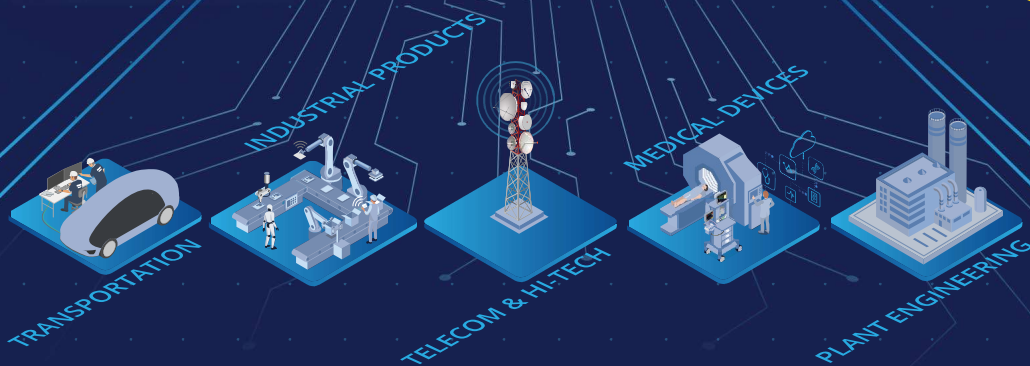


BEYOND THE BILLION

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2022 - 23
SUBSIDIARIES
ANNUAL REPORT



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BOARD'S REPORT (SECTION 134)

Dear Members,

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

1. FINANCIAL RESULTS:

Particulars	2022-23	2021-22
	₹ Thousands	₹ Thousands
Profit Before Depreciation, exceptional and extra ordinary items & tax	224,385	186,927
Less: Depreciation, amortization, impairment and obsolescence	2,217	4,920
Profit before exceptional and extraordinary items and tax	222,168	182,007
Add: Exceptional Items	Nil	Nil
Profit/(Loss) before tax	222,168	182,007
Less: Provision for tax	57,090	47,020
Profit for the period carried to the Balance Sheet	165,078	134,987
Add: Balance brought forward from previous year	421,666	285,283
Less: Dividend paid for the previous year (Including dividend distribution tax)	Nil	Nil
Add: Gain/(Loss) on re-measurement of the net defined benefit plans	(1,284)	1,396
Balance available for disposal which the Directors appropriate as follows:	585,460	421,666
Debenture Redemption Reserve	Nil	Nil
Balance carried to Balance Sheet	585,460	421,666

2. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were ₹ 1,205,777 thousand as against ₹ 927,326 thousand for the previous financial year registering an increase/decrease of 30.02%. The profit before tax from continuing operations including extraordinary and exceptional items was ₹ 222,168 thousand and the profit after tax from continuing operations including extraordinary and exceptional items was ₹ 165,078 thousand for the financial year under review as against ₹ 182,007 thousand and ₹ 134,987 thousand respectively for the previous financial year, registering an increase of 22.06% and 22.29% respectively.

3. CAPITAL & FINANCE:

There has been no change in the share capital of the Company during the said financial year. As on March 31, 2023, the total paid up equity share capital of the Company was ₹ 20,550 thousand consisting of 2,054,989 equity shares of ₹ 10/- each, fully paid up.

4. CAPITAL EXPENDITURE:

As at March 31, 2023 the gross fixed and intangible assets including leased assets, stood at ₹ 61,355 thousand and the net fixed and intangible assets, including leased assets, at ₹ 2,576 thousand. Addition to gross block during the year amounted to ₹ 165 thousand.

5. 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.

6. DEPOSITORY SYSTEM:

The Ministry of Corporate Affairs requires certain companies to facilitate dematerialization of all its existing securities and has mandated that the stake of promoters, directors and key managerial personnel should be held in demat form. As on March 31, 2023, 100% of the Company's total paid up capital representing 2,054,989 shares are in dematerialized form. Further, the Ministry of Corporate Affairs 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. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:

The Company has disclosed the full particulars of the loans given, investments made, guarantees given or security provided as required under Section 186 of the Companies Act, 2013.

8. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:

All the related party transactions were in the ordinary course of business and at arm's length. The Board has approved all the related party transactions for the FY 2022-23 as required under the provisions of Section 177 of the Companies Act, 2013.

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

9. AMOUNT TO BE CARRIED TO RESERVES:

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

10. DIVIDEND:

The Board of Directors has not declared any dividend for the financial year under review.

11. 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 are no material changes that have taken place in the Company between the date of Balance Sheet and the date of Board Report.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) Conservation of energy:

The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing activity and is not included under the list of industries which should furnish information in Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

(B) Technology absorption: Nil

The Company being Technology driven, has always adopted the latest technology trends and best practices.

(C) Foreign exchange earnings and outgo:

The Company exports engineering and designing services mainly to North America, Europe and other countries.

The total foreign exchange earned and used for the period under review is as under:

Particulars	₹ Thousands
Foreign exchange earned	979,671
Foreign exchange used	131,889

13. RISK MANAGEMENT POLICY:

The Company has formulated a risk management policy and has in place a mechanism to inform the Board members about risk assessment and minimization initiatives undertaken. It also periodically reviews the risk to ensure the executive management controls risk by means of a properly designed framework.

14. CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility (CSR) Committee comprises of 3 Non-Executive Directors. The current members of the CSR Committee are Mr. Rajeev Gupta, Mr. Abhishek Sinha, and Mr. Ashish Saraf. Mr. Rajeev Gupta is the Chairman of the Committee.

During the year under review, 1 meeting of the CSR Committee were held on April 19, 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 (as amended) are given as Annexure A to this report.

The Finance Head 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.

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

Mr. Rajeev Gupta, Mr. Abhishek Sinha, Mr. Ashish Arun Saraf, and Mr. Rajkumar Ravindranathan are the current Directors of the Company.

There were no changes in the Directors of the Company during the year.

The notice convening the Annual General Meeting includes the proposal for re-appointment of Directors who are liable to retire by rotation.

16. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Meetings of the Board are held at regular intervals.

During the year under review 4 meetings were held on April 19, 2022, July 14, 2022, October 14, 2022 & January 17, 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.

17. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has voluntarily established a vigil mechanism framework for directors and employees to report genuine concerns. This mechanism is in line with the requirements of the Companies Act, 2013.

18. ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2023, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

19. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 profit/loss of the Company for that period;

- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

20. 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.

21. PROTECTION OF WOMEN AT WORKPLACE:

The holding company L&T Technology Services Limited has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group companies. There were no cases of sexual harassment received in the Company during FY 2022-23.

22. AUDITORS REPORT:

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

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013

23. AUDITORS:

The Auditors, M/s Sharp & Tannan, were appointed as Statutory Auditors for a period of five continuous years from the conclusion of 14th AGM till the conclusion of 19th AGM.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declared that they have not taken up any prohibited non-audit assignments for the Company.

24. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

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

25. ANNUAL RETURN:

As the Company doesn't have its own website, the requirement of uploading Annual Return of the Company on its website as on 31st March 2023 in form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is not applicable to the Company.

26. ACKNOWLEDGEMENT:

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, and all the various stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from every member of the L&T Thales Technology Services Private Limited group globally.

For and on behalf of the Board

Mr. Ashish Arun Saraf

Director
(DIN: 07924215)

Place: Delhi
Date: April 21, 2023

Mr. Rajeev Gupta

Director
(DIN: 06782710)

Place: Mumbai
Date: April 21, 2023

LIST OF ANNEXURE:

Annexure A – Annual Report on Corporate Social Responsibility (CSR) Activities

ANNEXURE A**ANNUAL REPORT ON CSR ACTIVITIES****1. Brief outline on CSR policy of the Company:**

The Company is committed to discharging its Social Responsibility through:

- Partnership with communities in education and skill-building
- Innovation and Technology

Our 'CSR' approach is based on the dedicated involvement of our employees, who get as much value out of the initiatives, as the recipient. The focus areas for the Company are given below:

- Water Conservation & Purification
- Education and Skill building
- Health
- Environment
- Innovation and Technology

While the focus of CSR efforts will be in the areas mentioned above, the Company however may also undertake projects where societal needs are high or in special situations (such as in the case of natural disasters etc.).

2. Composition of the 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. Rajeev Gupta	Chairman / Non-Executive Director	1	1
2	Mr. Abhishek Sinha	Member / Non-Executive Director	1	1
3	Mr. Ashish Saraf	Member / Non-Executive Director	1	1

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company - Not applicable**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 (attach the report) : Not applicable**

- Average net profit of the company as per sub-section (5) of section 135 : ₹ 1,86,873 thousand
- Two percent of average net profit of the company as per section sub-section (5) of section 135 : ₹ 3,737 thousand
- Surplus arising out of the CSR projects or programs or activities of the previous financial years: ₹ 144 thousand
- Amount required to be set off for the financial year, if any : Nil
- Total CSR obligation for the financial year : ₹ 3,737 thousand

- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 3,800 thousand
- Amount spent in Administrative Overheads: Nil
- Amount spent on Impact Assessment, if applicable: Nil
- Total amount spent for the Financial Year (6a+6b+6c+6d): ₹ 3,800 thousand
- CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (In Rs.)	Amount Unspent (in ₹ millions)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
3,800 thousand	NIL	NA	None	NIL	NA

(f) Excess amount for set-off, if any :

Sl. No.	Particulars	Amount (₹ in Thousand)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	3,737
(ii)	Total amount spent for the Financial Year	3,800
(iii)	Excess amount spent for the financial year [(ii)-(i)]	63
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	63

7. Details of Unspent CSR amount for the preceding three financial years : Not Applicable

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any.
					Amount (in ₹)	Date of transfer.		
Not Applicable								

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

Yes No

If yes, enter the number of Capital assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. 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
(1)	(2)	(3)	(4)	(5)	(6)
Not Applicable					

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: Not applicable

Mr. Ashish Arun Saraf
(Member CSR Committee)

Mr. Rajeev Gupta
(Chairman CSR Committee)

INDEPENDENT AUDITOR'S REPORT

To the Members of
L&T Thales Technology Services Private Limited

Report on the audit of the financial statements

Opinion

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

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

Basis for opinion

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

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

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

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

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

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

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

Management's responsibility for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate

internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

- 1 As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the relevant books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - (g) With respect to the matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act (as amended), we report that according to the information and explanation given to us and based on our examination of the records of the Company, the Company has not paid/provided for any remuneration to the directors of the Company during the year; and
 - (h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 39 to the financial statements;
 - ii the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – refer note 36 to the financial statements; and
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – refer note 37 to the financial statements.
 - iv (a) Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

L&T THALES TECHNOLOGY SERVICES PRIVATE LIMITED

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v The Company has not declared or paid dividend during the year.
- vi Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 regarding maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 22038332AHIDVY8423

Mumbai, April 21, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment;
- (B) The Company has maintained proper records showing full particulars of intangible assets;
- (b) The Company has a program of physical verification of its property, plant and equipment to cover all the items of property, plant and equipment in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its property, plant and equipment. According to the information and explanations given to us, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification;
- (c) The Company does not hold any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company;
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable to the Company; and
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the order is not applicable to the Company; and
- (b) According to the information and explanations given to us, no working capital facility has been sanctioned from banks or financial institutions during the year. Accordingly, paragraph 3(ii)(b) of the order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties. Accordingly, paragraphs 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax and Cess have generally been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, and Cess were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and on the basis of our examination of records of the Company, there were no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961);
- (ix) In our opinion and according to the information and explanations given to us, the Company has not borrowed any funds from any lender. Accordingly, paragraphs 3(ix) (a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year; and
- (b) No report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government;
- (c) According to the information and explanations given to us, no complaints were received as a part of the whistle-blower mechanism during the year Accordingly, paragraph 3(xi)(c) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

L&T THALES TECHNOLOGY SERVICES PRIVATE LIMITED

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) In our opinion and based on our examination, the Company is not required to have an internal audit system as per provisions of the Act. Accordingly, paragraphs 3(xiv) (a) and (b) are not applicable to the Company;
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company;
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company;
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) and (d) of the Order is not applicable to the Company;
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses in the financial year, and in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company;
- (xix) On the basis of the financial ratios, ageing and expected dates of 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, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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 information and explanations given to us, as per section 135 of the Act, the Company does not have any amount remaining unspent under sub-section (5) of section 135 of the Companies Act.
- (xxi) According to the information and explanations given to us, the Company is not required to prepare consolidated financial statements. Accordingly, paragraph 3(xx) of the Order is not applicable to the Company.

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

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 22038332AHIDVY8423

Mumbai, April 21, 2023

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

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

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

Management's responsibility for internal financial controls

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

Auditors' responsibility

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

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

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

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

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

Opinion

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

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

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 22038332AHIDVY8423

Mumbai, April 21, 2023

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note No.	₹ in thousands	
		As at 31-03-2023	As at 31-03-2022
ASSETS:			
I. Non-current Assets			
(a) Property, plant and equipment	4	2,429	4,330
(b) Other intangible assets	5	147	298
(c) Financial assets	6	3,396	3,575
(d) Deferred tax assets (net)	7	20,280	21,245
(e) Other non current assets	8	23,453	20,109
Total non-current assets		49,705	49,557
II. Current Assets			
(a) Financial assets			
(i) Investments	9	340,664	275,113
(ii) Trade receivables	10	317,969	269,779
(iii) Cash and cash equivalents	11	81,623	8,924
(v) Other financial assets	12	5,879	6,971
(b) Other current assets	13	256,726	141,379
(c) Current Tax Assets (net)		–	–
Total current assets		1,002,861	702,166
TOTAL ASSETS		1,052,566	751,723
EQUITY AND LIABILITIES			
I. Equity			
(a) Equity share capital	14	20,550	20,550
(b) Other equity		658,211	494,417
Total equity		678,761	514,967
II. Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	15		
Due to Micro and small enterprises		195	31
Due to others		324,638	144,372
(ii) Other financial liabilities	16	7,234	6,751
(b) Other current liabilities	17	18,864	53,577
(c) Provisions	18	12,517	8,773
(d) Current tax liabilities (net)		10,357	23,252
Total current liabilities		373,805	236,756
TOTAL EQUITY AND LIABILITIES		1,052,566	751,723
Notes forming part of the financial statements	1- 43		

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership no. 38332

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors of
L&T Thales Technology Services Private Limited

RAJEEV GUPTA
Director
DIN No. 06782710

Place: Mumbai
Date: April 21, 2023

ASHISH SARAF
Director
DIN No. 07924215

Place: Mumbai
Date: April 21, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Note No.	₹ in thousands	
		Year Ended 31-03-2023	Year ended 31-03-2022
I. Revenue from operations	19	1,174,038	919,125
II. Other income	20	31,739	8,201
III. TOTAL REVENUE		1,205,777	927,326
IV. Expenses:			
(a) Employee benefit expenses	21	85,011	145,375
(b) Depreciation and amortisation expenses		2,217	4,920
(c) Other expenses	22	896,381	595,024
TOTAL EXPENSES		983,609	745,319
V. PROFIT BEFORE TAX (III - IV)		222,168	182,007
VI. Tax expense :			
(a) Current tax		56,125	51,126
MAT credit		-	-
(b) Deferred tax		965	(4,106)
TOTAL TAX EXPENSE	23	57,090	47,020
VII. PROFIT FOR THE YEAR (V - VI)		165,078	134,987
VIII. Other comprehensive income, net of taxes			
(A) Items that will not be reclassified to the statement of profit and loss			
Remeasurement of the defined benefit plans		(1,724)	1,865
Income tax on items that will not be reclassified to the statement of profit and loss		440	(469)
IX. TOTAL COMPREHENSIVE INCOME, NET OF TAXES		163,794	136,383
X. EARNING PER EQUITY SHARE	24		
Basic - Rupee		80.33	65.69
Diluted - Rupee		80.33	65.69
Face value per equity share		10.00	10.00
XI. Notes forming part of the financial statements	1-43		

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership no. 38332

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors of
L&T Thales Technology Services Private Limited

RAJEEV GUPTA
Director
DIN No. 06782710

Place: Mumbai
Date: April 21, 2023

ASHISH SARAF
Director
DIN No. 07924215

Place: Mumbai
Date: April 21, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

	Year Ended 31-03-2023	₹ in thousands Year ended 31-03-2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	222,168	182,007
Adjustments for:		
Depreciation and amortisation	2,217	4,920
Interest received	(123)	(125)
(Profit)/loss on sale of fixed assets	-	(140)
Dividends received from current investments	(19,667)	(6,615)
Unrealized exchange (gain)/loss	(1,635)	(4,219)
Operating profit before working capital changes	202,960	175,828
Changes in working capital		
(Increase)/decrease in trade receivables	(48,398)	(63,496)
(Increase)/decrease in other receivables	(114,163)	30,939
Increase/(decrease) in trade & other payables	150,410	38,776
(Increase)/decrease in working capital	(12,151)	6,219
Cash generated from operations	190,809	182,046
Direct taxes paid	(72,364)	(51,935)
Net cash used in/from operating activities	118,445	130,111
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(165)	(82)
Sale of property, plant and equipment	-	636
(Purchase)/sale of current investments (net)	(64,496)	(129,898)
Gain/(loss) sale of current investments	18,613	7,315
Interest received	230	-
Net cash used in/from investing activities	(45,818)	(122,029)
Net (decrease)/increase in cash and cash equivalents	72,627	8,082
Cash and cash equivalents at beginning of year	12,045	3,963
Cash and cash equivalents at end of year	84,672	12,045

Notes:

- Cash flow has been prepared under the indirect method as set out in the Ind AS - 7
- Cash and cash equivalents included in cash flow statement comprise the following :

	As at 31-03-2023	As at 31-03-2022
Cash and cash equivalents disclosed under current assets	81,623	8,924
Add: Other bank balances disclosed under non-current assets	3,396	3,575
Less: Accrued interest included in other bank balances disclosed under non-current assets	(347)	(453)
	84,672	12,045

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership no. 38332

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors of
L&T Thales Technology Services Private Limited

RAJEEV GUPTA
Director
DIN No. 06782710

Place: Mumbai
Date: April 21, 2023

ASHISH SARAF
Director
DIN No. 07924215

Place: Mumbai
Date: April 21, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MAR 31, 2023**A. EQUITY SHARE CAPITAL**

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number of shares	₹ in thousands	Number of shares	₹ in thousands
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	20,54,989	20,550	20,54,989	20,550
Add/(Less): Shares issued on exercise of employee stock options during the year	-	-	-	-
Add/(Less): Reorganization of share capital, reduction of face value	-	-	-	-
Add/(Less): Fresh issue of equity shares	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	20,54,989	20,550	20,54,989	20,550

B. OTHER EQUITY

₹ in thousands

Particulars	Other Equity				Total equity attributable to equity holders of the Company
	Equity share capital	Reserves & Surplus		Other comprehensive income	
		Securities premium reserve	Retained earnings	Other items of other comprehensive income	
Balance as at 01-04-2021	20,550	72,751	280,409	4,874	358,034
Profit for the year	-	-	134,987	-	134,987
Other comprehensive income	-	-	-	1,396	1,396
Balance as at 31-03-2022	20,550	72,751	415,396	6,270	494,417
Balance as at 01-04-2022	20,550	72,751	415,396	6,270	494,417
Profit for the year	-	-	165,078	-	165,078
Other comprehensive income	-	-	-	(1,284)	(1,284)
Balance as at 31-03-2023	20,550	72,751	580,474	4,986	658,211

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership no. 38332

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors of
L&T Thales Technology Services Private Limited

RAJEEV GUPTA
Director
DIN No. 06782710

Place: Mumbai
Date: April 21, 2023

ASHISH SARAF
Director
DIN No. 07924215

Place: Mumbai
Date: April 21, 2023

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

L&T Thales Technology Services Private Limited ("the Company") is a private company incorporated and domiciled in India and has its registered office at RRV Tower, 7th floor – 33 A Developed Plots, SIDCO Industrial Estate, Guindy, Chennai – 600 032.

