is not applicable to the Company.
- xviii) There is no resignation of the Statutory Auditors during the year, Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) According to the records of the Company examined by us and the information and explanations given to us, the unspent CSR amount of Rs. 60.17 lakh towards ongoing project transfer to “Unspent CSR account FY 2023” (opened with Kotak Bank Limited) as specified in Schedule VII to the Companies Act in compliance with sub-section (6) of section 135 of the said Act.
- xxi) The company is not required to prepare consolidated financial statement as per Ind-As 110. Accordingly, paragraph 3(xxi) of the order is not applicable to the company.

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

Anagha Thatte
Partner
ICAI Membership No.: 105525
UDIN: 23105525BGVAAZ4327
Place : Mumbai
Date : April 27, 2023

<p style="text-align: center;">ANNEXURE B TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF L&T HOWDEN PRIVATE LIMITED</p>

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting with reference to Ind AS Financial Statements of L & T Howden Private Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to Ind AS Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting with reference to Ind AS Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting with reference to Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Anagha Thatte
Partner
ICAI Membership No.: 105525
UDIN : 23105525BGVAAZ4327
Place : Mumbai
Date : April 27, 2023

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L&T HOWDEN PRIVATE LIMITED
BALANCE SHEET as at March 31,2023

NOTE	AS AT 31-03-2023 Rs.	AS AT 31-03-2022 Rs.	
ASSETS			
<u>Non Current Assets</u>			
Property, plant and equipment	1.1	17,37,87,780	19,65,22,032
Capital work in progress		5,10,181	-
Other intangible assets	1.2	-	57,963
Right-of-use assets	1.3	3,08,92,053	3,12,46,117
Other non -current assets	2	14,83,61,156	6,70,07,281
<u>Current Assets</u>			
Inventories	3	38,57,46,138	34,14,74,224
Financial assets			
Trade receivables - current	4	70,51,94,994	1,16,29,10,671
Cash & Cash Equivalents	5.1	42,70,91,291	26,70,00,314
Other bank balances - current	5.2	37,36,81,128	25,37,03,167
Other current financial assets	6	27,68,440	27,86,920
Other current assets	7	1,02,44,95,073	1,05,85,17,261
TOTAL		3,27,25,28,232	3,38,12,25,949
EQUITY AND LIABILITIES			
<u>Equity</u>			
Equity share capital	8	30,00,00,000	30,00,00,000
Other equity	9	1,31,10,94,759	1,22,07,33,858
LIABILITIES			
<u>Non Current Liabilities</u>			
Deferred tax liabilities (Net)	10	64,46,500	1,28,46,149
<u>Current Liabilities</u>			
Financial Liabilities			
Trade payables			
Due to micro enterprises and small enterprises	11	4,71,23,322	8,21,53,175
Due to others		70,76,94,951	94,14,20,290
Other financial liabilities	12	54,41,822	60,90,734
Other current liabilities (Net)	13	38,76,19,671	41,02,75,805
Provisions	14	50,71,07,208	40,77,05,937
Total Equity and Liabilities		3,27,25,28,232	3,38,12,25,949

Significant accounting policies & other explanatory information forming part of the accounts 22

As per our report attached

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

Anagha Thatte
Partner
Membership No.: 105525

Dharmendra K Shrivastava
Chief Executive
Place: Faridabad

Derek Michael Shah
Director
DIN : 06526950
Place: Faridabad

Frederick Hearle
Director
DIN : 08399370
Place: Faridabad

Place: Mumbai
Date : 27.04.2023

Atul Tandon
Chief Financial Officer
Place: Faridabad

Reena Raje
Company Secretary
M. No. ACS21440

L&T HOWDEN PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED March 31,2023

	NOTE	2022-23 Rs.	2021-22 Rs.
INCOME			
Revenue from operations	15	2,88,16,31,052	2,92,99,23,627
Other Income	16	2,42,22,518	4,61,34,616
		<u>2,90,58,53,570</u>	<u>2,97,60,58,244</u>
EXPENDITURE			
Materials, manufacturing & operating Expenses	17	2,01,18,56,402	2,24,81,11,034
Change in inventories of finished goods, work-in-progress and stock-in-trade	18	4,83,74,115	(4,55,98,932)
Employee benefits expenses	19	11,21,23,891	11,37,46,490
Sales, administration & other expenses	20	31,42,10,502	25,39,39,106
Finance costs	21	1,74,987	49,930
Depreciation and amortisation	1.1 -1.3	2,62,66,364	2,79,45,060
		<u>2,51,30,06,261</u>	<u>2,59,81,92,689</u>
Profit before tax		39,28,47,309	37,78,65,555
Tax expense:			
- Current Tax		11,11,59,835	10,55,94,642
- Provision for income tax - Earlier Years		(18,11,641)	(53,46,744)
- Provision for Deferred Tax		(63,99,649)	(38,05,439)
Profit after tax		<u>28,98,98,764</u>	<u>28,14,23,096</u>
Profit for the year		28,98,98,764	28,14,23,096
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of Post employment benefit obligation		6,17,582	(34,696)
Income Tax relating to these items		(1,55,445)	8,733
<i>Items that will be reclassified subsequently to profit or loss</i>			
Fair Value changes on cash flow hedges			
Income Tax relating to these items			
Total Comprehensive Income		<u>29,03,60,901</u>	<u>28,13,97,133</u>
Earning Per Share (Face value of Rs.10 each)			
- Basic & Diluted		9.66	9.38
Weighted Average No. of Shares		3,00,00,000	3,00,00,000

Significant accounting policies & other explanatory information forming part of the accounts 22

As per our report attached

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

Anagha Thatte
Partner
Membership No.: 105525

Dharmendra K Shrivastava
Chief Executive
Place: Faridabad

Derek Michael Shah
Director
DIN : 06526950
Place: Faridabad

Frederick Hearle
Director
DIN : 08399370
Place: Faridabad

Place: Mumbai
Date : 27.04.2023

Atul Tandon
Chief Financial Officer
Place: Faridabad

Reena Rajee
Company Secretary
M. No. ACS21440

L&T HOWDEN PRIVATE LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED March 31,2023

	2022-23 Rs.	2021-22 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/ (Loss) before tax	39,28,47,309	37,78,65,555
Adjustments for:		
Depreciation	2,62,66,364	2,79,45,060
Unrealized forex (gain) /loss	(20,63,839)	(38,44,703)
(Profit)/Loss on sale of fixed assets (net)	-	(22,55,450)
Allowances for doubtful debts	(1,90,243)	(54,41,875)
Interest (Net)	(2,00,52,380)	(2,04,33,686)
Operating profit / (Loss) before working capital changes	<u>39,68,07,211</u>	<u>37,38,34,902</u>
Adjustment for:		
(Increase) / decrease in Short term Loans & Advances	18,480	8,37,054
(Increase) / decrease in Trade Receivables	46,67,71,284	8,57,12,858
(Increase) / decrease in Other Current Assets	3,40,22,188	(13,35,54,102)
(Increase) / decrease in Inventories	(4,42,71,913)	(15,82,59,984)
Increase / (decrease) in Trade Payables	(27,49,39,135)	11,41,12,411
Increase / (decrease) in Other Current & Financial Liabilities	(2,33,05,047)	(21,22,48,206)
(Increase) / decrease in Other non-current assets	(8,13,53,875)	(1,91,86,557)
Increase / (decrease) in Provisions	9,94,01,271	12,83,68,523
Direct Taxes	(10,95,03,639)	(10,02,39,165)
Cash flow from operating activities (A)	<u>46,36,46,825</u>	<u>7,93,77,734</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase/Sale of fixed assets including CWIP- Net	(36,30,266)	(48,98,555)
Interest received	2,02,27,367	2,04,83,616
Net cash flow (used in) /from investing activities (B)	<u>1,65,97,101</u>	<u>1,55,85,061</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend	(20,00,00,000)	(6,75,00,000)
Interest Paid	(1,74,987)	(49,930)
Net cash flow / (used in) from financing activities (C)	<u>(20,01,74,987)</u>	<u>(6,75,49,930)</u>
Net increase in cash and cash equivalents (A+B+C)	<u>28,00,68,939</u>	<u>2,74,12,864</u>
Cash and cash equivalents at beginning of the period	52,07,03,481	49,32,90,616
Cash and cash equivalents at end of the period	<u>80,07,72,419</u>	<u>52,07,03,481</u>
Net increase in cash and cash equivalents	<u>28,00,68,939</u>	<u>2,74,12,864</u>

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

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

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

Anagha Thatte
Partner
Membership No.: 105525

Dharmendra K Shrivastava
Chief Executive
Place: Faridabad

Derek Michael Shah
Director
DIN : 06526950
Place: Faridabad

Frederick Hearle
Director
DIN : 08399370
Place: Faridabad

Place: Mumbai
Date : 27.04.2023

Atul Tandon
Chief Financial Officer
Place: Faridabad

Reena Raje
Company Secretary
M. No. ACS21440

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

Particulars	Amount (Rs)
As at 31 March 2022	30,00,00,000
Changes in Equity Share Capital	-
As at 31 March 2023	30,00,00,000

B. Other Equity

Particulars	Reserve & Surplus	Other Reserve	Total
	Retained Earning	Hedging Reserve	
As at 31 March 2021	1,00,68,36,725	-	1,00,68,36,725
Profit for the Year	28,14,23,096	-	28,14,23,096
Other Comprehensive Income	(25,963)	-	(25,963)
Dividend Paid	(6,75,00,000)	-	(6,75,00,000)
As at 31 March 2022	1,22,07,33,858	-	1,22,07,33,858
Profit for the Year	28,98,98,764	-	28,98,98,764
Other Comprehensive Income	4,62,137	-	4,62,137
Dividend Paid	(20,00,00,000)	-	(20,00,00,000)
As at 31 March 2023	1,31,10,94,759	-	1,31,10,94,759

M.P. Chitale & Co.

Chartered Accountants

Firm Registration No.:101851W

By the hand of

Anagha Thatte

Partner

Membership No.: 105525

Dharmendra K Shrivastava

Chief Executive

Place: Faridabad

Derek Michael Shah

Director

DIN : 06526950

Place: Faridabad

Frederick Hearle

Director

DIN : 08399370

Place: Faridabad

Place: Mumbai

Date : 27.04.2023

Atul Tandon

Chief Financial Officer

Place: Faridabad

Reena Raje

Company Secretary

M. No. ACS21440

Note : 1.1 Property, Plant and equipment

Following are the changes in carrying value of property, plant and equipment for the year ended March 31, 2023

PARTICULARS	Leasehold Land	Buildings	Plant & Equipments	Furniture & Fixtures	Office Equipments	Computers	SUB TOTAL (A)
Gross Carrying Value as at 01.04.2022	-	16,58,73,379	34,03,91,177	45,78,012	35,49,464	93,99,348	52,37,91,380
Additions/Adjustments	-	-	23,74,510	-	0	7,45,575	31,20,085
Deductions/Adjustments	-	-	-	-	-	-	-
Gross Carrying Value as at 31.03.2023	-	16,58,73,379	34,27,65,687	45,78,012	35,49,464	1,01,44,923	52,69,11,465
DEPRECIATION / AMORTISATION upto 01.04.2022	-	4,50,64,319	26,68,53,679	44,12,245	30,62,027	78,77,079	32,72,69,347
For the year	-	46,38,638	1,98,24,379	1,46,935.86	1,65,679.07	10,78,706	2,58,54,337
Adjustment	-	-	-	-	-	-	-
DEPRECIATION / AMORTISATION upto 31.03.2023	-	4,97,02,956	28,66,78,057	45,59,180	32,27,706	89,55,785	35,31,23,685
Net Carrying Value as at 31.03.2023	-	11,61,70,422	5,60,87,630	16,832	3,21,758	11,89,138	17,37,67,780

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

PARTICULARS	Leasehold Land	Buildings	Plant & Equipments	Furniture & Fixtures	Office Equipments	Computers	SUB TOTAL (A)
Gross Carrying Value as at 01.04.2021	-	16,58,73,379	32,79,11,944	55,59,987	34,35,142	1,01,68,682	51,29,49,135
Additions/Adjustments	-	0.00	1,95,80,227	-	3,04,354.68	9,93,000	2,08,77,581
Deductions/Adjustments	-	-	(71,00,994)	(9,81,975)	(1,90,032.70)	(17,62,334)	(1,00,35,336)
Gross Carrying Value as at 31.03.2022	-	16,58,73,379	34,03,91,177	45,78,012	35,49,464	93,99,348	52,37,91,380
DEPRECIATION / AMORTISATION upto 01.04.2021	-	4,04,25,681	25,29,44,620	48,07,660	31,42,926	82,87,939	30,96,08,825
For the year	-	46,38,638	2,09,79,560	5,03,932.85	1,09,133.26	12,26,991	2,74,58,254
Adjustment	-	-	(70,70,501)	(8,99,348)	(1,90,032.70)	(16,37,850)	(97,97,732)
DEPRECIATION / AMORTISATION upto 31.03.2022	-	4,50,64,319	26,68,53,679	44,12,245	30,62,027	78,77,079	32,72,69,347
Net Carrying Value as at 31.03.2022	-	12,08,09,060	7,35,37,499	1,65,768	4,87,438	15,22,269	19,65,22,032

Note : 1.2 Intangible Assets

Following are the changes in carrying value of property, plant and equipment for the year ended March 31, 2023

PARTICULARS	Software	Technical Know-how	SUB TOTAL (A)
Gross Carrying Value as at 01.04.2022	77,33,367	2,23,65,000	3,00,98,367
Additions/Adjustments	-	-	-
Deductions/Adjustments	-	-	-
Gross Carrying Value as at 31.03.2023	77,33,367	2,23,65,000	3,00,98,367
DEPRECIATION / AMORTISATION upto 01.04.2022	76,75,404	2,23,65,000	3,00,40,404
For the year	57,963	-	57,963
Adjustment	-	-	-
DEPRECIATION / AMORTISATION upto 31.03.2023	77,33,367	2,23,65,000	3,00,98,367
Net Carrying Value as at 31.03.2023	-	-	-

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

PARTICULARS	Software	Technical Know-how	SUB TOTAL (A)
Gross Carrying Value as at 01.04.2021	77,33,367	2,23,65,000	3,00,98,367
Additions/Adjustments	-	-	-
Deductions/Adjustments	-	-	-
Gross Carrying Value as at 31.03.2022	77,33,367	2,23,65,000	3,00,98,367
DEPRECIATION / AMORTISATION upto 01.04.2021	75,42,563	2,23,65,000	2,99,07,563
For the year	1,32,742	-	1,32,742
Adjustment	-	-	-
DEPRECIATION / AMORTISATION upto 31.03.2022	76,75,404	2,23,65,000	3,00,40,404
Net Carrying Value as at 31.03.2022	57,963	-	57,963