The Company is engaged in the business of software development mainly for in-flight entertainment systems (IFE), ground transportation solutions (GTSC), flight management systems (FMS), air traffic management systems (ATM) etc.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

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

The financial statements of the Company for the year ended March 31, 2023 were approved for issue by the Board of Directors on April 21, 2023.

b) Basis of accounting

These financial statements have been prepared on an accrual basis following the historical cost convention, except for certain financial instruments which are measured at fair values at the end of each reporting year, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

d) Presentation of financial statements

The balance sheet and the statement of profit and loss are prepared in the format prescribed in the schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in balance sheet and statement of profit and loss, as prescribed in the schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Ind AS.

e) Revenue recognition

(i) Revenue from operations

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group/Company expects to receive in exchange for those services:

- a. Revenue from contracts which are on time and material basis are recognized when services are rendered, and related costs are incurred.
- b. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity.
- c. Revenues in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (unearned revenue).
- d. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company presents revenue net of discounts, collection charges, indirect taxes and value-added taxes in its statement of profit and loss.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how the customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date as per contract.

(ii) Other income

- A. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- B. Other items of income are accounted for as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)**f) Employee benefits****i. Short term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, and short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

ii. Post-employment benefits**a) Defined contribution plan**

Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the period when the contributions to the respective funds are made. There are no other obligations other than the contribution payable to the respective trusts.

b) Defined benefit plans

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made as at the balance sheet date.

iii. Long term employee benefits

The obligation for long term employee benefits like long term compensation absences is recognized in the similar manner as in the case of defined benefit plans as mentioned in (ii) (b) above.

g) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. Depreciation is provided for property, plant and equipment on straight line basis so as to expense the cost over their estimated useful lives based on evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful life of the assets as per schedule II of the Companies Act 2013 and their estimated useful lives as per evaluation by the management is as follows:

Category of asset	Useful life as per schedule II (in years)	Useful life adopted (in years)
Computers	3 – 6	3 – 5
Office equipment	5	1 - 4
Furniture and fixtures	10	10
Owned vehicles	6	7
Lab equipment	10	6 - 8

h) Intangible assets and amortisation

Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Asset class	Useful life (years)
Computer software	3 – 5

i) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at their transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the transaction price measured on initial recognition of financial asset or financial liability.

Non-derivative financial assets**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

Non-derivative financial liabilities

Financial liabilities are initially recognised at transaction price, and subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within 1 year from balance sheet date, the carrying amount approximate fair value due to short maturity of these instruments.

j) Leases

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset. The standard, however, does not require an entity to recognize assets and liabilities for (a) short-term leases (for a period of twelve months or less) and (b) leases of low value assets.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts

The Company has elected not to apply the requirements of Ind AS 116 leases to short-term leases where lease term is 12 months or less and leases for which the underlying asset is of low value. The lease payments related to these leases are recognised as an expense.

k) Impairment of assets

a) Trade receivables

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. In accordance with IndAS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss. As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivables. ECL impairment loss allowances (or reversal) recognized during the period is recognized as an expense/income respectively in the statement of profit and loss. Provision for ECL is presented as deduction from carrying amount of trade receivables.

b) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets (other than goodwill) are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss

l) Foreign currencies

The functional currency of the Company is the Indian rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

m) Income-tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company.

Provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

Deferred Income Taxes

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets include minimum alternative tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as a deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied related to income tax assessments in interest expenses.

n) Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The Company has a present obligation as a result of a past event;
- b) A probable outflow of resources is expected to settle the obligation; and
- c) The amount of the obligation can be reliably estimated

Contingent liability is disclosed in the case of

- a) A present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- b) A possible obligation unless the probability of outflow of resources is remote

Contingent assets are neither recognized nor disclosed.

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

o) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

p) Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average numbers of the equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

q) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the project/contract/service and extends up to the realisation of receivables within the credit period normally applicable to the respective lines of business.

r) Borrowing costs

Borrowing costs include interest expense, bill discounting charges and exchange differences arising on foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

3. RECENT ACCOUNTING PRONOUNCEMENTS:

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023. The Company does not expect these amendments to have a significant impact on its financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)**4 PROPERTY, PLANT AND EQUIPMENT**

₹ in thousands

Particulars	Computers and servers	Office equipments	Furniture and fixtures	Lab equipments	Total
Gross carrying value as on 01-04-2022	28,302	2,991	1,021	3,623	35,937
Additions during the year	–	165	–	–	165
Disposals during the year	–	–	–	–	–
Gross carrying value as on 31-03-2023	28,302	3,156	1,021	3,623	36,102
Depreciation					
Depreciation as on 01-04-2022	27,046	2,567	519	1,475	31,607
For the year	1,112	221	145	588	2,066
On deductions	–	–	–	–	–
Depreciation as on 31-03-2023	28,158	2,788	664	2,063	33,673
Net carrying value as on 31-03-2023	144	368	357	1,560	2,429
<i>Net carrying value as on 31-03-2022</i>	<i>1,256</i>	<i>424</i>	<i>502</i>	<i>2,148</i>	<i>4,330</i>

5 OTHER INTANGIBLE ASSETS

₹ in thousands

Particulars	Specialized Software	Total
Gross carrying value as on 01-04-2022	25,253	25,253
Additions during the year	–	–
Disposals during the year	–	–
Balance as on 31-03-2023	25,253	25,253
Amortisation		
Amortisation as on 01-04-2022	24,955	24,955
For the year	151	151
On deductions	–	–
Amortisation as on 31-03-2023	25,106	25,106
Net carrying value as on 31-03-2023	147	147
<i>Net carrying value as on 31-03-2022</i>	<i>298</i>	<i>298</i>

6 OTHER FINANCIAL ASSETS**Non-current**

Fixed deposits*

Forward contract receivable

	As at 31-03-2023	As at 31-03-2022
	3,396	3,575
	–	–
	3,396	3,575

* Fixed deposits are margin money deposits against bank guarantees

7 DEFERRED TAX ASSETS (NET)

₹ in thousands

Description	DTL/(DTA)	Charge/(credit)	DTL/(DTA)
	As at 01.04.2022	to P&L	As at 31.03.2023
Property, plant and equipment and other intangible assets	(1,833)	108	(1,725)
Provision against GST/Service tax receivables/recoverable	(8,910)	(1,293)	(10,203)
Unpaid statutory liabilities & provision for compensatory absences	(3,810)	(684)	(4,494)
MAT credit entitlement	–	–	–
Others	(6,692)	2,834	(3,858)
Total	(21,245)	965	(20,280)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

		₹ in thousands	
		As at 31-03-2023	As at 31-03-2022
8 OTHER NON CURRENT ASSETS			
Income tax receivable (net)		23,453	20,109
		<u>23,453</u>	<u>20,109</u>

		₹ in thousands	
		As at 31-03-2023	As at 31-03-2022
		Units	Amount
		As at 31-03-2023	As at 31-03-2022
		Units	Amount
9 INVESTMENTS			
CURRENT INVESTMENT			
Investment in mutual funds			
Quoted			
Aditya Birla SunLife Liquid Fund - Direct - Growth	366,876	133,207	-
Nippon India Liquid Fund - Direct - Growth	12,761	70,273	-
Axis Liquid Fund - Direct - Growth	54,854	137,184	-
L&T Liquid Fund - Regular - Daily Dividend Reinvestment	-	-	94,380
	<u>434,491</u>	<u>340,664</u>	<u>94,380</u>
			<u>275,113</u>

		₹ in thousands	
		As at 31-03-2023	As at 31-03-2022
Aggregate amount of quoted current investments and market value thereof:			
Aggregate amount of quoted investment at cost		339,500	274,986
Aggregate amount of quoted investment at market value		340,664	275,113

		₹ in thousands	
		As at 31-03-2023	As at 31-03-2022
10 TRADE RECEIVABLES			
Current			
Unsecured, considered good		329,529	291,541
Less: Allowance for doubtful debt		(11,560)	(21,762)
		<u>317,969</u>	<u>269,779</u>

Ageing of trade receivables

Particulars	Less than 6 months	For less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
As at 31-03-2023						
Undisputed trade receivables - considered good	316,162	9,069	-	4,298	-	329,529
Less: Allowance for doubtful debt	-	-	-	-	-	(11,560)
Trade receivables Total	316,162	9,069	-	4,298	-	317,969
As at 31-03-2022						
Undisputed trade receivables - considered good	268,021	2,227	5,691	11,298	4,304	291,541
Less: Allowance for doubtful debt	-	-	-	-	-	(21,762)
Trade receivables Total	268,021	2,227	5,691	11,298	4,304	269,779

		₹ in thousands	
		As at 31-03-2023	As at 31-03-2022
11 CASH AND CASH EQUIVALENTS			
Balances with banks		81,623	3,048
Remittance in transit		-	5,876
		<u>81,623</u>	<u>8,924</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

	As at 31-03-2023	₹ in thousands As at 31-03-2022
12 OTHER FINANCIAL ASSETS		
Unbilled revenue	27	1,413
Less: ECL on unbilled revenue	(1)	(69)
	<u>26</u>	<u>1,344</u>
Advances to employees	15	15
Security deposits	5,838	5,612
	<u>5,879</u>	<u>6,971</u>
13 OTHER CURRENT ASSETS		
Unbilled revenue	152,228	66,906
Less: ECL on unbilled revenue	(3,485)	(3,278)
	<u>148,743</u>	<u>63,628</u>
Prepaid expenses	854	1,076
GST receivable	35,236	76,593
GST/Service tax recoverable (net of Service tax refund related provision)	70,816	—
Other receivables	1,077	82
	<u>107,983</u>	<u>77,751</u>
	<u>256,726</u>	<u>141,379</u>

14 SHARE CAPITAL**14.1 Authorised :**

2,500,000 equity shares of ₹ 10 each	25,000	25,000
(31 March 2023 : 2,500,000 equity shares of ₹ 10 each)		
<i>(01 April 2022 : 2,500,000 equity shares of ₹ 10 each)</i>		
	<u>25,000</u>	<u>25,000</u>

14.2 Issued, subscribed and paid up

2,054,989 equity shares of ₹ 10 each	20,550	20,550
(31 March 2023 : 20,54,989 equity shares of ₹ 10 each)		
(01 April 2022 : 20,54,989 equity shares of ₹ 10 each)		
Total issued, subscribed and paid up capital	<u>20,550</u>	<u>20,550</u>

14.3 In the period of five years immediately preceding March 31,2023:

Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
Aggregate number and class of shares bought back - Nil

14.4 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

14.5 Shares of the Company held by holding company

	As at 31-03-2023		As at 31-03-2022	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares				
L&T Technology Services Limited	1,520,692	74%	1,520,692	74%
	<u>1,520,692</u>		<u>1,520,692</u>	

14.6 Shareholders holding more than 5% of equity shares as at the end of the year

	As at 31-03-2023		As at 31-03-2022	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares				
L&T Technology Services Limited (Promoter)	1,520,692	74%	1,520,692	74%
Thales Services SAS, France (Promoter)	534,297	26%	534,297	26%
	<u>2,054,989</u>		<u>2,054,989</u>	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

	₹ in thousands	
	As at 31-03-2023	As at 31-03-2022
15 TRADE PAYABLES		
Due to related parties	266,054	115,349
Micro and small enterprises	195	31
Due to others:		
Liability for revenue goods/services	56,064	28,282
Supplier ledger - revenue goods/services	2,520	742
	<u>324,833</u>	<u>144,404</u>

Ageing of trade payables:

	Upto 1 year	1 to 2 year	2 to 3 year	> 3 year	Total
As at 31-03-2023					
Due to Micro and small enterprise	195	-	-	-	195
Due to others	323,960			678	324,638
Total	324,155	-	-	678	324,833
As at 31-03-2022					
Due to Micro and small enterprise	31	-	-	-	31
Due to others	141,570			2,803	144,373
Total	141,601	-	-	2,803	144,404

	₹ in thousands	
	As at 31-03-2023	As at 31-03-2022
16 OTHER FINANCIAL LIABILITIES		
Other payables	34	34
Liability towards employee compensation	7,200	6,717
	<u>7,234</u>	<u>6,751</u>

17 OTHER CURRENT LIABILITIES		
Unearned revenue	3,323	38,652
Other payables	15,541	14,925
	<u>18,864</u>	<u>53,577</u>

18 PROVISIONS		
Provisions for employee benefits :		
Leave encashment	4,809	3,525
Gratuity unfunded plan	7,708	5,248
	<u>12,517</u>	<u>8,773</u>

	₹ in thousands	
	Year Ended 31-03-2023	Year Ended 31-03-2022
19 REVENUE FROM OPERATIONS		
Engineering and technology services	1,174,038	919,125
	<u>1,174,038</u>	<u>919,125</u>

20 OTHER INCOME		
Foreign exchange gain/(loss)	11,441	1,163
Profit/(loss) on sales of fixed asset	-	140
Gain/(loss) from mutual fund investments measured at fair value	1,054	(702)
Bank interest received	123	125
Miscellaneous income	508	158
Net gain/(loss) on sale of investment	18,613	7,317
	<u>31,739</u>	<u>8,201</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

	Year Ended 31-03-2023	₹ in thousands Year Ended 31-03-2022
21 EMPLOYEE BENEFIT EXPENSES		
Salaries including overseas staff expenses	78,750	138,872
Staff welfare	640	291
Contribution to provident and other funds	4,187	4,632
Provision for gratuity	1,434	1,580
	85,011	145,375
22 OTHER OPERATING EXPENSES		
Subcontracting and component charges	851,361	537,989
Cost of computer software	368	304
Travelling and conveyance	5,716	4,363
Rent and establishment expenses	10,663	10,349
Telephone, postage and other communication charges	1,871	2,191
Legal and professional charges	2,161	1,950
Repairs to buildings & machineries	4,892	4,900
Power and fuel	2,663	2,379
Equipment hire charges	49	72
Rates & taxes	5,143	3,207
Bad debts written off	6,002	–
Allowances for doubtful debts on trade receivable	(10,202)	9,633
ECL on unbilled revenue	139	1,543
Overheads charged by group companies	9,732	9,732
Corporate social responsibility expenditure	3,800	3,400
Miscellaneous expenses	2,023	3,012
	896,381	595,024
23 PROVISION FOR TAXATION		
Current tax	56,125	51,126
Deferred tax	965	(4,106)
	57,090	47,020
24 BASIC AND DILUTED EARNING PER EQUITY SHARE (EPS)		
Basic and diluted EPS		
Profit after tax	165,078	134,987
Less: Dividend on preference shares	–	–
Less: Tax on dividend	–	–
Profit attributable to equity shareholders	165,078	134,987
Weighted average no. of equity shares outstanding	2,054,989	2,054,989
Basic EPS - Rupees	80.33	65.69
Diluted		
Profit after tax	165,078	134,987
Less: Dividend on preference shares	–	–
Less: Tax on dividend	–	–
Profit attributable to equity shareholders	165,078	134,987
Weighted average no. of equity shares outstanding	2,054,989	2,054,989
Add - No. of potential equity shares	–	–
Weighted average no. of equity shares outstanding	2,054,989	2,054,989
Diluted EPS - Rupees	80.33	65.69