Note : 1.3 Right-of-Use Assets

Following are the transfer in Right-of-Use Assets for the year ended March 31, 2023

PARTICULARS	Land
Gross Carrying Value as at 01.04.2022	3,50,52,301
Additions/Adjustments	-
Deductions/Adjustments	-
Gross Carrying Value as at 31.03.2023	3,50,52,301
DEPRECIATION / AMORTISATION upto 01.04.2022	38,06,184
For the year	3,54,064
Adjustment	-
DEPRECIATION / AMORTISATION upto 31.03.2023	41,60,248
Net Carrying Value as at 31.03.2023	3,08,92,053

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

	AS AT 31-03-2023 Rs.	AS AT 31-03-2022 Rs.
NOTE 2 : OTHER NON CURRENT ASSETS		
Balance with revenue authorities	9,80,56,516	-
Income tax Receivable (Net of Provisions PY)	(A) 4,04,48,037	5,39,80,707
Advance Tax	10,90,00,000	11,05,00,000
TDS/TCS Receivable (Net)	85,48,499	81,12,483
	<u>11,75,48,499</u>	<u>11,86,12,483</u>
Less: Provision for Tax (Current Year)	(B) (10,76,91,998)	(10,55,85,909)
	98,56,501	1,30,26,574
Income tax Receivable (Net of Provisions)	(A+B) <u>5,03,04,538</u>	<u>6,70,07,281</u>
	<u>14,83,61,156</u>	<u>6,70,07,281</u>

CURRENT ASSETS

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

Raw materials, Stores Spares and components	28,62,93,907	20,71,56,630
Work in Progress	1,19,32,512	39,37,059
Goods in Transit	1,40,18,066	-
Finished goods	8,27,21,103	13,90,90,652
Less: Provision on Slow moving Goods	(92,19,450)	(87,10,137)
	<u>38,57,46,138</u>	<u>34,14,74,224</u>

NOTE 4 : Trade Receivable - current

**Trade Receivables
Unsecured**

Considered good - unsecured	70,51,94,994	1,16,29,10,671
Credit impaired - unsecured	28,90,551	30,80,794
	(A) <u>70,80,85,545</u>	<u>1,16,59,91,465</u>
Less: Allowance for doubtful debts	(B) <u>28,90,551</u>	<u>30,80,794</u>
Total (A-B)	<u>70,51,94,994</u>	<u>1,16,29,10,671</u>

Ageing of Trade receivables - current

Particulars	2022-23						TOTAL
	Not Due	March					
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months to 1 year	1 year to 2 year	2 to 3 year	More than 3 years	
Undisputed:							
- considered good	46,22,44,164	22,98,42,273	56,58,572	47,43,176	19,69,252	7,37,558	70,51,94,994
- increase in credit risk							
- credit impaired			4,47,875	14,29,060	7,83,084	2,30,533	28,90,551
Disputed:							
- considered good							
- increase in credit risk							
- credit impaired							
Gross trade receivables	46,22,44,164	22,98,42,273	61,06,446	61,72,236	27,52,336	9,68,091	70,80,85,545
Less: Allowance for doubtful debts			(4,47,875)	(14,29,060)	(7,83,084)	(2,30,533)	(28,90,551)
Total trade receivables (net of allowance for doubtful debts)	46,22,44,164	22,98,42,273	56,58,572	47,43,176	19,69,252	7,37,558	70,51,94,994

Particulars	2021-22						TOTAL
	Not Due	March					
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months to 1 year	1 year to 2 year	2 to 3 year	More than 3 years	
Undisputed:							
- considered good	84,74,13,714	29,28,82,295	1,76,68,522	24,74,253	9,15,732	15,56,165	1,16,29,10,671
- increase in credit risk							
- credit impaired			13,61,987	3,71,855	3,25,883	10,21,069	30,80,794
Disputed:							
- considered good							
- increase in credit risk							
- credit impaired							
Gross trade receivables	84,74,13,714	29,28,82,295	1,90,30,509	28,46,108	12,41,615	25,77,234	1,16,59,91,465
Less: Allowance for doubtful debts			(13,61,987)	(3,71,855)	(3,25,883)	(10,21,069)	(30,80,794)
Total trade receivables (net of allowance for doubtful debts)	84,74,13,714	29,28,82,295	1,76,68,522	24,74,253	9,15,732	15,56,165	1,16,29,10,671

NOTE 5.1 : Current - Cash & Cash Equivalents

Cash on Hand	-	-
Balance with Banks	1,95,91,291	3,10,00,314
Fixed deposits with banks (maturity <= 3 months)	40,75,00,000	23,60,00,000

NOTE 5.2 : Other Bank Balances (Including Accrued Interest)

Fixed Deposit with Banks (maturity >3 months and <12 months)	37,30,21,753	25,30,43,792
Bank balance not available for immediate use *	6,59,375	6,59,375
	<u>80,07,72,419</u>	<u>52,07,03,481</u>

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

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

	AS AT 31-03-2023 Rs.	AS AT 31-03-2022 Rs.
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NOTE 6 : Other current Financial Assets

- Security deposits - unsecured	9,30,080	9,30,080
- Earnest Money Deposit	18,38,360	18,56,840
	<u>27,68,440</u>	<u>27,86,920</u>

NOTE 7 : Other Current Assets

- Advance to Suppliers	6,05,79,452	10,50,48,653
- Advances recoverable in cash or in kind or for value to be received	11,53,555	10,02,07,842
- Input Credit Receivable for GST	6,44,25,778	6,33,24,553
- Interest Accrued - FDs	38,24,991	19,25,248
- Retentions - Customer	89,45,11,298	75,80,10,966
	<u>1,02,44,95,073</u>	<u>1,05,85,17,281</u>

NOTE 8 : SHARE CAPITAL

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

a. Equity Shares held by party with substantial interest

Name of Shareholder	Relationship	31-03-2023		31-03-2022	
		Number	Amount	Number	Amount
Larsen & Toubro Limited	JV Partner	1,50,30,000	15,03,00,000	1,50,30,000	15,03,00,000
Howden Holding B.V.	JV Partner	1,49,70,000	14,97,00,000	1,49,70,000	14,97,00,000

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

Name of Shareholder	Relationship	31-03-2023		31-03-2022	
		Number	%	Number	%
Larsen & Toubro Limited	JV Partner	1,50,30,000	50.10%	1,50,30,000	50.10%
Howden Holding B.V.	JV Partner	1,49,70,000	49.90%	1,49,70,000	49.90%

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

Particulars	31-03-2023		31-03-2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000

d. Terms/Rights attached to the Equity Shares

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

There is no change in % of equity in FY 22-23

NOTE 9 : Other Equity

Profit (Loss) as per last Balance Sheet	1,22,07,33,858	1,00,68,36,725
Profit (Loss) for the year	28,98,98,764	28,14,23,096
Other Comprehensive Income	4,62,137	(25,963)
Dividend Paid	(20,00,00,000)	(6,75,00,000)
Hedging Reserve	-	-
	<u>1,31,10,94,759</u>	<u>1,22,07,33,858</u>