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)**25 DISCLOSURE PURSUANT TO IND AS 115 “REVENUE FROM CONTRACT WITH CUSTOMERS”:****a) Disaggregation of revenue**

The nature of contract impacts the method of revenue recognition and the contracts are classified as fixed-price contracts and time & material contracts.

i) Revenue by contract type

₹ in thousands

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Fixed price contracts	719,408	616,732
Time and materials contracts	454,630	302,393
Total	1,174,038	919,125

ii) Refer Note 30 for disaggregation of revenue by geographical segments.

iii) The Company believes that this disaggregation best depicts how the nature, amount, timing of its revenues and cash flows are affected by industry, market and other economic factors.

b) Transaction price allocated to remaining performance obligation

i) The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2023, other than those meeting the exclusion criteria mentioned below in (ii), is ₹ 4,17,228 (PY: ₹ 2,07,605). Out of this, the Company expects to recognize 100% revenue within the next one year. Remaining performance obligation estimates are subject to change and are affected by several factors, including changes in the scope of contracts, periodic revalidations, and adjustments for currency.

ii) The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

c) Movement in contract balances

i) The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for time and material jobs where right to consideration is unconditional upon passage of time. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

ii) Movement in contract asset and contract liability

₹ in thousands

Particulars	For year ended March 31, 2023		For year ended March 31, 2022	
	Unbilled revenue	Advance from customer	Unbilled revenue	Advance from customer
Balance as of April 1, 2022	64,972	38,652	73,912	36,802
Revenue recognised during period	104,503	(38,652)	18,763	(36,802)
Invoiced during period	(20,567)	3,323	(26,160)	38,652
(Impairment)/reversal during period	(139)	—	(1,543)	—
Balance as of March 31, 2023	148,769	3,323	64,972	38,652

26 DETAILS OF PAYMENT TO AUDITORS

₹ in thousands

	Year Ended 31-03-2023	Year Ended 31-03-2022
Payment to auditors		
As auditor:		
Statutory audit	593	593
Tax audit	133	133
Certification fees		
– Other services including certification work	140	134
	866	860

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)**27 FAIR VALUE MEASUREMENTS****Financial instrument by category**

₹ in thousands

	As at 31-03-2023			As at 31-03-2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
– Mutual funds	340,664	–	–	275,113	–	–
– Bank fixed deposits	–	–	3,396	–	–	3,575
Trade receivables	–	–	317,969	–	–	269,779
Cash and cash equivalents	–	–	81,623	–	–	8,924
Security deposits	–	–	5,838	–	–	5,612
Advances - to employees	–	–	15	–	–	15
Other receivables	–	–	26	–	–	1,344
Total financials assets	340,664	–	408,867	275,113	–	289,248
Financial liabilities						
Trade payables	–	–	324,833	–	–	144,404
Other payables	–	–	34	–	–	34
Liability towards employee compensation	–	–	7,200	–	–	6,717
Total financials liabilities	–	–	332,068	–	–	151,155

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ in thousands

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at 31-03-2023				As at 31-03-2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Mutual funds	340,664	–	–	340,664	275,113	–	–	275,113
Total financials assets	340,664	–	–	340,664	275,113	–	–	275,113

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There are no transfers between the levels during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include :

* the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

* the fair value of remaining financial instrument is determined using discounted cash flow analysis.

(iii) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively. The valuation method applied for various financial assets and liabilities are as follows -

* Quoted price in the primary market (NAV) considered for the fair valuation of the current investment i.e mutual fund. Gain / (loss) on fair valuation is recognised in Profit and Loss.

* The carrying amounts of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory dues/receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.

* The fair value of security deposit is calculated by discounting future cash inflows.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)**28 FINANCIAL RISK MANAGEMENT****Financial risk factors**

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

Currency risk

The Company derives a substantial part of its revenues in foreign currency and also has significant subcontracting expenses in foreign currency on back to back basis. As a result, the Company has natural hedge for part of foreign currency exposure. The Company reviews the foreign currency exposure at regular intervals.

Credit/counter-party risk

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

The Company reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Company also calculates the expected credit loss (ECL) for non collection and for delay in collection of receivables. The Company makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Company retains the provision made for doubtful debts without any adjustment.

The provision for doubtful debts including ECL allowances for non-collection of receivables and delay in collection, on a combined basis, was ₹ 11,560 thousand as at March 31 2023 and ₹ 21,762 thousand as at March 31 2022. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

	₹ in thousands	
	2022-23	2021-22
Opening balance of allowances for doubtful accounts	21,762	12,129
Allowances recognized (reversed)	(10,202)	9,633
Closing balance of allowances for doubtful accounts	11,560	21,762

The percentage of revenue from its top five customers is 94% for 2022-23 (94% for 2021-22).

Liquidity risk

The Company's treasury department monitors the cash flows and surplus funds are invested in non-speculative financial instruments that are usually highly liquid funds. The Company has Nil borrowings as at March 31, 2023. The contractual maturities of financial assets and financial liabilities as at March 31, 2023 is as follows:

	₹ in thousands		
	Less than 1 year	More than 1 year	Total
Financial assets			
Investments	340,664	–	340,664
Trade receivables	317,969	–	317,969
Other financial assets	5,879	–	5,879
Total	664,512	–	664,512
Financial liabilities			
Trade payables	324,833	–	324,833
Other financial liabilities	7,234	–	7,234
Total	332,068	–	332,068

Sensitivity analysis of investments

Sensitivity impact on profit after tax and equity is calculated considering increase or decrease in net asset value (NAV) of mutual funds, with all other variables being constant. Every 0.25% increase in NAV will increase the Company's net profit by Rupees 852 thousand and increase the equity by the same amount. Conversely, every 0.25% decrease in NAV will negatively impact the Company's net profit by Rupees 852 thousand and favourably impact the equity by the same amount.

29 TAX RECONCILIATION STATEMENT

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

₹ in thousands

Particulars	2022-23	2021-22
Accounting profit before income tax	222,168	182,007
Corporate income tax rate	25.17%	25.168%
Tax at income tax rate	55,915	45,808
Non deductible tax expenses		
CSR expense	956	856
Others	(661)	356
Tax on other comprehensive income	440	(469)
Total tax expense as per books of accounts	56,650	46,551

30 EMPLOYEE BENEFITS**i) Defined contribution plan**

The Company has recognised INR 4,173 (PY ₹ 4,589) as provident fund contribution towards defined contribution plan as an expense in the statement of profit and loss.

ii) Defined benefit plan

a) The amounts recognised in balance sheet are as follows:

₹ in thousands

Particulars	Gratuity plan	
	As at 31-03-2023	As at 31-03-2022
A. Present value of defined benefit obligation		
Wholly funded	–	–
Wholly unfunded	7,708	5,248
	7,708	5,248
Less: fair value of plan assets	–	–
Amount to be recognised as liability or (asset)	7,708	5,248
B. Amounts reflected in the balance sheet		
Liabilities	7,708	5,248
Assets	–	–
Net liability / (asset)	7,708	5,248

b) Amount recognized in the statement of profit and loss :

₹ in thousands

		Gratuity plan	
		2022-23	2021-22
1	Current service cost	1,113	1,238
2	Interest cost	321	342
	Total expense for the year included in employee benefit expense	1,434	1,580

c) Amount recorded In other comprehensive income :

₹ in thousands

		Gratuity plan	
		As at 31-03-2023	As at 31-03-2022
1	Opening amount recognized in other comprehensive income	(8,065)	(6,200)
2	Remeasurement during the period due to		
	Changes in financial assumptions	(452)	(150)
	Changes in demographic assumptions	(94)	(112)
	Experience adjustments	2,270	(1,603)
	Closing amount recognized in OCI outside Profit and Loss Account	(6,341)	(8,065)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

d) Reconciliation of net liability asset and closing balances thereof are as follows:

₹ in thousands

	Gratuity plan	
	As at 31-03-2023	As at 31-03-2022
Opening net defined benefit	5,248	5,921
Expense charged to the statement of profit and loss	1,434	1,580
Amount recongnized outside the statement of profit and loss	1,724	(1,865)
Employer's contributions	(698)	(387)
Closing balance of the present value of defined benefit obligation	7,708	5,248

e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

₹ in thousands

	Gratuity plan	
	As at 31-03-2023	As at 31-03-2022
Opening of defined benefit obligation	5,248	5,921
Transfer in/(out)		
Current service cost	1,113	1,238
Past service cost	–	–
Interest on defined benefit obligation	321	342
Remeasurements due to :		
Actuarial loss/(gain) arising from change in financial assumptions	(452)	(150)
Actuarial loss/(gain) arising from change in dem orgaphic assum ptions	(94)	(112)
Actuarial loss/(gain) arising on account of experience changes	2,270	(1,603)
Contribution by Plan Participants		
Benefits paid	(698)	(387)
Liabilities assumed / (settled)	–	–
Liabilities extinguished on settlements	–	–
Closing balance of the plan assets	7,708	5,248

Sensitivity analysis :

	Gratuity plan	
	As at 31-03-2023	As at 31-03-2022
Impact of increase in 100 bps on DBO		
- Discount rate	-7.01%	-6.59%
- Salary escalation rate	7.29%	6.86%
Impact of decrease in 100 bps on DBO		
- Discount rate	7.95%	7.43%
- Salary escalation rate	-7.18%	-6.71%

f) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

		As at 31-03-2023	As at 31-03-2022
1	Discount rate		
	a) Gratuity plan	7.30%	6.55%
2	Salary growth rate	5.50%	5.50%
3	Attrition rate	0% to 27% for various age groups	0% to 22% for various age groups

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

g) The amounts pertaining to defined benefit plans for the current year are as follows:

₹ in thousands

		As at 31-03-2023	As at 31-03-2022
	Post retirement medical benefit plan (non funded)		
1	Defined benefit obligation	7,708	5,248
	Gratuity plan		
1	Defined benefit obligation	7,708	5,248
2	(Surplus) / deficit	7,708	5,248

31 RELATED PARTY DISCLOSURE

(i) List of related parties which can exercise control:

Name	Relationship
Larsen and Toubro Limited	Ultimate Holding Company
L&T Technology Services Limited	Holding Company

(ii) List of related parties with whom there were transactions during the year:

Name	Relationship
Larsen and Toubro Limited	Ultimate Holding Company
L&T Technology Services Limited	Holding Company
Thales Services SAS, France	Associate Company
LTIMindtree Limited*	Fellow Subsidiary
L&T Hydrocarbon Engineering Limited	Fellow Subsidiary

*During the year, Mindtree Limited merged with Larsen & Toubro Infotech Limited as per order of National Law Tribunal. Pursuant to that, Name of Larsen & Toubro Infotech Limited it changed to LTIMindtree Limited. Current year transactions and balances are shown under LTIMindtree Limited

(iii) Disclosure of related party transactions:

₹ in thousands

Transactions	31-Mar-23	31-Mar-22
Sale of services :		
Holding company	10,569	473
– L&T Technology Services Limited	10,569	473
Purchase of services :		
Holding company	752,345	467,724
– L&T Technology Services Limited	752,345	467,494
– Larsen & Toubro Limited	–	230
Fellow subsidiaries	75,709	63,192
– LTIMindtree Limited	75,709	93
– Mindtree Limited	–	63,099
Services availed by the Company :		
Holding company	10,231	48,466
– Larsen & Toubro Limited	–	163
– L&T Technology Services Limited	10,231	48,303
Services rendered by the Company :		
Holding company	–	26
– L&T Technology Services Limited	–	26
Trade receivable :		
Holding company	2,744	5,832
– L&T Technology Services Limited	2,744	5,832

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

₹ in thousands

Transactions	31-Mar-23	31-Mar-22
Associate company	–	135
– Thales Services SAS, France	–	135
Trade payable :		
Holding company	226,410	96,863
– Larsen & Toubro Limited	445	918
– L&T Technology Services Limited	225,965	95,945
Associate company	1,377	1,342
– Thales Services SAS, France	1,377	1,342
Fellow subsidiaries	38,267	17,143
– Mindtree Limited	–	17,143
– LTIMindtree Limited	38,267	–

32 LEASES

The lease rentals charged during the period is as under :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Lease rentals	10,439	10,188

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

Future minimum lease payable	As at March 31, 2023	As at March 31, 2022
Not later than 1 year	2,641	10,439
Later than 1 year and not later than 5 years	–	2,641

The operating lease arrangement is for the premises and future lease payable has been calculated taken into consideration the price escalation clause.

33 SEGMENT REPORTING**Business segments:**

As the Company's business activity primarily falls within a single primary business segment, viz engineering, programming and testing services, the disclosure requirements of IND AS 108 'Operating Segments' are not applicable.

Geographical segments:

Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

Particulars	North America	Europe	India	Rest of world	Total
Revenue by location of customers	774,807	146,372	252,859	–	1,174,038
	<i>523,507</i>	<i>250,574</i>	<i>145,044</i>	–	<i>919,125</i>

Numbers in italics are previous year numbers

Assets used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as they are used inter-changeably among segments.

- 34** There are ₹ 195 thousands (*PY - ₹ 31 thousands*) - principal amount due to micro and small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006. Dues to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006, have been determined to the extent such parties have been identified on the basis of information collected by the Management.
- 35** As per section 135 of the Act, a company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Amount to be spent by the Company on CSR related activities during the year is ₹ 3,737 thousand (*PY - ₹ 3,378 thousands*). During the year, the Company has spent ₹ 3800 thousands for environment (*PY ₹ 3,400 thousands* for education and skill building).
- 36** The Company does not have any long-term contracts as on 31st March 2023 (*PY ₹ Nil*), including derivative contracts for which there are any material foreseeable losses.
- 37** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023 (*PY ₹ Nil*).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)**38 Financial ratios:**

Ratio	Formula considered	For year ended 31-03-2023	For year ended 31-03-2022
Current ratio	Current assets/Current liabilities	2.68	2.97
Debt equity ratio	Debt/Total shareholder's equity	–	–
Debt service coverage ratio	EBIT/Debt	–	–
Return on equity	PAT/Total average equity	28%	30%
Trade Receivables turnover ratio	Revenue from operation/Average trade receivable	4.0	3.9
Trade payable turnover ratio	Adjusted expenses/Average trade payables	3.8	4.7
Net capital turnover ratio	Revenue from operation/Average working capital	2.1	2.3
Net profit %	Profit after tax/Revenue from operations	14%	15%
EBITDA %	EBITDA/Revenue from operations	16%	19%
EBIT %	EBIT/Revenue from operations	16%	19%
Return on capital employed %	PBIT/Average capital employed	37%	41%
Return on investment	Interest income/average investment	6.4%	3.1%

39 Contingent Liability - ₹ Nil (PY ₹ Nil)

- 40** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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.
- 41** No funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.
- 42** The Company has not declared or paid any dividend during the year.
- 43** Previous year's figures have been regrouped/reclassified wherever necessary.

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership no. 38332

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors of
L&T Thales Technology Services Private Limited

RAJEEV GUPTA
Director
DIN No. 06782710

Place: Mumbai
Date: April 21, 2023

ASHISH SARAF
Director
DIN No. 07924215

Place: Mumbai
Date: April 21, 2023

BOARD'S REPORT

Dear Members,

It is our pleasure to present the Board Report and Audited Accounts for the year ended March 31, 2023.

1. FINANCIAL RESULTS:

Particulars	2022-23	2021-22
	USD	USD
Total Income	109,792,387	89,544,689
Total Expenditure	98,838,985	80,833,802
Operating Profit/(Loss)	10,953,402	8,710,887
Add: Other Income	149,007	194,436
Less: Depreciation & Finance Costs	–	–
Profit/(Loss) before Tax	11,102,409	8,905,323
Less: Tax	3,095,739	3,058,962
Net Profit/(Loss) after Tax	8,006,670	5,846,361
Add: Balance b/f from previous year	14,851,781	9,005,420
Balance available for disposal which directors appropriate as follows:	22,858,451	14,851,781
Dividend	–	–
Transfer to Reserves	–	–
Balance to be carried forward	22,858,451	14,851,781

2. CAPITAL & FINANCE:

During the year under review, the Company has not issued any shares. The Company's borrowings stand at USD Nil as on March 31, 2023.

3. CAPITAL EXPENDITURE:

As at March 31, 2023, the gross fixed and intangible assets, including leased assets, stood at USD 34,748,263 and the net fixed and intangible assets, including leased assets, at USD 20,121,781. Capital Expenditure during the year amounted to USD 4,013,232.

4. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were USD 109,792,387 as against USD 89,544,689 for the previous financial year registering an increase of 23%. The profit before tax from continuing operations including extraordinary and exceptional items was USD 11,102,409 and the profit after tax from continuing operations including extraordinary and exceptional items was USD 8,006,670 for the financial year under review as against USD 8,905,323 and USD 5,846,361 respectively for the previous financial year.

5. SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES:

In 2017, the Company had acquired Esencia Technologies Inc. a Nevada, USA based company. During the financial year 2019-20, the Company had incorporated a subsidiary named L&T Technology Services (Canada) Limited, in which it is holding 100% stake. During the financial year 2020-21, the Company had acquired Orchestra Technologies Inc., in which it is holding 100% stake. During financial year 2021-22, Esencia Technologies Inc. was merged with the Company and the comparative amounts in the financials were restated for merger under common control transactions as per US GAAP.