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

	AS AT 31-03-2023 Rs.	AS AT 31-03-2022 Rs.
NOTE 10 : DEFERRED TAX LIABILITIES (NET)	64,46,500	1,28,46,149
	<u>64,46,500</u>	<u>1,28,46,149</u>

NOTE 11 : Trade Payables

Due to Micro & Small Enterprises	4,71,23,322	8,21,53,175
Due to Others	70,76,94,951	94,14,20,290
	<u>75,48,18,273</u>	<u>1,02,35,73,465</u>

Ageing of Trade Payable - Current

Particulars	2022-23						TOTAL
	March						
	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				
Less than 1 year			1 to 2 year	2 to 3 year	More than 3 years		
Undisputed:							
- MSME		8,07,45,241					8,07,45,241
- Others		67,40,73,031					67,40,73,031
Disputed:							
- MSME							
- Others							
Total trade payable	-	75,48,18,273	-	-	-	-	75,48,18,273

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

NOTE 12 : Other Financial Liabilities

Employees Payable	54,41,822	60,90,734
	<u>54,41,822</u>	<u>60,90,734</u>

NOTE 13 : Other Current Liabilities

Advance from Customers*	16,35,17,049	24,90,42,535
Duties & Taxes	3,97,43,169	7,23,69,436
Claim under contract obligations	16,43,59,452	8,68,63,834
	<u>38,76,19,670</u>	<u>41,02,75,805</u>

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

NOTE 14: Provisions

Provision for Product warranty	14,24,35,959	12,47,25,482
Provision for Retirement Benefits	2,34,54,279	2,18,27,559
Provision for Contractual Obligation Cost	34,12,16,970	26,11,52,895
	<u>50,71,07,207</u>	<u>40,77,05,937</u>

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

	2022-23		2021-22
	Rs.		Rs.
NOTE 15 : REVENUE FROM OPERATIONS			
Sale & Services			
Manufacturing & Trading activity	2,83,51,69,742		2,88,49,81,219
Sale of Services	4,20,11,572		4,14,49,395
(A)	<u>2,87,71,81,313</u>		<u>2,92,64,30,604</u>
Other operational income			
Non Production Scrap Sale	2,63,983		2,58,377
Miscellaneous income	41,85,756		32,34,647
(B)	<u>44,49,739</u>		<u>34,93,024</u>
(A+B)	<u>2,88,16,31,052</u>		<u>2,92,99,23,627</u>
NOTE 16 : OTHER INCOME			
Interest income on Bank Deposits	2,02,27,357		2,04,83,616
Non operational sale	8,43,449		1,95,50,452
Rental Reimbursements	10,87,853		-
Gain on Sale of Fixed Asset	-		22,55,450
Foreign Currency Fluctuation (Net)	20,63,839		38,45,098
	<u>2,42,22,518</u>		<u>4,61,34,616</u>
NOTE 17 : MATERIALS, MANUFACTURING & OPERATING EXPENSES			
Materials, components & service consumed	1,89,73,06,537		2,13,08,03,460
Royalty & trademark fees on sales	7,03,44,259		7,11,52,929
Power, Fuel and Water	38,69,668		33,75,872
Other Direct Expenses	4,03,35,939		4,27,78,773
	<u>2,01,18,56,402</u>		<u>2,24,81,11,034</u>
NOTE 18: (INCREASE) / DECREASE IN INVENTORIES			
Opening Stocks			
Work-in-Progress	39,37,069		18,43,685
Finished Goods	<u>13,90,90,662</u>	14,30,27,731	<u>9,55,85,114</u>
			9,74,28,799
Less : Closing Stocks			
Work-In-Progress	1,19,32,512		39,37,069
Finished Goods	<u>8,27,21,103</u>	9,46,53,615	<u>13,90,90,662</u>
			14,30,27,731
	<u>4,83,74,115</u>		<u>(4,55,98,932)</u>
NOTE 19 : EMPLOYEE BENEFITS EXPENSES			
Salaries & Wages	9,93,48,627		10,10,02,564
Contribution to Provident & Other Funds	25,35,550		26,75,883
Expenses on Employee Stock Option Scheme	8,28,152		10,77,643
Staff Welfare	53,81,865		48,67,034
Leave Encashment	24,69,235		25,98,961
Gratuity	15,60,462		14,24,404
	<u>11,21,23,891</u>		<u>11,37,46,490</u>

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

	2022-23	2021-22
	Rs.	Rs.
NOTE 20 : SALES, ADMINISTRATION & OTHER EXPENSES		
Rent	-	9,15,620
Rates & Taxes	50,627	13,680
Insurance	2,94,994	4,20,965
Audit & Certification Fees	7,01,257	7,75,500
Travelling	76,51,301	74,94,484
Vehicle Running & Maintenance	80,84,052	71,55,184
Recruitment Expenses	4,840	11,698
Printing & Stationery	1,80,715	30,690
Office Running & Maintenance	9,08,398	10,37,278
Communication Expenses	10,04,439	10,02,258
Warranty & Contractual Obligation Cost	13,65,20,709	12,08,05,578
Freight Forwarding Exp	6,53,94,890	4,46,89,082
Legal and Professional	11,14,360	7,76,852
Community Welfare (CSR)	4,15,000	56,65,400
IT Software Exp	9,90,070	14,49,936
Training Fees	5,33,477	2,81,478
Miscellaneous	7,07,243	19,40,680
Allowances for doubtful debts	(1,80,243)	(54,41,875)
Bank Charges	9,74,123	12,13,287
Networking Fee	3,88,18,997	4,14,56,402
Bad Debt	2,85,32,346	-
Corporate Infrastructure Charges	2,35,18,889	2,22,45,928
	<u>31,42,10,502</u>	<u>25,39,39,106</u>
NOTE 21 : FINANCE COSTS		
Interest Expense:		
Others	1,74,987	49,930
	<u>1,74,987</u>	<u>49,930</u>

NOTE – 22 - SIGNIFICANT ACCOUNTING POLICIES

A. Corporate Information

L&T- Howden 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 Howden Group, U.K having its registered office at L&T House, Ballard Estate, Mumbai. The Company is engaged in the business of design, engineering, manufacturing, supply and provides aftermarket services for axial fans and rotary air pre-heaters for super critical thermal power plants.

B. Basis of Accounting

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

C. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Indian Accounting Standards

D. Revenue Recognition

The revenue is recognized to the extent of transaction price allocated to the performance obligation satisfied.

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

E. 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 be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation, and cumulative impairment. Property, plant, and equipment acquired on hire purchase basis are stated at their cash values. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy.

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

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

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

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

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

Asset Code	Asset Description	Useful Life	Useful Life as per Companies Act
1000531	Fan Test Bed Fencing arrangement	5	15
1000580	RTD Scanner - Make MASIBUS	5	15

F. Intangible Assets

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

G. Inventories

Inventories are valued after providing for obsolescence, as under:

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

H. Foreign Currency Transactions

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

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

I. Employee Benefits

- a) Short term employee benefits:

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

b) Long term employee benefits:

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

c) Post-Employment Benefits:

i. Defined-contribution plans:

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

ii. Defined-benefit plan:

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

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

J. Operating Segment

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

K. Taxes on Income:

- a) Tax on income for the current period is determined based on taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961, and based on the expected outcome of assessments / appeals.
- b) Deferred tax liability is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing, enacted or substantially enacted regulations.
- c) Other Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

L. Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
 - i. the Company has a present obligation because of a past event,
 - ii. a probable outflow of resources is expected to settle the obligation; and
 - iii. the amount of the obligation can be reliably estimated.
- b) Contingent liability is disclosed in case of
 - i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,

- ii. a present obligation when no reliable estimate is possible; and
 - iii. a possible obligation arising from past events where the probability of outflow of resources is not remote.
- c) Contingent Assets are neither recognized, nor disclosed.