Performance and Financial Position of subsidiaries:

Sr. No.	Particulars	L&T Technology Services (Canada) Limited	Orchestra Technologies Inc.
		CAD	USD
1	Share capital	6,612	4,600
2	Reserves	(145,953)	513,543
3	Current Liabilities	1,365,567	9,728,029
4	Non-Current Liabilities	–	–
5	Total equity and liabilities (1+2+3+4)	1,226,226	10,246,172
6	Non-Current Assets	–	2,504,947
7	Current Assets	1,226,226	7,741,225
8	Total Assets (6+7)	1,226,226	10,246,172
9	Investments included in current assets (7 above)	–	–

L&T TECHNOLOGY SERVICES LLC

Sr. No.	Particulars	L&T Technology Services (Canada) Limited	Orchestra Technologies Inc.
	Currency	CAD	USD
10	Cash flow from operating activities	612,558	655,543
11	Cash flow from investing activities	–	(75,759)
12	Cash flow from financing activities	–	–
13	Net increase in cash and cash equivalents (10+11+12)	612,558	579,784
14	Revenue from operations	31,579	31,167,507
15	Profit before taxation	6,813	(1,810,010)
16	Provision for taxation	–	(323,471)
17	Profit after taxation	6,813	(1,486,539)
18	% of shareholding	100%	100%

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

The Company has not given loan/made investment/provided guarantee or security during the year under review.

7. AMOUNT TO BE CARRIED TO RESERVE:

As at March 31, 2023, the Company has not transferred any amount to reserves.

8. DIVIDEND:

The Company has not declared any dividend during the year under review.

9. 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 are no material changes affecting the financial position of the Company between the end of the financial year and the date of the report.

10. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

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

Mr. Amit Chadha is the Manager who looks after the affairs of the Company.

12. NUMBER OF MEETING OF THE BOARD OF DIRECTORS:

The Meeting of the Company was held on March 31, 2023.

13. REPORTING OF FRAUDS:

The Auditors of the Company have not reported any fraud committed against the Company by its officers or employees.

14. FINANCIAL STATEMENTS:

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

15. AUDITORS:

M/s KNAV P.A. are the Auditors of the Company. They will continue to be Auditors of the Company for the ensuing financial year.

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 of the Company for that period;

- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes 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. ACKNOWLEDGEMENT:

Your Members acknowledge the invaluable support extended by the Government authorities in United States of America and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of **L&T Technology Services LLC**

AMIT CHADHA

Manager

Place: United States of America

Date: April 18, 2023

INDEPENDENT AUDITOR'S REPORT

The Member,
L&T Technology Services, LLC

Opinion

We have audited the accompanying separate parent company financial statements of L&T Technology Services, LLC ('the Company'), which comprise the balance sheets as of March 31, 2023, and March 31, 2022, and the related statements of income, member's equity, and cash flows for the year then ended, and the related notes to the separate parent company financial statements.

In our opinion, except for the effects of the matter described in the 'Basis of qualified opinion' section of our report, the accompanying separate parent company financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023, and March 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of qualified opinion

As discussed in Note A.2 to the separate parent company financial statements, the Company reports investment in its wholly owned subsidiaries, Orchestra Technology, Inc., and L&T Technology Services (Canada) Limited on cost basis. Accounting principles generally accepted in the United States of America require that all majority owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of these subsidiaries had been consolidated with those of the Company, total assets would have increased by \$6,112,341 and \$11,957,113 and; total liabilities would have increased by \$11,479,418 and \$14,985,685 as at March 31, 2023, and March 31, 2022, respectively; and member's equity would have decreased by \$5,367,077 and \$3,028,572 as of March 31, 2023, and March 31, 2022, respectively; and net income would have decreased by \$2,015,922 and \$1,366,083, respectively, for the years then ended.

Responsibilities of management for the separate parent company financial statements

Management is responsible for the preparation and fair presentation of the separate parent company financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of separate parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate parent company financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that the separate parent company financial statements are available to be issued.

Auditor's responsibilities for the audit of the separate parent company financial statements

Our objectives are to obtain reasonable assurance about whether the separate parent company 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the separate parent company financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the separate parent company financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the separate parent company financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Atlanta, Georgia
April 18, 2023

BALANCE SHEETS

(All amounts in United States Dollars, unless otherwise stated)

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	5,345,062	5,423,276
Accounts receivable, net	17,606,819	18,729,878
Due from related parties (Refer Note O)	3,220,163	584,251
Prepaid and other current assets	4,512,863	5,573,488
Total current assets	30,684,907	30,310,893
Property and equipment, net	1,858,199	1,014,989
Goodwill and other intangible assets, net	14,665,816	14,679,916
Operating lease right-of-use ('ROU') assets	3,597,766	3,710,557
Investments	13,405,896	13,405,896
Deferred tax assets	—	695,022
Other assets	96,159	332,105
Total assets	64,308,743	64,149,378
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	851,915	3,661,189
Due to related parties	407,179	4,040,386
Operating lease liability, current portion	1,026,461	702,674
Other current liabilities	7,837,633	8,679,070
Total current liabilities	10,123,188	17,083,319
Operating lease liability, non-current portion	2,594,697	2,984,669
Contingent consideration	2,704,278	3,219,609
Deferred tax liability	18,129	—
Total liabilities	15,440,292	23,287,597
Member's equity		
Member's equity	26,010,000	26,010,000
Accumulated surplus	22,858,451	14,851,781
Total member's equity	48,868,451	40,861,781
Total liabilities and member's equity	64,308,743	64,149,378

(The accompanying notes are an integral part of these separate parent company financial statements)

For and on behalf of **L&T Technology Services LLC****Amit Chadha**
ManagerPlace: United States of America
Date: April 18, 2023

STATEMENTS OF INCOME

(All amounts in United States Dollars, unless otherwise stated)

	For the year ended March 31, 2023	<i>For the year ended March 31, 2022</i>
Revenues	109,792,387	89,544,689
Total revenues	109,792,387	89,544,689
Operating expenses		
Cost of revenues	91,785,081	74,131,690
Selling, general and administrative expenses	6,082,127	5,493,200
Depreciation and amortization	636,027	756,731
Unwinding of interest on contingent consideration	335,750	452,181
Total operating expenses	98,838,985	80,833,802
Operating profit	10,953,402	8,710,887
Other income	149,007	194,436
Profit before income tax	11,102,409	8,905,323
Current tax expense	2,382,587	3,031,873
Deferred tax expense	713,152	27,089
Net profit	8,006,670	5,846,361

*(The accompanying notes are an integral part of these separate parent company financial statements)*For and on behalf of **L&T Technology Services LLC****Amit Chadha**
Manager*Place: United States of America
Date: April 18, 2023*

STATEMENTS OF MEMBER'S EQUITY

(All amounts in United States Dollars, unless otherwise stated)

	<u>Member's equity</u>	<u>Accumulated surplus</u>	<u>Total member's equity</u>
Balance as at April 01, 2021	26,010,000	9,005,420	35,015,420
Net profit for the year	—	5,846,361	5,846,361
Balance as at March 31, 2022	26,010,000	14,851,781	40,861,781
Balance as at April 01, 2022	26,010,000	14,851,781	40,861,781
Net profit for the year	—	8,006,670	8,006,670
Balance as at March 31, 2023	26,010,000	22,858,451	48,868,451

(The accompanying notes are an integral part of these separate parent company financial statements)

 For and on behalf of **L&T Technology Services LLC**
Amit Chadha
 Manager

Place: United States of America
Date: April 18, 2023

STATEMENTS OF CASH FLOWS

(All amounts in United States Dollars, unless otherwise stated)

	For the year ended March 31, 2023	<i>For the year ended March 31, 2022</i>
Cash flow from operating activities		
Net profit	8,006,670	5,846,361
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	636,027	756,731
Deferred tax expense	713,152	27,089
Allowance for bad debts	264,378	310,982
Unwinding of interest on contingent consideration	335,750	452,181
Changes in current assets and liabilities		
Accounts receivable, net	858,681	(10,103,285)
Prepaid and other current assets	1,060,624	(892,618)
Other assets	235,944	(268,209)
Operating lease assets and liabilities	46,606	(3,377)
Accounts payable	(2,809,272)	2,991,061
Related party balances	(6,269,119)	1,703,708
Other current liabilities	(841,437)	2,822,211
Net cash provided by operating activities	2,238,004	3,642,835
Cash flow from investing activities		
Purchase of property and equipment	(1,465,137)	(691,311)
Investment in subsidiaries	(851,081)	—
Net cash used in investing activities	(2,316,218)	(691,311)
Net increase in cash and cash equivalents	(78,214)	2,951,524
Cash and cash equivalents at the beginning of the year	5,423,276	2,471,752
Cash and cash equivalents at the end of the year	5,345,062	5,423,276
Supplemental cash flow information		
Income taxes paid	2,387,131	2,519,242

(The accompanying notes are an integral part of these separate parent company financial statements)

For and on behalf of **L&T Technology Services LLC****Amit Chadha**
ManagerPlace: United States of America
Date: April 18, 2023

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

(All amounts in United States Dollars, unless otherwise stated)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying separate parent company financial statements is as follows:

1. Organization and nature of operations

L&T Technology Services, LLC ("the Company") is a wholly owned subsidiary of L&T Technology Services Limited ("Holding Company" or "LTTS"), an India incorporated public listed company. The Company was incorporated on June 26, 2014, as a limited liability company under the laws of the State of Illinois. The Company is engaged in providing engineering services which include Mechanical Design & Analysis, Embedded Engineering, Applied Engineering, and Manufacturing Consulting.

On November 21, 2014, the Company acquired the business of Dell Product and Process Innovation Services Corp.

On June 01, 2017, the Company acquired all issued and outstanding preferred and common stock of Esencia Technologies, Inc.

On August 20, 2019, the Company incorporated L&T Technology Services (Canada) Limited ('L&T Canada'), a private company in Canada. On September 21, 2020, the Company has made a contribution of capital of \$5,000 in L&T Canada.

On October 2, 2020, the Company acquired all issued and outstanding common stock of Orchestra Technology, Inc. ('Orchestra'), a Company incorporated in Texas in 2006.

On October 1, 2021, Esencia was merged with the Company and all the assets and liabilities were taken over by the Company. This transfer of the business has been accounted as per Accounting Standard Codification ('ASC') 805-50 "Business Combination for entities under common control" for entities under common control, wherein the assets and liabilities of Esencia, have been transferred at historic carrying values.

2. Basis of preparation

a) The accompanying separate parent company financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position, results of operation and cash flows of the Company. In these separate parent company financial statements, the Company reports investments in its wholly owned subsidiaries, Orchestra Technology, Inc., and L&T Technology Services (Canada) Limited on cost basis. Accounting principles generally accepted in the United States of America require that wholly owned and majority owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of these subsidiaries had been consolidated with those of the Company, total assets would have increased by \$6,112,341 and \$11,957,113 and; total liabilities would have increased by \$11,479,418 and \$14,985,685 as at March 31, 2023, and March 31, 2022, respectively; and member's equity would have decreased by \$5,367,077 and \$3,028,572 as of March 31, 2023, and March 31, 2022, respectively; and net income would have decreased by \$2,015,922 and \$1,366,083, respectively, for the years then ended.

b) The separate parent company financial statements presented are for the years ended March 31, 2023, and March 31, 2022.

c) Certain reclassifications, regroupings and reworking have been made in the separate parent company financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported net profit or member's equity.

3. Estimates and assumptions

The preparation of separate parent company financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the separate parent company financial statements and the results of operations during the reporting periods. The important estimates made by the Company in preparing these separate parent company financial statements include those on the valuation of identified intangibles and goodwill, useful life of intangibles and property and equipment, impairment of other tangible, goodwill and intangible long-lived assets, allowance for doubtful debts, revenue recognition, accrued liabilities, deferred taxes, provisions for employee benefit obligations, income tax uncertainties and other contingencies. The estimates are made using historical information and other relevant factors available to management. Management believes that the estimates used in the preparation of the separate parent company financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

4. Investments

Investments are carried at cost. Acquisition related expenditure, if any, is expensed in the same year as incurred.

5. Cash and cash equivalents

Cash and cash equivalents include current balances on bank accounts and highly liquid, short-term deposits with an original maturity of three months or less.

6. Accounts receivable & allowance for doubtful debts

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful debts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and the customers' financial condition, the amounts of receivables in dispute, and the current receivables ageing and current payment patterns. The Company reviews its allowance for doubtful debts monthly. Past due balances over 365 days and over a specified amount are reviewed individually for collectability. Allowance for doubtful debts is included in selling, general and administrative expenses in the statements of income. The Company charges off uncollectable amounts against the reserves in the period in which it determines they are uncollectable.

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

7. Accounts receivable factoring

The Company enters into certain accounts receivable factoring arrangements that expire over varying maturities. For facilities that are provided with non-recourse, the Company accounts for the arrangement as a net receivable asset. Fees charged for the factoring arrangements are recorded under 'Selling, general and administrative expenses'.

8. Advertising costs

Non-response advertising costs are presented as part of selling, general, and administrative expenses in the statements of income. Advertising costs are expensed as incurred. Advertisement expense for the year ended March 31, 2023, and March 31, 2022, are \$8,275 and \$120 respectively.

9. Revenue recognition

The core principle of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

To achieve this core principle, the Company has applied the five-step process:

1. Identify the contract with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to performance obligations in the contract.
5. Recognize revenue when or as the Company satisfies a performance obligation.

The Company recognizes revenues when services are rendered to the customer for an amount, referred to as the transaction price, that reflects the consideration to which the Company is expected to be entitled in exchange for those services. Revenues related to time-and-material contracts are recognized over the period the services are provided either using an input method such as labor hours, or output method such as surveys of performance completed to date or a method that is otherwise consistent with the way in which value is delivered to the customer. Revenue related to fixed price contracts is recognized as and when the performance obligations mentioned in the contracts is fulfilled and approved by the customer.

Contract balances

The timing of revenue recognition, invoicing and cash collections results in billed receivables, contract assets and contract liabilities on the Company balance sheets. Contract assets represent sales recognized in excess of billings related to work completed but not yet billed for which revenue is recognized over time. Contract assets are recorded as unbilled receivables. Contract liabilities are customer deposits for which revenue has not been recognized. Customer deposits are recorded as other current liabilities. When invoices are raised to the customer prior to completion of the performance obligation under the terms of a contract, a contract liability is recorded as deferred revenue. Contract liabilities are recognized as revenue after performance obligation is completed and all revenue recognition criteria have been met.

Other income

Dividend income is recognized when the dividend is declared by the controlled entity or investee.

10. Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment. Cost of items of property and equipment comprises cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property and equipment over the estimated useful life using the straight-line method. Expenditures for maintenance and repairs are charged to expense. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited to statements of income.

The estimated useful lives used to determine depreciation are:

Nature of assets	Estimated useful life of assets
Office equipment, furniture, and fixtures	7 to 10 years
Information technology equipment	6 months to 4 years

11. Impairment of long-lived assets

Long-lived assets, including certain identifiable intangible assets, to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are considered to be impaired if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured by the amount by which the carrying value of the assets exceeds its fair value.

12. Business combinations, goodwill, and intangible assets

The Company accounts for goodwill and intangible assets in accordance with ASC 350, Intangibles – Goodwill and Other ("ASC 350"). ASC 350 requires that goodwill and other intangibles with indefinite lives should be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value.

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

Goodwill is tested for impairment at the reporting unit level on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. The Company has adopted the provisions of Accounting Standards Update ("ASU") 2017-04, "Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"). ASU 2017-04 eliminates the second step of the goodwill impairment test. For goodwill impairment tests, if the carrying value of a reporting unit exceeds its fair value, the Company will measure any goodwill impairment losses as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

The Company amortizes intangible assets over their estimated useful lives unless such lives are determined to be indefinite. Amortizable intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period. Intangible assets with indefinite lives are tested at least annually for impairment and written down to fair value as required. The estimated useful lives of the amortizable intangible assets are as follows:

Nature of assets	Estimated useful life of assets
Customer relationship	4 years
Specialized software	6 years

13. Operating leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. The Company's assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Company obtains the right to substantially all the economic benefit from the use of the asset throughout the term of the contract, and (3) whether the Company has the right to direct the use of the asset. At the inception of a lease, the consideration in the contract is allocated to each lease component based on its relative standalone price to determine the lease payments.

Leases are classified as either finance leases or operating leases. A lease is classified as an operating lease if the following criteria are not met: (1) the lease transfers ownership of the asset by the end of the lease term, (2) the lease contains an option to purchase the asset that is reasonably certain to be exercised, (3) the lease term is for a major part of the remaining useful life of the asset or (4) the present value of the lease payments equals or exceeds substantially all of the fair value of the asset.

For all leases at the lease commencement date, a right-of-use asset and a lease liability are recognized. The lease liability represents the present value of the lease payments under the lease. Lease liabilities are initially measured as the present value of the lease payments not yet paid, discounted using the discount rate for the lease at lease commencement. The lease liabilities are subsequently measured on an amortized cost basis. The lease liability is adjusted to reflect interest on the liability and the lease payments made during the period. Interest on the lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability.

The ROU asset represents the right to use the leased asset for the lease term. The ROU asset for each lease initially includes the amount of the initial measurement of the lease liability adjusted for any lease payments made to the lessor at or before the commencement date, accrued lease liabilities and any lease incentives received, or any initial direct costs incurred by the Company.

The ROU asset of operating leases is subsequently measured from the carrying amount of the lease liability at the end of each reporting period and is therefore equal to the carrying amount of lease liabilities adjusted for (1) unamortized initial direct costs, (2) prepaid/(accrued) lease payments and (3) the unamortized balance of lease incentives received.

Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

Significant judgements

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has applied an incremental borrowing rate for the purpose of computing lease liabilities based on the rate prevailing in the geography in which the Company exists.

14. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but disclosed in notes. Contingent assets are neither recognized nor disclosed.

15. Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the separate parent company financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded for deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. ASC 740 also provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. All deferred tax assets and liabilities, along with any related valuation allowance, is classified as non-current on the balance sheets.

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

The Company recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions in the statements of income.

16. Retirement and employee benefits

Contribution to defined contribution plans are charged to statements of income in the period in which they accrue.

17. Fair value measurements and financial instruments

Assets and liabilities recorded at fair value in the separate parent company financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, borrowings under line of credit and accrued liabilities. The estimated fair value of cash, accounts receivable, accounts payable, borrowings under line of credit and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Bank balance	5,345,062	5,423,276
Total	<u>5,345,062</u>	<u>5,423,276</u>

Cash balances on checking accounts and payroll accounts with the bank are insured by the Federal Deposit Insurance Corporation up to an aggregate of \$250,000 per depositor at each financial institution. The Company's non-interest-bearing cash balances may exceed federal insured limits.

NOTE C - ACCOUNTS RECEIVABLE, NET

Accounts receivable, net is as under:

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Due from customers	20,688,866	19,447,235
Less: Amount received against accounts receivable factoring*	(2,645,768)	–
Less: Allowances for doubtful debts	(436,279)	(717,357)
Total	<u>17,606,819</u>	<u>18,729,878</u>

*During the year ended March 31, 2023, the Company has entered into a factoring agreement with one of its bankers. As at March 31, 2023, the factor has advanced a total of \$2,645,768, net of fees. Finance charges for the year ended March 31, 2023, amount to \$37,774 and have been recorded under 'Selling, general and administrative expenses' in the statements of income.

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

The movement in allowance for doubtful debts during the year is as under:

	Year ended March 31, 2023	Year ended March 31, 2022
Beginning balance	717,357	406,375
Less: Bad debts written off	(545,456)	–
Add: Provision during the year	264,378	310,982
Closing balance	<u>436,279</u>	<u>717,357</u>

NOTE D - PREPAID AND OTHER CURRENT ASSETS

Prepaid and other current assets comprise of the following:

	As at March 31, 2023	As at March 31, 2022
Unbilled receivables	3,876,876	5,284,909
Prepaid expenses	167,362	260,613
Advance to vendors	466,840	4,253
Other current assets	1,785	23,713
Total	<u>4,512,863</u>	<u>5,573,488</u>

NOTE E - PROPERTY AND EQUIPMENT, NET

Property and equipment, net comprise of the following:

	As at March 31, 2023	As at March 31, 2022
Information technology equipment	2,783,425	1,611,957
Office equipment, furniture, and fixtures	763,236	488,730
	<u>3,546,661</u>	<u>2,100,687</u>
Less: accumulated depreciation	(1,688,462)	(1,085,698)
Property and equipment, net	<u>1,858,199</u>	<u>1,014,989</u>

Depreciation for the year ended March 31, 2023, and March 31, 2022, is \$613,273 and \$388,688 respectively.

During the year ended March 31, 2023, the Company had retired a total of assets amounting to \$10,509 (Accumulated depreciation-\$10,509) for which no salvage value had been recovered.

NOTE F - GOODWILL AND OTHER INTANGIBLES, NET

Goodwill and other intangibles, net comprise of the following:

	As at March 31, 2023	As at March 31, 2022
Goodwill	14,631,012	14,631,012
Customer relationships	13,063,000	13,063,000
Computer software	212,283	203,629
	<u>27,906,295</u>	<u>27,897,641</u>
Less: accumulated amortization	(13,240,479)	(13,217,725)
Goodwill and other intangibles, net	<u>14,665,816</u>	<u>14,679,916</u>

Amortization expense for the year ended March 31, 2023, is \$22,754 (year ended March 31, 2022, \$368,043).

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

The estimated future amortization expenses related to computer software are as follows:

<u>Year ended March 31</u>	<u>Computer software</u>
2023	21,708
2024	13,096

NOTE G - INVESTMENTS

The following table presents a summary of the investments:

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Investment made in Orchestra Technology, Inc., at cost*	13,400,896	13,400,896
Investment in L&T Technology Services (Canada) Limited at cost	5,000	5,000
Total	<u>13,405,896</u>	<u>13,405,896</u>

*On October 02, 2020, the Company acquired Orchestra for cash and certain contingent consideration. In accordance with the terms of the stock purchase agreement dated July 16, 2020, the Company acquired 100% shareholding in Orchestra for the following consideration:

- Payment of cash of \$10,874,590
- Contingent consideration based on the financial performance and is payable as described in the stock purchase agreement.

The following table presents a summary of the purchase price consideration for acquisition of Orchestra:

<u>Particulars</u>	<u>Consideration</u>
Consideration paid in cash	10,874,590
Fair value estimate of contingent payment consideration on acquisition date	2,526,306

On October 01, 2021, Esencia was merged with the Company and all the assets and liabilities were taken over by the Company. When accounting for transfers of assets between entities under common control, using the provisions of ASC 805-50 Business Combinations, the entity that receives the net assets is required to measure the recognized assets and liabilities transferred at their carrying amounts in the accounts of the transferring entity at the date of the transfer. The schedule of assets and liabilities provided below represent the carrying values, belong to the transferring entity, of the assets transferred and liabilities assumed by the buyer, L&T Technology Services, LLC.

<u>Assets and liabilities purchased as a part of common control transaction:</u>	<u>Amount</u>
Assets transferred	
Goodwill	10,805,998
Cash & cash equivalents	280,346
Property & equipment	7,197
Other current assets	505,520
Less: liabilities transferred	
Accounts payable	(14,960)
Other current liabilities	(2,518,286)
Deferred taxes	(497,948)
Net assets transferred	<u>8,567,867</u>

The transfer of the business has been accounted as per ASC 805-50 "Business Combinations" for entities under common control, wherein the assets and liabilities of Esencia have been transferred at historic carrying values. Further, the results of operations of the acquired entity were consolidated retrospectively from the date of inception of common control.

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

NOTE H - OTHER ASSETS

Other assets consist of the following:

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Deposits	90,395	90,395
Advance for fixed assets	—	237,311
Other assets	5,765	4,399
Total	<u><u>96,159</u></u>	<u><u>332,105</u></u>

NOTE I - SHORT TERM LINE OF CREDIT

The Company has short term line of credit with a bank, with a maximum permissible limit of \$15,700,000. This line of credit is guaranteed by L&T Technology Services Limited, Holding Company, and is valid up to September 30, 2024. The interest on this line of credit will be decided as and when the facility is utilized. During the years ended March 31, 2023, and March 31, 2022, the Company has not utilized the facility.

NOTE J - OTHER CURRENT LIABILITIES

Other current liabilities comprise the following:

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Employee benefits	3,137,269	3,102,409
Statutory liabilities	420,728	762,083
Deferred revenue	173,121	—
Provision for income tax	1,012,355	1,016,899
Other payables	3,094,160	3,797,679
Total	<u><u>7,837,633</u></u>	<u><u>8,679,070</u></u>

NOTE K - CONTINGENT CONSIDERATION PAYABLE

On July 16, 2020, the Company and erstwhile shareholders of Orchestra entered into a stock purchase agreement. The stock purchase agreement, among other things, has the conditions connected to the earn-out consideration. The condition for earn-out consideration payment was based on certain annual minimum thresholds and financial targets. The Company has fair valued the amended contingent consideration at \$2,704,278 and \$3,219,609 as at March 31, 2023 and March 31, 2022, respectively. During the year ended March 31, 2023, and March 31, 2022, the Company made a payment of \$851,081 and \$Nil respectively against the same.

NOTE L - EMPLOYEE BENEFIT PLAN

The Company established a 401(k)-retirement plan (the "Plan") for the benefit of its employees. As allowed under Section 401(k) of the Internal Revenue Code, the Plan provides for tax-deferred salary contributions for eligible employees. The Plan allows employees to contribute a percentage of their annual compensation to the Plan on a pre-tax and after-tax basis. Employee contributions are limited to a maximum annual amount as set periodically by the Internal Revenue Code. At its discretion, the Company may match pre-tax and after-tax employee contributions up to 100% of the first 3% and 50% of next 2% of eligible earnings that are contributed by employees. Both, the employee contributions, and the Company's matching contributions vest 100%, immediately. During the year ended March 31, 2023, and March 31, 2022, the Company contributed \$377,964 and \$367,113 towards the Plan, respectively.

NOTE M - REVENUE FROM CUSTOMER CONTRACTS

The following table presents revenue disaggregated by source of revenue:

	<u>Year ended March 31, 2023</u>	<u>Year ended March 31, 2022</u>
Services	109,792,387	89,544,689
Total	<u><u>109,792,387</u></u>	<u><u>89,544,689</u></u>

The following table presents revenue disaggregated by timing of recognition:

	<u>Year ended March 31, 2023</u>	<u>Year ended March 31, 2022</u>
Services transferred over time	109,792,387	89,544,689
Total	<u><u>109,792,387</u></u>	<u><u>89,544,689</u></u>

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

Contract balances

The timing of revenue recognition, invoicing and cash collections results in billed receivables, contract assets and contract liabilities on the separate parent company balance sheets. Contract assets represent sales recognized in excess of billings related to work completed but not yet billed for which revenue is recognized over time. Contract assets are recorded as unbilled receivables. Unbilled receivables are typically generated from consulting contracts, which are billed upfront as a percentage of the total revenue, with the balance billed upon completion. Contract liabilities are customer deposits for which revenue has not been recognized. Customer deposits are recorded as other current liabilities. When consideration is received from a customer prior to transferring goods or services to the customer under the terms of a contract, a contract liability is recorded as deferred revenue. Contract liabilities are recognized as revenue after control of the goods and services are transferred to the customer and all revenue recognition criteria have been met.

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Unbilled receivables (contract assets)	3,876,876	5,284,909
Deferred revenue (contract liabilities)	(173,121)	—
	<u>3,703,755</u>	<u>5,284,909</u>

NOTE N - INCOME TAX

The Company files a consolidated federal tax return as per regulations applicable to Chapter C corporations in the United States. The Company files combined state tax returns with its US subsidiaries in states where nexus is determined, and combined filing is required or permitted based on the state statutes. The Company approximates the amounts that would be reported if it was separately filing its tax return.

The components of the provision for income taxes are as follows:

	<u>Year ended March 31, 2023</u>	<u>Year ended March 31, 2022</u>
Current taxes		
Federal	2,005,533	1,975,978
State	377,054	1,055,895
Deferred taxes		
Federal	539,558	8,086
State	173,594	19,003
	<u>3,095,739</u>	<u>3,058,962</u>

The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes are as follows:

	<u>Year ended March 31, 2023</u>	<u>Year ended March 31, 2022</u>
Income tax at federal rate	2,435,365	1,864,576
State tax, net of federal effect	546,574	1,066,627
Return to provision	36,858	30,346
Permanent differences	76,942	97,413
Total	<u>3,095,739</u>	<u>3,058,962</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Non-current deferred tax liabilities		
Property and equipment	(472,821)	(290,443)
Acquired goodwill	(502,000)	(473,165)
Total deferred tax liabilities	<u>(974,821)</u>	<u>(763,608)</u>
Non-current deferred tax assets		
Identified intangibles	533,520	663,457
Net operating losses	—	12,637
Provision for rebate	19,334	65,659
Provision for bad debts	110,233	195,996
Operating lease adjustments	72,306	45,827
Accrued expenses	221,299	475,054
Total	<u>956,692</u>	<u>1,458,630</u>
Less: valuation allowance	—	—
Total deferred tax assets	<u>956,692</u>	<u>1,458,630</u>
Net deferred taxes, before valuation allowance	483,871	1,168,187
Less: deferred tax asset valuation allowance	—	—
Deferred tax liability - Goodwill	(502,000)	(473,165)
Net deferred taxes	<u>(18,129)</u>	<u>695,022</u>
Components of net deferred taxes		
Net deferred tax asset	483,871	1,168,187
Deferred tax liability - Goodwill	(502,000)	(473,165)
Total	<u>(18,129)</u>	<u>695,022</u>

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the profitability for the prior year and the current year, the management believes that it is more likely than not that the deferred tax assets will be realized during the foreseeable future and the Company has recognized net deferred tax liability of \$18,129 and net deferred tax asset of \$695,022 as at March 31, 2023 and March 31, 2022, respectively.

The Company has no federal NOLs carryforwards as at March 31, 2023, and March 31, 2022.

The Company has no state net operating loss carryforwards at March 31, 2023 and March 31, 2022.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as at March 31, 2023 and March 31, 2022.

The tax years 2019 through 2021 remain subject to examination by the taxing authorities.

NOTE O - RELATED PARTY TRANSACTIONS

Where control exists

<u>No.</u>	<u>Name of the party</u>	<u>Nature of relationship</u>
1	L&T Technology Services Limited	Holding Company
2	Larsen & Toubro Limited	Ultimate Holding Company
3	L&T Infotech Limited	Group Company
4	Orchestra Technology, Inc.	Wholly owned subsidiary
5	L&T Technology Services (Canada) Limited	Wholly owned subsidiary
6	L&T Technology Services (Shanghai) Limited	Subsidiary of the holding company

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

The Company had transactions in the ordinary course of business with the following related parties:

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
L&T Technology Services Limited		
<i>Transactions during the year</i>		
- Corporate guarantee charges*	45,385	53,624
- Expenses paid by the holding company on Company's behalf	773,557	533,764
- Expenses paid by the Company on behalf of the holding company	112,708	892,213
- Services availed by the Company	328,532	328,532
- Services rendered by the Company	-	143,625
- Sub-contracting expenses	16,652,964	12,299,156
- Sub-contracting revenue	19,402,707	14,302,268
- Seat cost charge incurred by Company	94,574	90,488
<i>Balance</i>		
- Receivable as at	2,772,638	-
- Payable as at	-	3,974,284
Larsen & Toubro Limited		
<i>Transactions during the year</i>		
- Performance guarantee charges**	36,000	36,000
- Expenses paid by ultimate holding company on Company's behalf	-	76,461
<i>Balance</i>		
- Receivable as at	149,771	102,004
L&T Infotech Limited		
<i>Transactions during the year</i>		
- Expenses incurred on behalf of the Company	31,186	31,186
- Expenses incurred by group company on our behalf	8,404	-
<i>Balance</i>		
- Receivable as at	3,684	7,797
Orchestra Technology, Inc.		
<i>Transactions during the year</i>		
- Expenses incurred on behalf of the Company	1,300	14,922
- Sub-contracting expenses	233,244	292,234
<i>Balance</i>		
- Receivable as at	294,070	474,450
L&T Technology Services (Canada) Limited		
<i>Transactions during the year</i>		
- Sub-contracting charges incurred by the Company	214,020	195,062
<i>Balance</i>		
- Payable as at	407,179	66,102

*Corporate guarantee for line of credit: This is charged by L&T Technology Services Limited for guarantee provided and for arranging line of credit for the Company.

**Performance guarantee for customer contract: Under one of the customer contracts, performance guarantee is provided by Larsen & Toubro Limited on behalf of the Company.

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

NOTE P - LEASES**General description of the lease**

The Company facilities and office space under operating leases which have non-cancellable terms.

Non-lease components: Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

Package of practical expedients: The Company will not reassess whether any expired or existing contracts are leases or contain leases, the lease classification for any expired or existing leases or any initial direct costs for any expired or existing leases as of the transition date.

Additional transition method: The Company adopted the standard using a modified retrospective approach, applying the standard's transition provisions at the beginning of the period of adoption and maintain previous disclosure requirements for comparative periods.

The Company used the following policies and/or assumptions in evaluating the lease population:

Lease determination: The Company considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.

Discount rate: When the lease contracts do not provide a readily determinable implicit rate, the Company uses the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by asset class.

Variable payments: The Company includes payments that are based on an index or rate within the calculation of right of use leased assets and lease liabilities, initially measured at the lease commencement date. There are variable payments in the nature of origination fees for office equipment, machinery and equipment and therefore are not treated as a part of lease payments.

Purchase options: Certain leases include options to purchase the office equipment. The depreciable life of assets are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

Renewal options: Most leases include one or more options to renew, with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at the Company's sole discretion.

Residual value guarantees, restrictions, or covenants: The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Short-term leases: Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to administrative expenses on the statements of income.

The table below presents the classification of the leasing assets and liabilities.

Leases	Financial statements classification	As at March 31, 2023	As at March 31, 2022
Assets			
Operating lease right-of-use assets	Non-current assets	3,597,766	3,710,557
Liabilities			
Operating lease liabilities	Non-current liabilities	2,594,697	2,984,669
	Current liabilities	1,026,461	702,674
		3,621,158	3,687,343

The components of total lease cost are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Right of use asset amortization	869,290	774,753
Interest expenses	178,841	135,518
Total	1,048,131	910,271

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

The Company facilities and office space under operating leases which have non-cancellable terms through October 2028. Generally, the leases have optional renewal clauses to extend the terms of the various leases for periods ranging from 5 to 10 years, at the discretion of the Company. Future minimum payments under non-cancelable operating leases are as follows:

<u>Year ended March 31,</u>	<u>Amount (\$)</u>
2024	1,059,355
2025	765,010
2026	500,719
2027	475,761
2028 and beyond	1,278,666
Total minimum lease payments	4,079,512
Less: imputed interest	(458,354)
Operating lease liabilities	3,621,158

	<u>Year ended March 31, 2023</u>	<u>Year ended March 31, 2022</u>
Weighted average remaining lease terms (years) – operating leases	3.9 years	4.1 years
Weighted average – discount rate	4.4%	4.6%

NOTE Q - CONCENTRATION OF CREDIT RISK

The Company's service revenues are concentrated primarily with two customers which account for approximately 30% and 31% of total revenues for the year ended March 31, 2023, and year ended March 31, 2022, respectively. These customers accounted for 30% and 32% of the accounts receivable as at March 31, 2023 and March 31, 2022, respectively.