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

M. Impairment of Assets

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

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

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

Recoverable amount is determined:

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

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

N. Borrowing Cost

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

O. Financial Instruments:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. All financial assets are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price. Further, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets are also included in the initial measurement.

a) Financial Assets carried at amortized cost:

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

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

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

c) Other Financial Assets are recognized in Profit or Loss

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

e) **Cash Flow Hedges:**

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

f) **Impairment of Financial Assets**

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

P. Commitments

Commitments are future liabilities for contractual expenditure.

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

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

Q. Cash and Cash Equivalent

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

R. Operating cycle for current and non-current classification

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

S. Key Source of Estimation Uncertainty

Examples of such estimates include useful lives of property, plant and equipment, Intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provision for rectification costs, fair value measurement etc. difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2023

NOTE :22. OTHER EXPLANATORY INFORMATION:

1.1 Capital and other commitments

In Rs		
Particulars	2022-23	2021-22
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,09,793	30,56,085
Total	3,09,793	30,56,085

1.2 Income in Foreign Currency

In Rs		
Particulars	2022-23	2021-22
Foreign Exchange earned	11,29,00,680	9,40,86,480
Total	11,29,00,680	9,40,86,480

1.3 Expenditure in Foreign Currency

In Rs		
Particulars	2022-23	2021-22
Foreign Exchange used	10,80,45,533	11,85,10,914
Total	10,80,45,533	11,85,10,914

1.4. Value of imports calculated on CIF basis

In Rs		
Particulars	2022-23	2021-22
Project Imports & Imports of components & parts of Fans & RAPH	3,94,35,040	17,87,89,289
Total	3,94,35,040	17,87,89,289

1.5 Remuneration to auditor

In Rs		
Particulars	2022-23	2021-22
Statutory Audit	2,60,000	2,60,000
For Taxation Matters	2,40,000	2,40,000
For Certification works	95,000	1,10,000
Out of Pocket Expenses	1,06,257	22,500
Others	-	1,43,000
Total	7,01,257	7,75,500

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

A) An amount of Rs 25,35,550/- (Previous year Rs 26,75,883/-) is recognized as an expense towards company's contribution to employees Provident Fund and is included in Employee Benefit Expense.

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

Amount recognized in balance sheet - gratuity

In Rs		
Particulars	2022-23	2021-22
Net defined benefit liability / (asset) recognized in balance sheet under current liabilities	84,81,529	80,62,507
Total	84,81,529	80,62,507

Reconciliation of Net Liability/Assets

In Rs		
Particulars	2022-23	2021-22
Opening net defined benefit Liability/(asset)	80,62,507	70,29,473
Expense Charges to P&L	15,60,462	14,24,404
Amount Recognized outside profit & Loss A/c	(6,17,582)	34,696
Employer Contribution	(5,23,856)	(4,26,066)
Closing Net Defined benefit liability /(asset)	84,81,529	80,62,507

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2023

Particulars	2022-23	2021-22
(a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at beginning of the year	80,62,507	70,29,473
Past Service Cost	-	-
Current Service Cost	10,28,846	9,84,065
Interest Cost	5,31,616	4,40,339
Actuarial (gain) / Loss arising from change in financial assumption	(4,06,043)	(1,23,992)
Actuarial (gain) / Loss arising from change in demographic assumption	-	-
Actuarial (gain) / Loss arising from change in experience changes	(2,11,539)	1,58,688
Benefits paid	(5,23,858)	(4,26,066)
Defined Benefit obligation at year end	84,81,529	80,62,507
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year		
Expected return on plan assets		
Actuarial gain / (loss)		
Employer contribution	5,23,858	4,26,066
Benefits paid	(5,23,858)	(4,26,066)
Fair Value of plan assets at year end		
(c) Expense recognised during the year		
Current Service Cost	10,28,846	9,84,065
Past Service Cost		
Interest Cost	5,31,616	4,40,339
Expected return on plan assets		
Actuarial Losses / (Gain) recognized		
Net Cost	15,60,462	14,24,404
Principal assumptions used in determining Gratuity obligations are as under:		
Discount rate	7.55%	6.90%
Expected rate of return on assets	0.00%	0.00%
Future salary increase	7.00%	7.00%

Amount Recorded in Other Comprehensive Income:

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

Particulars	2022-23	2021-22
Opening amount recognized in OCI outside profit and loss account	15,85,984	15,51,288
Remeasurement during the period due to		
Changes in Financial assumptions	(4,06,043)	(1,23,992)
Changes in demographic assumptions	-	-
Experience adjustments	(2,11,539)	1,58,688
Actual return on plan assets less interest on plan assets		
Adjustment to recognize the effect of asset ceiling		
Closing amount recognized in OCI outside profit and loss account	9,68,402	15,85,984

Sensitivity Analysis:

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

Particulars	Period Ended 2022-23	
	Discount Rate	Salary Escalation Rate
Impact of increase in 100 bps on DBO	-6.62%	7.51%
Impact of decrease in 100 bps on DBO	7.54%	-6.71%

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

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March, 2023

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

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

Disclosure pursuant to Ind AS 106 "Operating Segment" - geographical information of revenue

Particulars	In Rs	
	2022-23	2021-22
Revenue from India	2,44,64,63,034	2,86,80,65,457
Revenue from Outside India	3,51,48,018	6,18,58,170
Total revenue	2,88,16,31,052	2,92,99,23,627

1.8 Share based payments - Employee Stock Option Plan

Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. Larsen & Toubro Limited), stock options were granted to the employees of the Company. Total cost incurred by the holding company, in respect of the same is Rs 32,77,197/- . The same is being recovered over the period of vesting by the holding company. Accordingly, cost of Rs.19,05,795/- (P.Y. 10,77,643/-) has been recovered by the holding company upto current year, out of which, Rs 8,28,152/- (P.Y. 10,77,643/-) was recovered during the year.

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

Particulars	In Rs	
	2022-23	2021-22
Raw materials, components and stores & spares	(4,33,694)	(6,08,309)
Work in Progress	9,43,008	(91,500)
Components in Transit	-	-
Finished goods	-	13,08,680
Total	5,09,314	6,08,972

1.10 Inventory pledged as Security

Particulars	AS AT		In Rs	
	2022-23	2021-22	AS AT	2021-22
Raw materials, components and stores & spares	26,62,93,807	20,71,56,630	-	-
Work in Progress	1,19,32,512	39,37,069	-	-
Components in Transit	1,40,18,056	-	-	-
Finished goods	8,27,21,103	13,90,90,562	-	-
Less: Provision on Slow moving Goods	(92,19,450)	(87,10,137)	-	-
Total	36,57,46,138	34,14,74,224	-	-