NOTE R - RISKS AND UNCERTAINTIES

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to: deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in sales; competitive factors, including but not limited to pricing pressures; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

NOTE S - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2023, up through the date the separate parent company financial statements are available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in these separate parent company financial statements.

BOARD'S REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their 10th Board Report and Audited Accounts for the year ended March 31, 2023.

1. FINANCIAL RESULTS:

Particulars	2022-23	2021-22
	₹	₹
Profit Before depreciation, exceptional and extra ordinary items & tax	5,114,485	2,243,759
Less: Depreciation, amortization, impairment and obsolescence	–	–
Profit before exceptional and extraordinary items and tax	5,114,485	2,243,759
Add: Exceptional Items	–	–
Profit/(Loss) before tax	5,114,485	2,243,759
Less: Provision for tax	1,287,214	816,387
Profit for the period carried to the Balance Sheet	3,827,271	1,427,372
Add: Balance brought forward from previous year	12,974,624	11,547,252
Less: Dividend paid for the previous year (Including dividend distribution tax)	–	–
Balance available for disposal which the Directors appropriate as follows:	16,801,896	12,974,624
Debenture Redemption Reserve	–	–
Balance carried to Balance Sheet	16,801,896	12,974,624

2. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were ₹ 6,143,758/- as against ₹ 3,478,205/- for the previous financial year registering an increase of 77%. The profit before tax from continuing operations including extraordinary and exceptional items was ₹ 5,114,485/- and the profit after tax from continuing operations including extraordinary and exceptional items of ₹ 3,827,271/- for the financial year under review as against ₹ 2,243,759/- and ₹ 1,427,372/- respectively for the previous financial year, registering a increase of 128% and 168% respectively.

3. CAPITAL & FINANCE:

As on the March 31, 2023, the total paid up equity share capital of the Company was ₹ 14,317,360/- consisting of 1,431,736 equity shares of ₹ 10/- each, fully paid up.

4. CAPITAL EXPENDITURE:

As at March 31, 2023 the gross fixed and intangible assets including leased assets, stood at ₹ Nil and the net fixed and intangible assets, including leased assets, at ₹ Nil. Additions to gross block during the year amounted to ₹ Nil. Capital Expenditure during the year amounted to ₹ Nil.

5. 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.

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

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided as required under Section 186 of the Companies Act, 2013 in Note 2 forming part of the financial statements.

7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the related party transactions were in the ordinary course of business and at arm's length. The Board has approved all the related party transactions for the FY 2022-23 as required under the provisions of Section 177 of the Companies Act, 2013.

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

8. AMOUNT TO BE CARRIED TO RESERVES:

The Company has not transferred any amount to reserves.

9. DIVIDEND:

The Board of Directors has not declared any dividend for the financial year under review.

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

There are no material changes that have taken place in the Company between the date of Balance Sheet and the date of Director's Report.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) Conservation of energy:

The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing activity and is not included under the list of industries which should furnish information as per Rule 8 of the Companies (Accounts) Rules, 2014.

(B) Technology absorption: Nil

The Company being technology driven, has always adopted the latest technology trends and best practices.

(C) Foreign exchange earnings and outgo: Nil

The total foreign exchange earned and used for the period under review is as under:

Particulars	In ₹
Foreign exchange earned	Nil
Foreign exchange used	Nil

12. RISK MANAGEMENT POLICY:

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

13. CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility (CSR) Committee comprises of three Non-Executive Directors. The current members of the CSR Committee are Mr. Rajeev Gupta, Mr. Amit Chadha and Mr. Bhanu Prasad Gopalam. Mr. Rajeev Gupta is the Chairman of the Committee.

During the year under review, 1 meeting of the CSR Committee were held on April 19, 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 (as amended) are given as Annexure 'A' to this report.

The Finance Head 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.

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

Mr. Rajeev Gupta, Mr. Amit Chadha and Mr. Bhanu Gopalam are the current Directors of the Company.

There were no changes in the Directors of the Company during the year.

The notice convening the Annual General Meeting includes the proposal for re-appointment of Directors who are liable to retire by rotation.

15. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Meetings of the Board are held at regular intervals.

During the year under review 4 meetings were held on April 20, 2022, July 14, 2022, October 17, 2022 and January 17, 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.

16. ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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

17. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 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 profit of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

18. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD 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.

19. PROTECTION OF WOMEN AT WORKPLACE:

The holding company L&T Technology Services Limited has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group companies. There were no cases of sexual harassment received in the Company during FY 2022-23.

20. AUDITORS REPORT:

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

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

21. AUDITORS:

The auditors, M/s V G Bode & Co. (Firm registration number 006743S) were re-appointed as Statutory Auditors in AGM held on August 31, 2021 for a period of five continuous years from the conclusion of 8th AGM till the conclusion of 13th AGM.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declared that they have not taken up any prohibited non-audit assignments for the Company.

22. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

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

23. SCHEME OF AMALGAMATION:

During FY 2021-22, the proposal to amalgamate the Esencia Technologies India Private Limited (Esencia), Graphene Semiconductor Services Private Limited (Graphene), and Seastar Labs Private Limited (Seastar) with L&T technology Services Limited, Holding Company was approved by the Board of Directors.

The amalgamation would result in administrative and operations rationalization, organizational efficiencies, reduction in overheads, costs of ERP, compliance cost and other administrative expenses. The said amalgamation would prevent cost duplication and result in synergies in operations. The synergies created by the amalgamation would increase operational efficiency and integrate business functions. The amalgamation would help the Company to simplify its organization structure and will have a single face for the Customers.

24. ANNUAL RETURN:

As the Company doesn't have its own website, the requirement of uploading Annual Return of the Company on its website as on March 31, 2023 in form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is not applicable to the Company.

26. ACKNOWLEDGEMENT:

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities and all the various stakeholders for their continued co-operation and support to the Company.

For and on the behalf of the Board
GRAPHENE SEMICONDUCTOR SERVICES PRIVATE LIMITED

MR. RAJEEV GUPTA

Director
(DIN: 06782710)

Place: April 24, 2023
Date: Mumbai

MR. BHANU PRASAD GOPALAM

Director
(DIN: 08264739)

Place: April 24, 2023
Date: United State of America

LIST OF ANNEXURES: -

Annexure A – Annual Report on Corporate Social Responsibility (CSR) Activities.

ANNEXURE A

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The 'CSR Policy' of the Company is based on the following focus areas: -

- Water Conservation & Purification
- Education and Skill Building
- Health
- Environment
- Innovation and Technology

While the focus of CSR efforts will be in the areas mentioned above, the Company however is planning the projects and may also undertake projects where societal needs are high or in special situations (such as in the case of natural disasters etc.).

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meeting of CSR Committee attended during the year
1	Rajeev Gupta	Chairman/Non-Executive Director	1	1
2	Amit Chadha	Member/Non-Executive Director	1	1
3	Bhanu Gopalam	Member/Non-Executive Director	1	1

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: Not Applicable

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 (attach the report): Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 34,157,640/-

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 683,153/-

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set-off for the financial year, if any: ₹ 83,968

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 599,184/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 600,000/-

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 600,000/-

(e) CSR amount spent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
600,000	NIL	NA	None	NIL	NA

(f) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	683,153
(ii)	Total amount spent for the Financial Year	600,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	(83,153)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	83,968
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	815

7. Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	Preceding financial year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any.
					Amount (in ₹)	Date of transfer		
Not Applicable								

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

Yes No

If yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sr. 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
Not Applicable					

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:

Not Applicable

Sd/-

MR. RAJEEV GUPTA
(Chairman CSR Committee)

Sd/-

MR. BHANU PRASAD GOPALAM
(Director)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
M/S. GRAPHENE SEMICONDUCTOR SERVICES PRIVATE LIMITED

Report on Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **GRAPHENE SEMICONDUCTOR SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

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

Basis for Opinion

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

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

Information other than the Financial Statements and Auditor's Report thereon

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

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

GRAPHENE SEMICONDUCTOR SERVICES PRIVATE LIMITED

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - 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:

According to explanation given to us, during the year no remuneration is paid by the Company to its directors.
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year.

V G Bode & Co

Chartered Accountants

(Firm's registration number: 006743S)

Saroja Bhat

Partner

Membership Number: 221580

UDIN: 23221580BGWMYC6004

Place: Bengaluru

Date: April 24, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2. under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) The company does not carry any fixed asset during the financial year, hence reporting under clause 3(i)(a) to clause 3(i) (d) are not applicable to the company.
 - b) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. The Company does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, Paragraph 3(iii) (a) to 3(iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Provisions of section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit during the year and hence compliance with the requirement of Clause (v) is not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of duty of customs, employee's state insurance.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Service Tax, GST, Value Added Tax, Duty of Customs and other material statutory dues in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
 - (c) There were no dues of Income tax, Sales tax, Goods and Service tax, Duty of customs, Duty of excise and Value added tax as at 31st March 2023, which have not been deposited with the appropriate authorities on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to banks and financial institutions. The Company did not have any loans or borrowings from any government. There are no debenture holders during the year.
- x. In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). Accordingly, paragraph 3(x)(a) and 3(x)(b) of the Order is not applicable to the Company.
- xi.
 - (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv. In respect of Internal Audit System:
 - a) In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.
 - b) We have considered the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

GRAPHENE SEMICONDUCTOR SERVICES PRIVATE LIMITED

- xvi. According to the information and explanations 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) (a) to (c) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

V G Bode & Co

Chartered Accountants

(Firm's registration number: 006743S)

Saroja Bhat

Partner

Membership Number: 221580

UDIN: 23221580BGWMYC6004

Place: Bengaluru

Date: April 24, 2023

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GRAPHENE SEMICONDUCTOR SERVICES PRIVATE LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of **GRAPHENE SEMICONDUCTOR SERVICES PRIVATE LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS’ RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

V G Bode & Co

Chartered Accountants

(Firm’s registration number: 006743S)

Saroja Bhat

Partner

(Membership number: 221580)

UDIN: 23221580BGWMYC6004

Place: Bengaluru

Date: April 24, 2023

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note No.	As at 31-03-2023 ₹ in thousands	As at 31-03-2022 ₹ in thousands
ASSETS:			
I. Non-current assets			
(a) Property, plant and equipment		-	-
(b) Right-of-Use Assets		-	-
(c) Capital work-in-progress		-	-
(d) Goodwill		-	-
(e) Other intangible assets		-	-
(f) Financial assets		-	-
(i) Investments		-	-
(ii) Other financial assets		-	-
(g) Deferred tax assets (net)		-	-
(h) Other non current assets	1	3,090	3,173
Total non-current assets		3,090	3,173
II. Current assets			
(a) Financial assets			
(i) Investments	2	110,462	106,649
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	3	334	331
(iv) Other bank balances		-	-
(v) Loans		-	-
(vi) Other financial assets	4	1,147	1,147
(b) Other current assets	5	418	228
Total current assets		112,361	108,355
TOTAL ASSETS		115,451	111,528
EQUITY AND LIABILITIES:			
I. Equity			
(a) Equity share capital	6	14,317	14,317
(b) Other equity	7	99,337	95,511
Total equity		113,655	109,828
II. Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liability - non-current		-	-
(ii) Other financial liabilities		-	-
(b) Deferred tax liabilities (Net)	8	891	987
Total non-current liabilities		891	987
Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings		-	-
(ii) Trade payables		-	-
Due to micro enterprises and small enterprises		-	-
Due to others	9	900	706
(iii) Lease liability - current		-	-
(iv) Other financial liabilities	10	6	6
(b) Other current liabilities		-	-
(c) Provisions		-	-
(d) Current tax liabilities (net)		-	-
Total current liabilities		906	712
Total liabilities		1,797	1,699
TOTAL EQUITY AND LIABILITIES		115,451	111,527

As per our report attached

V G BODE & CO

Chartered Accountants

Firm's registration no. 006743S

By the hand of

SAROJA BHAT

Partner

Membership no. 221580

Place: Bengaluru

Date: April 24, 2023

For and on behalf of the Board of Directors of
Graphene Semiconductor Services Private Limited

RAJEEV GUPTA

Director

DIN: 06782710

Place: Mumbai

Date: April 24, 2023

BHANU PRASAD GOPALAM

Director

DIN: 08264739

Place: United States of America

Date: April 24, 2023

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON MARCH 31, 2023

Particulars	Note No.	Year Ended 31-03-2023 ₹ in thousands	Year ended 31-03-2022 ₹ in thousands
I. Revenue from operations		-	-
II. Other income (net)	11	6,144	3,478
III. Total income		6,144	3,478
IV. Expenses:			
(a) Employee benefit expenses		-	-
(b) Depreciation and amortisation expenses		-	-
(c) Other expenses	12	1,030	1,234
(d) Finance costs		-	-
Total expenses		1,030	1,234
V. Profit before tax (III - IV)		5,114	2,244
VI. Tax expense:			
(a) Current tax		1,383	-
(b) Tax Adjustments of prior years		-	-
(c) Deferred tax		(96)	816
Total tax expense	13	1,287	816
VII. Profit for the year (V - VI)		3,827	1,428
VIII. Other comprehensive income			
(A) (i) Items that will not be reclassified to the statement of profit and loss			
(a) Remeasurement of the defined benefit plans		-	-
(b) Income tax on remeasurement of the defined benefit plans		-	-
(B) (i) Items that will be reclassified subsequently to the statement of profit or loss			
(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		-	-
(b) Income tax on effective portion of gains and losses on hedging instruments in a cash flow hedge"		-	-
(ii) Income tax relating to items that will be reclassified subsequently to the statement of profit or loss		-	-
Total other comprehensive income (net of tax)		-	-
IX. Total comprehensive income for the year		3,827	1,428
X. Earnings per equity share	14		
Equity share of face value of ₹ 10 each			
- Basic (₹)		2.67	1.00
- Diluted (₹)		2.67	1.00

As per our report attached

V G BODE & CO

Chartered Accountants

Firm's registration no. 006743S

By the hand of

SAROJA BHAT

Partner

Membership no. 221580

Place: Bengaluru

Date: April 24, 2023

For and on behalf of the Board of Directors of
Graphene Semiconductor Services Private Limited

RAJEEV GUPTA

Director

DIN: 06782710

Place: Mumbai

Date: April 24, 2023

BHANU PRASAD GOPALAM

Director

DIN: 08264739

Place: United States of America

Date: April 24, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

	Year Ended 31-03-2023 ₹ in thousands	Year ended 31-03-2022 ₹ in thousands
A. Cash flow from operating activities		
Profit before tax	5,114	2,244
Adjustments for:		
Depreciation and amortisation	-	-
Interest received	-	-
Interest paid	-	-
Exchange difference on items grouped under financing/investing activities	-	-
Profit on sale of investments (net)	-	-
Operating profit before working capital changes	5,114	2,244
Changes in working capital		
(Increase)/decrease in trade and other receivables	-	-
(Increase)/decrease in other receivables	(190)	992
Increase/(decrease) in trade and other payables	192	(2,658)
(Increase)/decrease in working capital	2	(1,666)
Cash generated from operations	5,116	578
Direct taxes paid	(1,300)	1,506
Net cash (used in)/from operating activities	3,816	2,084
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	-	-
Interest received	-	-
Investment in mutual funds	(3,813)	(34,323)
Disinvestment of stake in subsidiaries	-	-
Proceeds from slump sale	-	-
Net cash (used in)/from investing activities	(3,813)	(34,323)
C. Cash flow from financing activities		
Interest paid	-	-
Equity share capital issued including share premium	-	-
Dividend paid	-	-
Net cash (used in)/from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	3	(32,239)
Cash and cash equivalents at beginning of the year	331	32,570
Cash and cash equivalents at end of the year	334	331

Notes:

- Statement of cash flows has been prepared under the indirect method as set out in the IndAS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Purchase of fixed assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of of capital work-in-progress of (a) capital work-in-progress for property, plant and equipment and (b) intangible assets under development during the year.

As per our report attached

V G BODE & CO

Chartered Accountants
Firm's registration no. 006743S
By the hand of

SAROJA BHAT

Partner
Membership no. 221580

Place: Bengaluru
Date: April 24, 2023

For and on behalf of the Board of Directors of
Graphene Semiconductor Services Private Limited

RAJEEV GUPTA

Director
DIN: 06782710

Place: Mumbai
Date: April 24, 2023

BHANU PRASAD GOPALAM

Director
DIN: 08264739

Place: United States of America
Date: April 24, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. EQUITY SHARE CAPITAL

Particulars	01.04.22 to 31.03.23		01.04.21 to 31.03.22	
	Number of shares	₹ in thousands	Number of shares	₹ in thousands
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	1,431,736	14,317	1,431,736	14,317
Add/(Less): Shares issued on exercise of employee stock options during the year	-	-	-	-
Add/(Less): Reorganization of share capital, reduction of face value	-	-	-	-
Add/(Less): Fresh issue of equity shares	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,431,736	14,317	1,431,736	14,317

STATEMENT OF CHANGES IN EQUITY

Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
14,317	-	14,317	-	14,317

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
14,317	-	14,317	-	14,317

B. OTHER EQUITY

₹ in thousands

Particulars	Other Equity		Total
	Reserves & Surplus		
	Securities premium reserve	Retained earnings	
Opening Balance	82,536	12,974	95,510
Impact of Ind AS 116	-	-	-
Profit for the year (a)	-	3,827	3,827
Other comprehensive income (net of taxes) (b)	-	-	-
Total comprehensive income for the year (a+b)	-	3,827	3,827
Dividends	-	-	-
Addition/(deduction) during the year	-	-	-
Closing Balance	82,536	16,801	99,337

As per our report attached

V G BODE & CO

Chartered Accountants

Firm's registration no. 006743S

By the hand of

SAROJA BHAT

Partner

Membership no. 221580

Place: Bengaluru

Date: April 24, 2023

For and on behalf of the Board of Directors of
Graphene Semiconductor Services Private Limited

RAJEEV GUPTA

Director

DIN: 06782710

Place: Mumbai

Date: April 24, 2023

BHANU PRASAD GOPALAM

Director

DIN: 08264739

Place: United States of America

Date: April 24, 2023

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Graphene Semiconductor Services Private Limited is a private company incorporated and domiciled in India and has its registered office L&T House, N.M. Marg, Ballard Estate Mumbai Mumbai City MH 400001 India.

As at March 31, 2023, L&T Technology Services Limited, the holding company, owns 100% of the Company's equity share capital.

The financial statements of the Company for the year ended March 31, 2023 were approved for issue by the Board of Directors on April --, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment

b) Basis of accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

c) Presentation of financial statements

The Balance sheet and the Statement of Profit and Loss are prepared in the format prescribed in the schedule III to the Act. The Statement of Cash Flows has been prepared under indirect method and presented as per the requirements of Ind AS 7 "Cash Flow Statements". The disclosure requirements with respect to items in Balance sheet and Statement of Profit and Loss, as prescribed in the schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Ind AS.

d) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the project/contract/service and extends up to the realization of receivables within the credit period normally applicable to the respective lines of business.

e) Other income

- a. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- b. Dividend income is accounted in the period in which the right to receive the same is established.
- c. Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

f) Impairment of assets

(i) Trade receivables

The Company assesses at each date of statement of financial position whether a financial assets or group of financial assets is impaired. In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivables. ECL impairment loss allowances (or reversal) recognized during the period is recognized as an expense/income respectively in the statement of profit and loss. Provision for ECL is presented as deduction from carrying amount of trade receivables.

(ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets (other than goodwill) are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss

g) Leases

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

The company has elected not to apply the requirements of Ind AS 116 leases to short-term leases where lease term is 12 months or less and leases for which the underlying asset is of low value. The lease payments related to these leases are recognised as an expense.

h) Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) Non-derivative financial assets

a. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with Financial Institutions and other deposits with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Securities premium account

(i) Securities premium includes:

a. Any share issued for consideration over and above face value.

b. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to the Company's stock options scheme.

The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

k) Borrowing costs

Borrowing costs include interest expense and exchange differences arising on foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

l) Foreign currencies

The functional currency of the Company is Indian rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

m) Income-tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company.

Provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company recognizes interest levied related to income tax assessments in interest expenses.

n) Provisions, contingent liabilities and contingent assets

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 as a result 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

Contingent liability is disclosed in the case of

- i) A present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- ii) A possible obligation unless the probability of outflow of resources is remote

Contingent assets are neither recognized nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

o) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

p) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

q) Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average numbers of the equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and the weighted average number of equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

r) Impact of Covid-19

During the year there is no ongoing business operations. Hence the company does not foresee any impact of Covid-19. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

	As at 31-03-2023 ₹ in thousands	As at 31-03-2022 ₹ in thousands
1 OTHER NON-CURRENT ASSETS		
Income tax receivable (net)	3,090	3,173
Income tax net of previous year provisions	4,473	3,173
Income tax net of current year provisions	(1,383)	—
	<u>3,090</u>	<u>3,173</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

	As at 31-03-2023 ₹ in thousands	As at 31-03-2022 ₹ in thousands
2 INVESTMENTS		
Investment in Mutual Funds	110,462	106,649
	<u>110,462</u>	<u>106,649</u>
3 CASH AND CASH EQUIVALENTS		
Balances with banks	334	331
	<u>334</u>	<u>331</u>
4 OTHER FINANCIAL ASSETS		
CURRENT		
Loans and advances to related parties	1,147	1,147
	<u>1,147</u>	<u>1,147</u>

Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013)

ii) without specifying any terms or period of repayment

Type of Borrower	Amount of advance	Percentage to the total Loans and Advance
Promoter	—	—
Directors	—	—
KMPs	—	—
Related Parties	1,147	100%

5 OTHER CURRENT ASSETS		
Other receivables	165	165
GST recoverable	253	63
	<u>418</u>	<u>228</u>
6 EQUITY SHARE CAPITAL		
6.1 Authorised:		
20,57,000 Equity Shares of ₹ 10/- each	20,570	20,570
4,94,300 0.10% Preference Shares of ₹ 100/- each	49,430	49,430
	<u>70,000</u>	<u>70,000</u>
6.2 Issued, subscribed and fully paid up		
Issued, subscribed and fully paid up equity shares outstanding at the end of the year [1431736 equity shares of ₹ 10 each]	14,317	14,317
Total issued, subscribed and paid up capital	<u>14,317</u>	<u>14,317</u>

Equity Share Capital

A Company shall disclose Shareholding of Promoter's as under

Shares held by promoters at the end of the Year			% Change during the Year
Promoter's Name	No. of Shares	% of total shares	
L&T Technology Services Limited	1,431,736	100%	0

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

	As at 31-03-2023	<i>As at 31-03-2022</i>
	₹ in thousands	<i>₹ in thousands</i>
7 OTHER EQUITY		
Securities premium account	82,536	82,536
Retained earnings	16,801	12,975
	99,337	95,511

8 DEFERRED TAX ASSETS (NET)

₹ in thousands

Particulars	DTL/(DTA)	Charge/(Credit) to P & L	DTL/(DTA)
	As at 01-04-2022		As at 31-03-2023
Capital Gain/Loss on Investments	987	(96)	891
Total	987	(96)	891

	As at 31-03-2023	<i>As at 31-03-2022</i>
	₹ in thousands	<i>₹ in thousands</i>
9 TRADE PAYABLE		
Due to related parties	742	442
Due to others	158	264
	900	706

Trade payables ageing

	As at 31-03-2023				
	Upto 1 year	1 to 2 year	2 to 3 year	> 3 year	Total
Due to micro and small enterprises	-	-	-	-	-
Due to others	478	422	-	-	900
	As at 31-03-2022				
	Upto 1 year	1 to 2 year	2 to 3 year	> 3 year	Total
Due to micro and small enterprises	-	-	-	-	-
Due to others	706	-	-	-	706

	As at 31-03-2023	<i>As at 31-03-2022</i>
	₹ in thousands	<i>₹ in thousands</i>
10 OTHER FINANCIAL ASSETS		
Due to others		
Other payables	6	6
	6	6

	Year ended	<i>Year ended</i>
	31-03-2023	<i>31-03-2022</i>
	₹ in thousands	<i>₹ in thousands</i>

11 OTHER INCOME		
Dividend income and gain/(loss) from mutual fund investments (measured at fair value through profit and loss)	(382)	3,270
Interest received	-	-
Profit on sale of investments (net)	-	-
Miscellaneous income	-	153
Net gain/(loss) on sale of investment	6,526	55
	6,144	3,478

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

	Year ended 31-03-2023 ₹ in thousands	Year ended 31-03-2022 ₹ in thousands
EXPENSES		
12 OTHER EXPENSES		
Legal and professional charges	234	82
Power and fuel	–	123
Insurance charges	–	–
Rates and taxes	56	2
Corporate social responsibility expenditure	600	1,000
Miscellaneous expenses	140	27
	<u>1,030</u>	<u>1,234</u>
13 PROVISION FOR TAXATION		
Current tax	1,383	–
Current tax on profits for the year	–	–
Adjustments for current tax of prior years	–	–
Tax Adjustments of prior years	–	–
Deferred tax	(96)	816
	<u>1,287</u>	<u>816</u>
14 BASIC EARNING PER EQUITY SHARE		
Profit attributable to equity shareholders	3,828	1,428
Weighted average no. of equity shares outstanding	1,431,736	1,431,736
Basic EPS	2.67	1.00
Diluted		
Profit after tax	3,828	1,428
Less: Dividend on preference shares	–	–
Less: Tax on dividend	–	–
Profit attributable to equity shareholders	3,828	1,428
Weighted average no. of equity shares outstanding	1,431,736	1,431,736
Add - No. of potential equity shares	–	–
Weighted average no. of equity shares outstanding	1,431,736	1,431,736
Diluted EPS	2.67	1.00
15 DETAILS OF PAYMENT TO AUDITORS		
Payment to auditors (net of taxes)		
As auditor:		
Audit fee	25	25
Taxation matters	–	–
Company law matters	–	–
	<u>25</u>	<u>25</u>
16 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE		

- a) As per section 135 of the Act, a company meeting the applicability threshold , needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility ('CSR') activities. The Company's CSR ambit covers skill development, innovation & technology, water, health & education, and environment and it is continuously investing in welfare initiatives and programmes to provide support to people in the communities where the Company has presence. A CSR committee has been formed by the Company as per the Act.
- b) Amount required to be spent by the Company on CSR related activities during the year is ₹ 599 thousand.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

c) Amount spent during the year:

(₹) in thousands

Particulars	Year ended 31-03-2023			Year ended 31-03-2022		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On purposes other than (i) above (disclosed under note 23 - other expenses)	600	-	600	1,000	-	1,000
Total	600	-	600	1,000	-	1,000

17 FAIR VALUE MEASUREMENTS

Financial instrument by category

(₹) in thousands

	As at 31-03-2023			As at 31-03-2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
-Mutual funds	110,462	-	-	106,649	-	-
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	334	-	-	331
Other bank balances	-	-	-	-	-	-
Other financial assets	-	-	1,147	-	-	1,147
Security deposits	-	-	-	-	-	-
Total financials assets	110,462	-	1,481	106,649	-	1,478
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	900	-	-	706
Other financial liabilities	-	-	6	-	-	6
Lease Liability	-	-	-	-	-	-
Total financials liabilities	-	-	906	-	-	712

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	As at 31-03-2023				As at 31-03-2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements								
Financial assets								
Financial investment at FVPL	-	-	-	-	-	-	-	-
Mutual funds	110,462	-	-	110,462	106,649	-	-	106,649
Bank - Fixed deposits	-	-	-	-	-	-	-	-
Financial investment at FVOCI	-	-	-	-	-	-	-	-
Foreign currency forward and options contracts	-	-	-	-	-	-	-	-
Total financials assets	110,462	-	-	110,462	106,649	-	-	106,649
Financial liabilities								
Forward contract payable	-	-	-	-	-	-	-	-
Total financials liabilities	-	-	-	-	-	-	-	-

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no transfers between the levels during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include :

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

(iii) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively. The valuation method applied for various financial assets and liabilities are as follows -

- Quoted price in the primary market (net asset value) considered for the fair valuation of the current investment i.e Mutual fund. Gain/(loss) on fair valuation is recognised in statement of profit and loss.
- The carrying amounts of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory dues/receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.
- The fair value of premium receivable on financial guarantee contract is derived by discounting premium receivable over the year of contract. Thereafter, the same is carried at the amount initially recognised less the cumulative amortisation of income over the year of the contract.
- The fair value of security deposit is calculated by discounting future cash inflows.

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

The carrying amounts of all financial assets and financial liabilities are considered to be the same as their fair values due to their short term nature.

18 RELATED PARTY DISCLOSURE

18(i) List of related parties which can exercise control

Name	Relationship
L&T Technology Services Limited	Holding company

18(ii) Key management personnel

Name	Status
Mr. Amit Chadha	Director
Mr. Rajeev Gupta	Director
Mr. Bhanu Prasad Gopalam	Director

18(iii) List of related parties with whom there were transactions during the year

Name	Relationship
L&T Technology Services Limited	Holding company
Larsen & Toubro Limited	Ultimate Holding company
Graphene Solutions Taiwan Limited	Fellow subsidiary
Seastar Labs Private Limited	Fellow subsidiary
Graphene Solutions Pte. Ltd	Fellow subsidiary

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

18(iv) Disclosure of related party transactions

(₹) in thousands

Transactions	For the Year ended 31-03-2023	For the Year ended 31-03-2022
Services availed by Company		
Holding Company	–	–
- L&T Technology Services Limited	–	–
Fellow subsidiary	–	–
- Seastar Labs Private Limited	–	–
Ultimate Holding Company	18	17
- Larsen & Toubro Limited	18	17
Interest received		
Holding Company	–	–
- L&T Technology Services Limited	–	–
Fellow subsidiary company	–	–
- Seastar Labs Private Limited	–	–
Payable		
Holding Company	742	422
– L&T Technology Services Limited	742	422
Ultimate Holding Company	21	20
– Larsen & Toubro Limited	21	20
Fellow subsidiary company	–	–
– Seastar Labs Private Limited	–	–
Receivable		
Fellow subsidiary company	1,147	1,147
– Seastar Labs Private Limited	1,147	1,147

- 19 Based on the information and records available with the Company, there are no amounts payable to micro and small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006.
- 20 The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- 21 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2023.
- 22 Contingent Liability - ₹ Nil.
- 23 The Company evaluated all events and transactions that occurred after March 31, 2023 up through April 23, 2023, the date the financial statements are issued. Based on the evaluation, there are no material effects of the same on the financial statements as on April 24, 2023, that would require recognition or disclosure.
- 24 Previous year's figures have been regrouped / reclassified wherever necessary.
- 25 Undisclosed income: There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 26 Details of Crypto Currency or Virtual Currency: Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

27 ADDITIONAL REGULATORY INFORMATION

1. **Delay in Registration of charges:** There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
2. **Compliance with number of layers of companies:** Complied with
3. **Financial Ratios:**

Ratio/Measure*	Formula considered	For Year ended 31-03-2023	For Year ended 31-03-2022
Current raio	Curren assets / Current liabilities	124.09	152.18
Debt equity ratio	Debt / Total shareholder's equity	NA	NA
Debt service coverage ratio	EBIT / Debt	NA	NA
Return on equity	PAT / Total average equity	0.03	0.01
Trade receivales turnover ratio	Revenue from operation / Average trade receivable	NA	NA
Trade payable turnover ratio	Adjusted expenses / Average trade payables	1.28	0.00
Net capital turnover ratio	Revenue from operation / Average working capital	NA	NA
Net profit %	Net profit / Revenue	NA	NA
EBITDA %	EBITDA / Revenue	NA	NA
EBIT %	EBIT / Revenue	NA	NA
Return on capital employed %	PBIT / Average capital employed	0.04	0.02
Return on investment	Interest income	NA	NA

4. Relationship with Struck off Companies:

There are no transactions and balance outstanding to and from any struck off companies as on the balance sheet date.

5. Wilful defaulter:

Company is not declared wilful defaulter by any bank or financial Institution or other lender.

6. Compliance with approved Scheme(s) of Arrangements:

No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

7. Utilisation of Borrowed funds and share premium:

1. Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries the company.
2. Company has not eceived any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report attached

V G BODE & CO

Chartered Accountants

Firm's registration no. 006743S

By the hand of

SAROJA BHAT

Partner

Membership no. 221580

Place: Bengaluru

Date: April 24, 2023

For and on behalf of the Board of Directors of
Graphene Semiconductor Services Private Limited

RAJEEV GUPTA

Director

DIN: 06782710

Place: Mumbai

Date: April 24, 2023

BHANU PRASAD GOPALAM

Director

DIN: 08264739

Place: United States of America

Date: April 24, 2023

BOARD'S REPORT

Dear Members,

The Directors have pleasure in presenting their Board report and Management Certified Accounts for the year ended March 31, 2023.

1. FINANCIAL RESULTS:

Particulars	2022-23	2021-22
	SGD	SGD
Total Income	–	105,615
Total Expenditure	22,504	129,027
Operating Profit/(Loss)	(22,504)	(23,412)
Add: Interest Income	–	–
Less: Finance Costs	–	–
Profit/(Loss) before Tax	(22,504)	(23,412)
Less: Tax	–	–
Net Profit/(Loss) after Tax	(22,504)	(23,412)
Add: Balance b/f from previous year	33,919	57,331
Balance available for disposal which directors appropriate as follows	11,415	33,919
Balance to be carried forward	11,415	33,919

2. CAPITAL & FINANCE:

During the year under review, the Company has not issued any shares. There was no loan outstanding as on March 31, 2023.

3. CAPITAL EXPENDITURE:

As at March 31, 2023, the gross fixed and intangible assets including leased assets, stood at SGD Nil and the net fixed and intangible assets, including leased assets, at SGD Nil. Capital Expenditure during the year amounted to Nil.

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

The Company has not given loan/made investment/provided guarantee or security during the year under review.

5. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were SGD Nil as against SGD 105,615 for the previous financial year registering a decrease of 100 %. The profit/(loss) before tax from continuing operations including extraordinary and exceptional items was SGD (22,504) and the profit/(loss) after tax from continuing operations including extraordinary and exceptional items was SGD (22,504) for the financial year under review as against SGD (23,412) and SGD (23,412) respectively for the previous financial year registering a decrease of 4 % and 4 % respectively.