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

Particulars	Details of Current Assets						In Rs
	31.03.2023			31.03.2022			
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	
Financial Assets							
Inventories	38,57,46,138	-	38,57,46,138	34,14,74,224	-	34,14,74,224	
Trade receivables	70,51,94,994	-	70,51,94,994	1,16,29,10,671	-	1,16,29,10,671	
Cash and bank balances	42,70,91,291	-	42,70,91,291	3,10,00,314	-	3,10,00,314	
Other Bank Balances	37,38,81,128	-	37,38,81,128	48,97,03,187	-	48,97,03,187	
Other current financial assets	18,38,360	9,30,080	27,68,440	18,56,840	9,30,080	27,86,920	
Other current assets							
Advances to Suppliers	5,45,02,652	60,16,800	6,05,19,452	10,40,31,253	10,17,400	10,50,48,653	
Advances recoverable in cash or in kind or for value to be received	11,53,555	-	11,53,555	10,02,07,842	-	10,02,07,842	
Input Credit Receivable for GST	6,44,25,778	-	6,44,25,778	8,33,28,553	-	8,33,28,553	
Interest Accrued - FDS	38,24,991	-	38,24,991	19,25,248	-	19,25,248	
Retentions- Customer	26,69,64,509	62,75,46,789	89,45,11,298	17,83,41,284	59,96,69,682	76,80,10,966	
Total	2,26,44,83,395	83,44,93,689	2,91,89,77,083	2,49,47,75,395	83,16,17,162	3,08,63,92,556	

Particulars	Details of Current Liabilities						In Rs
	31.03.2023			31.03.2022			
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	
Financial Liabilities							
Trade payables	75,48,18,273	-	75,48,18,273	1,02,35,73,465	-	1,02,35,73,465	
Other Financial Liabilities	54,41,822	-	54,41,822	60,99,734	-	60,99,734	
Other current liabilities							
Advance from Customers	16,20,05,774	15,11,275	16,35,17,049	19,67,11,968	5,23,30,556	24,90,42,525	
Duties & Taxes	3,97,43,169	-	3,97,43,169	7,33,69,436	-	7,33,69,436	
Claim under contract obligations	5,42,87,452	13,00,72,000	18,43,59,452	2,86,63,834	6,02,00,000	8,88,63,834	
Provisions							
Provision for Product warranty	6,48,22,807	7,76,13,152	14,24,35,959	6,30,54,689	6,16,70,623	12,47,25,312	
Provision for Retirement Benefits	2,34,54,279	-	2,34,54,279	2,18,27,559	-	2,18,27,559	
Provision for Contractual Obligation Cost	20,04,72,868	14,07,44,102	34,12,16,970	9,18,78,331	16,92,74,564	26,11,52,895	
Total	1,30,60,46,443	34,99,40,523	1,65,49,86,972	1,50,41,69,987	34,34,75,954	1,84,76,45,941	

1.12 Micro, Small and Medium Enterprises

The Company has amount due to suppliers under the Micro, Small and medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2023. Disclosure Pursuant to the said act is as under:

Particulars	In Rs	
	31-03-2023	31-03-2022
Principal Amount due to Suppliers under MEMED Act	4,67,33,911	8,19,36,534
Interest Accrued due to Suppliers under MEMED Act on the above and unpaid	3,89,411	2,16,641
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest Paid to Suppliers under MEMED Act (other than Section 16)	-	-
Interest Paid to Suppliers under MEMED Act (Section 16)	-	-
Interest Due and Payable towards Suppliers under MEMED Act for payment already made	-	-
Interest Accrued and remaining unpaid at the end of the year to Suppliers under MEMED Act	-	-

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

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2023

1.13 Financial Instruments by category

In Rs		
The carrying value and fair value of financial instruments by category		
Categories of financial assets	As at	
	Mar-23	Mar-22
Measured at amortised cost		
a. Non-current investment -others		
b. Other current financial assets	27,68,440	27,66,920
c. Cash and bank balances (including other bank balances)	80,07,72,419	52,07,03,481
d. Trade receivable	70,51,94,994	1,16,29,10,671
Measured at FVTOCI		
a. Govt Securities, bonds and debentures		
b. Derivative instruments designated as cash flow hedges		
Total financial assets	1,50,87,35,853	1,68,64,01,072

In Rs		
Categories of financial liabilities	As at	
	Mar-23	Mar-22
Measured at amortised cost		
a. Other financial liabilities	54,41,822	60,90,734
b. Trade Payables	75,48,18,273	1,02,35,73,465
Measured at FVTOCI		
a. Derivative instruments designated as cash flow hedges	-	-
Total financial liabilities	76,02,60,095	1,02,96,64,199

1.14 Fair Value Hierarchy

The Following table presents fair value hierarchy of Financial assets and liabilities measured at fair value on a recurring basis as of March 31,2023

Particulars	In Rs		
	Level 1	Level 2	Level 3
Financial Assets			
A) Derivative instruments designated as cash flow hedges			
B) Trade Receivable		70,51,94,994	
C) Cash and bank balances (including other bank balances)		80,07,72,419	
D) Other Receivable		27,68,440	
E) Other financial assets		1,02,44,95,073	
Financial Liabilities			
A) Derivative instruments designated as cash flow hedges		-	
B) Trade Payable		75,48,18,273	
C) Other financial liabilities		54,41,822	

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

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

Particulars	In Rs	
	Mar-23	Mar-22
Net gain/(losses) on financial assets and financial liabilities:		
Financial assets that are measured at FVTOCI		
Gain recognised in OCI during the year	4,62,137	(25,963)
Financial assets measured at amortised cost		
Exchange differences gain / loss on re-valuation or settlement of items denominated in foreign currency (debtors, loans given etc)	90,55,607	(1,83,761)
Allowance for expected Credit Loss during the year	1,90,243	54,41,875
Financial Liabilities measured at amortised cost		
Exchange differences gain / loss on re-valuation or settlement of items denominated in foreign currency (Creditors, borrowings availed)	(69,91,768)	40,28,463
Interest Revenue:		
Financial assets that are measured at amortised cost	2,02,27,367	2,04,83,616
Interest Expenses:		
Financial liabilities that are not measured at FVTPL	-	-
	2,29,43,586	2,97,44,231

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March, 2023

1.16 Corporate Social Responsibility

a) Amount required to be spent by the company on corporate social responsibility (CSR) related activities during the year is Rs 64,31,663/- (Previous year Rs 56,65,022/-)

b) The Company has spent Rs 4,15,000/- (previous year Rs 56,65,100/-) towards corporate social responsibility activities during the financial year.

Particulars	2022-23	2021-22
(i) amount required to be spent by the company during the year	64,31,663	56,65,022
(ii) amount of expenditure incurred	4,15,000	56,65,400
(iii) shortfall at the end of the year	60,16,663	-
(iv) total of previous years shortfall	-	-
(v) reason for shortfall	Resource issue with vendor	-
(vi) nature of CSR activities	Promoting health care	Promoting education & health care
(vii) details of related party transactions	-	-
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

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

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

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

Particulars	2022-23			2021-22		
	Revenue as per Ind AS 115 Rs.	Other Revenue Rs.	Total as per P&L reporting Rs.	Revenue as per Ind AS 115 Rs.	Other Revenue Rs.	Total as per P&L reporting Rs.
Manufacturing						
RAPH	1,08,77,35,043			76,84,12,873		
FAN	1,74,74,34,897			2,11,65,68,345		
Service			2,90,58,53,570			2,97,60,58,244
RAPH	17,22,723			27,36,417		
FAN	4,02,68,850			3,87,12,968		
Other		2,86,72,257			4,96,27,640	
Total	2,87,71,81,313	2,86,72,257	2,90,58,53,570	2,92,64,30,604	4,96,27,640	2,97,60,58,244

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

Particulars	In Rs	
	2022-23	2021-22
Opening Balance as on April 1	24,90,42,535	43,27,46,660
(Less): Revenue recognised during the year	(26,85,57,339)	(37,53,62,249)
Add: Advance received during the year (net of adjustments)	18,30,31,854	19,16,58,124
Closing Balance as on March 31	16,35,17,049	24,90,42,535

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

Particulars	In Rs	
	2022-23	2021-22
Opening contracted price of orders at the start of the year (including full value of partially executed contracts)	6,69,84,24,935	6,37,95,50,360
Changes during the year on account of:		
Add: Fresh orders received	2,55,53,42,182	1,33,49,43,810
Less: Orders completed	(3,26,53,30,862)	(1,01,60,69,235)
Closing contracted price of orders on hand at the end of the year (including full value of partially executed contracts)	5,98,74,36,256	6,69,84,24,935
Revenue recognised during the year		
Out of orders completed during the year	1,05,19,97,569	73,91,91,586
Out of continuing orders at the end of the year (i)	1,81,60,27,191	2,18,72,39,018
Revenue recognised upto previous year (towards continuing orders at the end of the year) (ii)	1,52,76,23,840	1,55,45,53,650
Balance revenue to be recognised in future (iii)	2,64,37,85,224	2,95,66,32,267
Closing contracted price of orders on hand at the end of the year (including full value of partially executed contracts) (i)+(ii)+(iii)	5,98,74,36,256	6,69,84,24,935

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

Particulars	Total	In Rs	
		Likely conversion in revenue	
		Upto 1 Year	From 1 to 2 years
Transaction price allocated to the remaining performance obligation	2,64,37,85,224	2,07,17,99,719	57,19,85,505
Total	2,64,37,85,224	2,07,17,99,719	57,19,85,505

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

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

Particulars	31.03.2023			31.03.2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Trade receivables	70,51,94,994		70,51,94,994	1,16,20,10,671		1,16,20,10,671
Cash and bank balances	42,70,91,291		42,70,91,291	3,10,00,314		3,10,00,314
Other Bank Balances	37,36,81,128		37,36,81,128	48,97,03,167		48,97,03,167
Other current financial assets	18,38,360	9,30,080	27,68,440	18,55,840	9,30,080	27,85,920
Total	1,50,78,05,773	9,30,080	1,50,87,35,853	1,68,54,70,992	9,30,080	1,68,64,01,072
Financial Liabilities						
Trade payables	75,48,18,273		75,48,18,273	1,02,35,73,465		1,02,35,73,465
Other financial liabilities	54,41,822		54,41,822	60,90,734		60,90,734
Total	76,02,60,095	-	76,02,60,095	1,02,96,64,199	-	1,02,96,64,199

1.20 The following table gives detail of carrying amount of Financial Assets pledged as security

Particulars	31.03.2023		31.03.2022	
	Total	Total	Total	Total
Financial Assets				
Current				
Trade receivables	70,51,94,994	1,16,20,10,671		
Cash and bank balances	42,70,91,291	3,10,00,314		
Other Bank Balances	37,36,81,128	48,97,03,167		
Other current financial assets	27,68,440	27,85,920		
Total	1,50,87,35,853	1,68,64,01,072		

Particulars	31.03.2023		31.03.2022	
	Total	Total	Total	Total
Movement in Expected Credit Loss				
Opening	30,80,794	85,22,669		
Loss Allowance based on Expected Credit Loss	(1,90,243)	(54,41,875)		
Closing	28,90,551	30,80,794		

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

Particulars	31.03.2023			31.03.2022		
	USD	Euro	GBP	USD	Euro	GBP
Trade Payable	(6,13,561)	11,80,59,812	3,03,83,396	5,84,380	17,60,89,407	2,19,03,906
Trade Receivable	70,71,096	11,53,83,156	3,76,58,979	29,92,207	11,53,83,156	5,50,86,766
Net Exposure	(76,84,657)	26,76,656	(72,75,583)	(24,07,826)	6,07,06,250	(3,31,82,660)

1.23 Sensitivity

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

Particulars	Impact on profit after tax	
	Mar23	Mar22
USD Sensitivity		
INR/USD -increase by 5%	2,87,521	90,089
INR/USD -decrease by 5%	(2,87,521)	(90,089)
Euro Sensitivity		
INR/Euro -increase by 5%	(1,00,147)	(22,71,324)
INR/Euro -decrease by 5%	1,00,147	22,71,324
GBP Sensitivity		
INR/GBP -increase by 5%	2,72,216	12,41,537
INR/GBP -decrease by 5%	(2,72,216)	(12,41,537)

1.24 Income Taxes

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

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

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The major components of tax expense for the year ended March 31, 2023 and March 31, 2022

Particulars	In Rs	
	2022-23	2021-22
Consolidated statement of Profit and Loss:		
(I) Profit and Loss section		
Current Income tax :		
Current income tax charge	11,11,59,835	10,55,94,642
Deferred Tax:		
Relating to origination and reversal of temporary differences	(63,99,649)	(38,05,439)
Effect of previously unrecognised tax losses and tax offsets used during the current year to reduce deferred tax expense	-	-
Effect on deferred tax balances due to the change in income tax rate	-	-
Income tax expense reported in the statement of profit or loss	10,47,60,186	10,17,89,203
Other Comprehensive Income (OCI) Section:		
Current income tax :		
Net loss / (gain) on remeasurement of defined benefit plans	(1,55,445)	8,733
Deferred Tax:		
Net gain / (loss) on cash flow hedges	-	-
Unrealised gain / (loss) on debt securities (FVTOCI)	-	-
Income tax expense reported in the OCI section	(1,55,445)	8,733

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March, 2023

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2023 and March 31, 2022

Particulars	In Rs	
	2022-23	2021-22
Profit before tax	39,28,47,309	37,78,55,555
Applicable tax rate	25.17%	25.17%
PBT * applicable tax rate (1*2)	9,88,71,811	9,51,01,203
Items of expense not deductible for tax purposes:		
CSR Expenses	1,04,447	14,25,773
Difference in Books & Income Tax	12,58,561	12,76,837
Other	1,09,25,016	77,90,831
Tax expense recognised during the year	11,11,59,835	10,55,94,643
Effective tax Rate	28.30%	27.95%

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

Particulars	Balance Sheet		Statement of Profit & Loss	
	31.3.2023	31.3.2022	2022-23	2021-22
Difference in Book and income tax depreciation	1,30,77,495	1,91,15,582	(60,38,088)	(45,91,753)
Provision for compensated absences disallowed u/s 43B	(37,68,641)	(34,64,663)	(3,03,978)	(3,23,391)
Provision for Gratuity	(21,34,800)	(20,29,332)	(1,05,468)	(2,60,015)
Provision towards Expected credit loss and doubtful debts	(7,27,554)	(7,75,438)	47,884	13,69,720
Changes in Fair value of cash flow hedges	-	-	-	-
Deferred tax expense / (income)	-	-	(63,99,649)	(38,05,439)
Net deferred tax (assets) / liabilities	64,46,500	1,28,46,149	-	-

1.26 The Gross movement in the deferred Income tax account during the year:

Particulars	In Rs	
	2022-23	2021-22
Opening Balance as on April 1	1,28,46,149	1,66,51,585
Tax (income) / expense during the period recognised in statement of Profit and Loss in Profit & Loss section	(63,99,649)	(38,05,439)
Tax (income) / expense during the period recognised in statement of Profit and Loss in OCI Section	-	-
Closing Balance as on March 31	64,46,500	1,28,46,149

1.27 Ind AS 116 - Leases

The company has changed classification of its leasehold land from "Property, plant and equipment" to "Right -of-use assets". Depreciation/amortisation amounting to Rs. 3,54,064/- has been charged to the Statement of Profit & Loss Account. Further, there is no impact of implementation of IND AS 116 on the results for the year ended March 31, 2023.

1.28 Detail of Sales, raw material and components:

A) Sales:

Class of Goods	In Rs	
	2022-23	2021-22
	Rs.	Rs.
Rotary Air Preheater & Axial Fans	2,83,51,69,742	2,88,49,81,219

B) Raw Material & Components Consumed:

Class of Goods	In Rs	
	2022-23	2021-22
	Rs.	Rs.
Steel and structure and other materials	1,94,56,80,652	2,17,40,69,362

C) Inventories

Class of Goods	In Rs	
	2022-23	2021-22
	Rs.	Rs.
Steel and structure and other materials	38,57,46,138	34,14,74,224

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

A. Movement in Provision

Particulars	In Rs	
	Product Warranties	Contractual Obligation Cost
Opening Balance as on 01-04-2022	12,47,25,482	25,11,52,896
Provision made during the year	3,41,67,274	16,92,45,193
Provision used during the year	(1,64,56,797)	(8,91,81,119)
Balance as on 31-03-2023	14,24,35,959	34,12,16,970

B. Nature of provision

i). Product Warranties: The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2023 represents the amount of the expected cost of meeting such obligations of rectifications/replacement. The timing of the outflows is expected to be within a period of 2 to 5 years from the date of Balance Sheet.

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

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

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2023

1.31 Related Party Disclosure

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

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

B) Balances of Related Parties

Balance due to related parties (net of advance)

In Rs

Name of Related Party	2022-23	2021-22
Larsen & Toubro Limited	1,42,37,779	1,83,24,604
Howden Axial Fans ApS	12,50,14,371	17,51,21,783
Howden UK Limited	1,92,26,978	1,98,41,321
Howden Group Limited	(30,94,238)	1,83,45,886
Howden Solyvent (India) Private Ltd	17,42,07,905	23,72,51,205
L & T MHPS Boiler Pvt Ltd	1,10,000	6,90,040
Howden Hua Engineering Co Ltd	(6,29,169)	-

Balance due from related parties (net of advance)

In Rs

Name of Related Party	2022-23	2021-22
Larsen & Toubro Limited	30,05,77,056	42,89,46,662
L & T MHPS Boiler Pvt Ltd	89,13,44,954	78,11,63,830
Nabha Power Limited	79,73,957	(15,93,863)
Howden Vietnam Company Limited	(3,21,769)	25,56,767
Howden Australia Pvt Ltd	(35,659)	(35,659)
Howden UK Limited	7,660	7,660
Howden Thomassen Middle East FZCO	-	16,48,617

C) Transactions with Related Parties

In Rs

Name of Related Party	Particulars	2022-23	2021-22
Larsen & Toubro Limited	Dividend Paid	10,02,00,000	3,38,17,500
	Sale of Goods & Services*	46,71,04,599	1,01,65,30,655
	Training Fees	5,63,409	21,500
	ESOPs Cost	8,28,151	10,77,643
	Networking Charges	3,49,27,921	3,57,33,798
	Administration & Sales Overheads	2,88,77,253	2,71,37,178
	L & T MHPS Boiler Pvt Ltd	Sale of Goods & Services*	1,25,20,60,533
Nabha Power Limited	Sale of Goods & Services	15,08,43,226	11,50,58,308
Howden Vietnam Company Limited	Sale of Goods & Services	1,14,49,118	83,16,044
Howden Australia Pvt Limited	Sale of Goods & Services	-	1,83,52,278
Howden Taiwan Co. Ltd	Sale of Goods & Services	2,30,08,214	3,51,89,849
Howden Axial Fans ApS	Purchase of Project Goods & Services	78	9,29,67,346
Howden UK Limited	Purchase of Project Goods & Services	44,14,865	2,06,68,498
Howden Hua Engineering Co Ltd	Purchase of Project Goods & Services	30,10,251	34,52,918
Howden Solyvent (India) Private Ltd	Purchase of Project Goods & Services	75,84,79,551	61,24,51,700
Nabha Power Limited	Purchase of Project Goods & Services	67,42,311	-
Howden Group Limited	Trade Mark Fees	2,83,35,463	2,87,10,483
Howden Axial Fans ApS	Royalty Fees	2,55,85,401	3,09,17,932
Howden UK Limited	Royalty Fees	1,64,43,546	1,15,24,514
Howden Holding B.V.	Dividend Paid	9,98,00,000	3,36,82,500

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

L&T Howden Private Limited
Notes forming part of Accounts for the year ended 31st March,2023

1.32 Financial Ratios

Ratios	2022-23	2021-22
Current Ratio	1.76	1.67
Debt-Equity Ratio	-	-
Debt Service Coverage Ratio	-	-
Return on Equity Ratio	96.79	93.80
Inventory turnover ratio	7.93	11.17
Trade Receivables turnover ratio	3.09	2.43
Trade payables turnover ratio	2.26	2.41
Net capital turnover ratio	2.28	2.37
Net profit ratio	10.08	9.60
Return on Capital employed	27.30	26.32
Return on investment	96.79	93.80

1.33 Contingent Liabilities

Nature Of Liability	Name of Statute	Status	In Rs	
			31.03.2023	31.03.2022
Disallowance of Cenval Credit of Service Tax	Central Goods and Services Tax Act, 2017	Order received in our favor of LTH on 08.06.2022	-	10,25,013
Sales tax liability	Central Sales Tax Act and Local Sales Tax Act Gujarat	Appeal filed with Commissioner Appeal (SGST) on 19-02-2021	6,81,214	6,81,214
Sales tax liability	Central Sales Tax Act and Local Sales Tax Act Gujarat	Appeal filed with Commissioner Appeal (SGST) on 19-02-2021	66,254	66,254
Income Tax Demand	Income Tax Act 1961	Demand under section 156 for AY 2020-21	7,55,81,440	-
Custom Duty (Net of amount provided for)	Custom Act, 1962	Appeal filed with Commissioner Appeal (Custom - Nhava Sheva) on 20-07-2022 against SVB order for appropriating an amount of Rs.7.69 Cr out of EDD.	2,68,82,287	-
		Total	10,32,11,195	17,72,461

1.34 Basic and diluted earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per Share"

Particulars	In Rs	
	2022-23	2021-22
Net profit/(loss) after tax available for Equity Shareholders	28,98,98,764	28,14,23,096
Weighted Average Number of Equity Shares (in numbers)	3,00,00,000	3,00,00,000
Face Value Per Share	10	10
Basic and Diluted Earnings Per Share	9.66	9.38

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

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

Anagha Thatte
Partner
Membership No.: 105525

Dharmendra K Shrivastava
Chief Executive
Place: Faridabad

Derek Michael Shah
Director
DIN : 06526950
Place: Faridabad

Frederick Hearle
Director
DIN : 08399370
Place: Faridabad

Place: Mumbai
Date: 27.04.2023

Atul Tandon
Chief Financial Officer
Place: Faridabad

Reena Raje
Company Secretary
M. No. ACS21440