6. AMOUNT TO BE CARRIED TO RESERVE:

As at March 31, 2023, the Company has not transferred any amount to reserves.

7. DIVIDEND:

The Board of Directors has not declared any dividend for the financial year under review.

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

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

9. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

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

During the year under review, Mr. Soh Xiao Ling ceased to act as the Director of the Company with effect from July 26, 2022.

The Board places on record its appreciation for the services rendered by Mr. Soh Xiao Ling during his tenure as Director of the Company.

During the year under review, Mr. Amos Tan Bin Jie was appointed as the Director of the Company w.e.f. July 26, 2022.

The current Directors of the Company are Mr. Rajeev Gupta, Mr. Abhishek Sinha, Mr. Giri K. K. and Mr. Amos Tan Bin Jie.

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review 1 meeting was held on March 17, 2023.

12. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes 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.

13. ACKNOWLEDGEMENT:

Your Members acknowledge the invaluable support extended by the Government authorities and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

MR. RAJEEV GUPTA

Director

Date: April 18, 2023

Place: Mumbai

MR. GIRI K. K.

Director

Date: April 18, 2023

Place: Bengaluru

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note No.	As at 31-03-2023 SGD	As at 31-03-2022 SGD
ASSETS:			
I. Non-current assets			
(a) Property, plant and equipment		-	-
(b) Capital work-in-progress		-	-
(c) Goodwill		-	-
(d) Other intangible assets		-	-
(e) Financial assets			
(i) Investments		-	-
(ii) Other financial assets		-	-
(f) Deferred tax assets (net)		-	-
(g) Other non current assets		-	-
Total non-current assets		<u>-</u>	<u>-</u>
II. Current assets			
(a) Financial assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	1	83,389	464,197
(iv) Other bank balances		-	-
(v) Loans		-	-
(vi) Other financial assets		-	-
(b) Other current assets	2	-	16,542
Total current assets		<u>83,389</u>	<u>480,739</u>
TOTAL ASSETS		<u><u>83,389</u></u>	<u><u>480,739</u></u>
EQUITY AND LIABILITIES:			
I. Equity			
(a) Equity share capital	3	60,501	60,501
(b) Other equity	4	11,415	33,919
Total equity		<u>71,916</u>	<u>94,420</u>
II. Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities		-	-
(b) Provisions		-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings		-	-
(ii) Trade payables	5	10,335	384,357
(iii) Other financial liabilities	6	60	60
(b) Other current liabilities	7	(720)	105
(c) Provisions		-	-
(d) Current tax liabilities (net)	8	1,797	1,797
Total current liabilities		<u>11,472</u>	<u>386,319</u>
Total liabilities		<u>11,472</u>	<u>386,319</u>
TOTAL EQUITY AND LIABILITIES		<u><u>83,389</u></u>	<u><u>480,739</u></u>

For and on behalf of the Board of Directors of L&T TECHNOLOGY SERVICES PTE. LTD.

RAJEEV GUPTA

Date: April 18, 2023

Place: Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023

Particulars	Note No.	Period ended 31-03-2023 SGD	Period ended 31-03-2022 SGD
I. Revenue from operations	9	-	105,615
II. Other income (net)		-	-
III. Total income		-	105,615
IV. Expenses:			
(a) Employee benefit expenses	10	177	99,549
(b) Depreciation and amortisation expenses		-	-
(c) Other expenses	11	22,327	29,478
(d) Finance costs		-	-
Total expenses		22,504	129,027
V. Profit before tax (III - IV)		(22,504)	(23,412)
VI. Tax expense:			
(a) Current tax		-	-
(b) Tax Adjustments of prior periods		-	-
(c) Deferred tax		-	-
Total tax expense		-	-
VII. Profit for the period (V - VI)		(22,504)	(23,412)
VIII. Other comprehensive income			
(A) (i) Items that will not be reclassified to the statement of profit and loss			
(a) Remeasurement of the defined benefit plans		-	-
(ii) Income tax on items that will not be reclassified to the statement of profit and loss		-	-
(B) (i) Items that will be reclassified subsequently to the statement of profit or loss			
(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		-	-
(b) Exchange differences on the translation of foreign operation		-	-
(ii) Income tax relating to items that will be reclassified subsequently to the statement of profit or loss		-	-
IX. Total comprehensive income for the period		(22,504)	(23,412)
Profit for the period attributable to:			
- Owners of the Company		(22,504)	(23,412)
- Non-controlling interest		-	-
Other comprehensive income for the period attributable to:			
- Owners of the Company		-	-
- Non-controlling interest		-	-
Total comprehensive income for the period attributable to:			
- Owners of the Company		(22,504)	(23,412)
- Non-controlling interest		-	-

For and on behalf of the Board of Directors of **L&T TECHNOLOGY SERVICES PTE. LTD.**
RAJEEV GUPTA

Date: April 18, 2023

Place: Mumbai

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2023

Particulars	Period ended 31-03-2023 SGD	Period ended 31-03-2022 SGD
A. Cash flow from operating activities		
Profit before tax	(22,504)	(23,412)
Adjustments for:		
Depreciation and amortisation	-	-
Interest received	-	-
Interest paid	-	-
Operating profit before working capital changes	(22,504)	(23,412)
Changes in working capital		
(Increase)/decrease in trade and other receivables	-	-
(Increase)/decrease in other receivables	16,542	52,580
Increase/(decrease) in trade and other payables	(374,847)	118,941
(Increase)/decrease in working capital	(358,305)	171,521
Cash generated from operations	(380,808)	148,109
Direct taxes paid	-	-
Net cash (used in)/from operating activities	(380,808)	148,109
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	-	-
Interest received	-	-
Net cash (used in)/from investing activities	-	-
C. Cash flow from financing activities		
Equity share capital issued including share premium	-	-
Interest paid	-	-
Net cash (used in)/from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(380,808)	148,109
Cash and cash equivalents at beginning of period	464,197	316,088
Cash and cash equivalents at end of period	83,389	464,197

For and on behalf of the Board of Directors of **L&T TECHNOLOGY SERVICES PTE. LTD.**
RAJEEV GUPTA

Date: April 18, 2023

Place: Mumbai

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2023**A. Equity share capital**

SGD

Particulars	01.04.2022 to 31.03.2023		01.04.2021 to 31.03.2022	
	No. of shares	Amount	No. of shares	Amount
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the period	60,501	60,501	60,501	60,501
Add/(Less): Shares issued on exercise of employee stock options during the period	–	–	–	–
Add/(Less): Reorganization of share capital, reduction of face value	–	–	–	–
Add/(Less): Fresh issue of equity shares	–	–	–	–
Issued, subscribed and fully paid up equity shares outstanding at the end of the period	60,501	60,501	60,501	60,501

B. Other equity

SGD

Particulars	Reserves and Surplus		Items of other comprehensive income	Total
	Retained earnings		Foreign currency translation reserve	
Opening Balance	33,919	–	–	33,919
Profit for the period (a)	(22,504)	–	–	(22,504)
Other comprehensive income (net of taxes) (b)	–	–	–	–
Total comprehensive income for the period (a+b)	(22,504)	–	–	(22,504)
Closing Balance	11,415	–	–	11,415

For and on behalf of the Board of Directors of L&T TECHNOLOGY SERVICES PTE. LTD.

RAJEEV GUPTA

Date: April 18, 2023

Place: Mumbai

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A. CORPORATE INFORMATION

L&T Technology Services PTE. LTD. was incorporated and domiciled in Singapore and has its registered office at 30, Cecil Street, #19-08, Prudential Tower, Singapore, 049712.

As at March 31, 2023, L&T Technology Services Limited, the holding company, owns 100% of the Company's equity share capital.

B. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in Singapore to reflect the financial position, results of operations and cash flows of the Company.

All amounts are stated in SGD, except as otherwise specified.

b) Basis of accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the project/contract/service and extends up to the realization of receivables within the credit period normally applicable to the respective lines of business.

d) Revenue Recognition

The Company derives revenue from Engineering Research and Development (ER&D) services, which are a set of services provided to manufacturing, technology and process engineering companies, to help them develop and build products, processes and infrastructure required to deliver products and services to their end customers. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group/Company expects to receive in exchange for those services:

- a. Revenue from contracts which are on time and material basis are recognized when services are rendered, and related costs are incurred.
- b. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity.
- c. Revenues in excess of invoicing are classified as contract assets (unbilled revenue).
- d. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company presents revenue net of discounts, collection charges, indirect taxes and value-added taxes in its statement of profit and loss.
- e. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date as per contract.

e) Other income

- a. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- b. Dividend income is accounted in the period in which the right to receive the same is established.
- c. Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

f) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

g) Leases

a. Operating leases

Assets acquired on leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on accrual basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

h) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) Non-derivative financial assets

a. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other deposits with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Current income taxes

The current income tax expense includes income taxes payable by the Company.

Provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

k) Provisions, contingent liabilities and contingent assets

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 as a result 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

Contingent liability is disclosed in the case of

- i) A present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation;
or
- ii) A possible obligation unless the probability of outflow of resources is remote

Contingent Liabilities as at March 31, 2023 is SGD Nil.

Contingent assets are neither recognized nor disclosed.

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

l) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

NOTES FORMING PART OF ACCOUNTS

	As at 31-03-2023	<i>As at 31-03-2022</i>
	SGD	<i>SGD</i>
1 CASH AND CASH EQUIVALENTS		
Balances with banks	83,389	464,197
	83,389	464,197
2 OTHER CURRENT ASSETS		
Prepaid expenses	–	16,542
	–	16,542
3 EQUITY SHARE CAPITAL		
3.1 Issued, subscribed and fully paid up		
Issued, subscribed and fully paid up equity shares outstanding at the end of the period		
60501 equity shares of SGD 1 each	60,501	60,501
Total issued, subscribed and paid up capital	60,501	60,501
4 OTHER EQUITY		
Retained earnings	11,415	10,507
Foreign currency translation reserve	–	–
	11,415	10,507
5 TRADE PAYABLE		
Due to related parties	–	349,210
Micro and small enterprises	–	–
Due to others	10,335	35,147
	10,335	384,357
6 OTHER FINANCIAL LIABILITIES		
Liability towards employee compensation	–	–
Other payables	60	60
Suppliers ledger - capital goods/services	–	–
	60	60
7 OTHER CURRENT LIABILITIES		
Statutory tax payable	(720)	105
Other payables	–	–
	(720)	105
8 CURRENT TAX LIABILITIES (NET)		
Provision for current tax	1,797	1,797
	1,797	1,797

NOTES FORMING PART OF ACCOUNTS (Contd.)

	Period ended 31-03-2023	<i>Period ended 31-03-2022</i>
	SGD	<i>SGD</i>
INCOME		
9 REVENUE FROM OPERATIONS		
Engineering and technology services	–	105,615
	–	105,615
EXPENSES		
10 EMPLOYEE BENEFIT EXPENSES		
Salaries including overseas staff expenses	177	99,549
	177	99,549
11 OTHER EXPENSES		
Travelling and conveyance	–	–
Rent and establishment expenses	6,750	8,430
Telephone, postage and other communication charges	4	10
Legal and professional charges	(175)	19,038
Advertisement and sales promotion expenses	–	–
Recruitment expenses	–	–
Insurance charges	15,678	1,524
Rates and taxes	–	–
Bad debts written off	–	–
Miscellaneous expenses	70	476
	22,327	29,478
12 OTHER COMPREHENSIVE INCOME		
Items that will be reclassified to profit or loss	–	–
Exchange differences on the translation of foreign operation	–	–
Basic And Diluted Earning Per Equity Share	–	–
Basic	–	–
Profit after tax	(22,504)	(23,412)
Less: Dividend on preference shares	–	–
Less: Tax on dividend	–	–
Profit attributable to equity shareholders	(22,504)	(23,412)
Weighted average no. of equity shares outstanding	60,501	60,501

BOARD'S REPORT

Dear Members,

The Directors have pleasure in presenting their Board Report and Management Certified Accounts for the year ended March 31, 2023.

1. FINANCIAL RESULTS:

Particulars	2022-23	2021-22
	MYR	MYR
Total Income	–	–
Total Expenditure	7,919	10,011
Operating Profit/(Loss)	(7,919)	(10,011)
Add: Interest Income	–	–
Less: Finance Costs	–	–
Profit/(Loss) before Tax	(7,919)	(10,011)
Less: Tax	–	–
Net Profit/(Loss) after Tax	(7,919)	(10,011)
Add: Balance b/f from previous year	(30,175)	(20,164)
Balance available for disposal which directors appropriate as follows	(38,094)	(30,175)
Balance to be carried forward	(38,094)	(30,175)

2. CAPITAL & FINANCE:

During the year under review, the Company has not issued any shares. There is no loan outstanding as on March 31, 2023.

3. CAPITAL EXPENDITURE:

As at March 31, 2023, the gross fixed and intangible assets including leased assets, stood at MYR Nil and the net fixed and intangible assets, including leased assets, at MYR Nil. Capital Expenditure during the year amounted to MYR Nil.

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

The Company has not given loan/made investment/provided guarantee or security during the year under review.

5. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were MYR Nil as against MYR Nil for the previous financial year. The (loss) before tax from continuing operations including extraordinary and exceptional items was MYR (7,919) and the (loss) after tax from continuing operations including extraordinary and exceptional items was MYR (7,919) for the financial year under review as against MYR (10,011) and MYR (10,011) respectively for the previous financial year, registering a decrease of 21% and 21% respectively.

6. AMOUNT TO BE CARRIED TO RESERVES:

As at March 31, 2023, the Company has not transferred any amount to reserves.

7. DIVIDEND:

The Directors have not declared any dividend during the year.

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

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

9. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

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

The current Directors of the Company are Mr. Rajeev Gupta, Mr. Abhishek Sinha and Mr. Mohd Zuhaili Bin Zainal Abidin.

11. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 loss of the Company for that period;

GRAPHENE SOLUTION SDN. BHD.

- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes 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.

12. ACKNOWLEDGEMENT:

Your Members acknowledge the invaluable support extended by the Government authorities and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

MR. ABHISHEK SINHA

Director

Date: April 21, 2023

Place: Bangalore, India

MR. RAJEEV GUPTA

Director

Date: April 21, 2023

Place: Mumbai, India

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note No.	As at March 31, 2023 MYR	As at March 31, 2022 MYR
ASSETS:			
I. Non-current assets			
(a) Property, plant and equipment		-	-
(b) Capital work-in-progress		-	-
(c) Goodwill		-	-
(d) Other intangible assets		-	-
(e) Financial assets			
(i) Investments		-	-
(ii) Non current trade receivables		-	-
(iii) Other financial assets		-	-
(iv) Trade receivables		-	-
(f) Deferred tax assets (net)		-	-
(g) Other non current assets		-	-
Total non-current assets		<u>-</u>	<u>-</u>
II. Current assets			
(a) Financial assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	1	76,848	94,295
(iv) Other bank balances		-	-
(v) Loans		-	-
(vi) Other financial assets		-	-
(b) Current tax assets (net)		-	-
(c) Other current assets		-	-
Total current assets		<u>76,848</u>	<u>94,295</u>
TOTAL ASSETS		<u>76,848</u>	<u>94,295</u>
EQUITY AND LIABILITIES:			
I. Equity			
(a) Equity share capital	2	100,000	100,000
(b) Other equity	3	(38,094)	(30,175)
Total equity		<u>61,906</u>	<u>69,825</u>
II. Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities		-	-
(b) Provisions		-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings		-	-
(ii) Trade payables	4	14,943	24,470
(iii) Other financial liabilities		-	-
(b) Other current liabilities		-	-
(c) Provisions		-	-
(d) Current tax liabilities (net)		-	-
Total current liabilities		<u>14,943</u>	<u>24,470</u>
Total liabilities		<u>14,943</u>	<u>24,470</u>
TOTAL EQUITY AND LIABILITIES		<u>76,848</u>	<u>94,295</u>

For and on behalf of the Board of Directors of **Graphene Solution SDN. BHD.****MR. RAJEEV GUPTA**

Director

Date: April 21, 2023

Place: Mumbai, India

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023

Particulars	Note No.	Year ended	Year ended
		March 31, 2023	March 31, 2022
		MYR	MYR
I. Revenue from operations		-	-
II. Other income (net)		-	-
III. Total income		-	-
IV. Expenses:			
(a) Employee benefit expenses		-	-
(b) Depreciation and amortisation expenses		-	-
(c) Other expenses	5	7,919	10,011
(d) Finance costs		-	-
Total expenses		7,919	10,011
V. Profit before tax (III - IV)		(7,919)	(10,011)
VI. Tax expense:			
(a) Current tax		-	-
(b) Tax Adjustments of prior periods		-	-
(c) Deferred tax		-	-
Total tax expense		-	-
VII. Profit for the period (V - VI)		(7,919)	(10,011)
VIII. Other comprehensive income			
(A) (i) Items that will not be reclassified to the statement of profit and loss			
(a) Remeasurement of the defined benefit plans		-	-
(ii) Income tax on items that will not be reclassified to the statement of profit and loss		-	-
(B) (i) Items that will be reclassified subsequently to the statement of profit or loss			
(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		-	-
(b) Exchange differences on the translation of foreign operation		-	-
(ii) Income tax relating to items that will be reclassified subsequently to the statement of profit or loss		-	-
Total other comprehensive income (net of tax)		-	-
IX. Total comprehensive income for the period		(7,919)	(10,011)
Profit for the period attributable to:			
- Owners of the Company		(7,919)	(10,011)
- Non-controlling interest		-	-
Other comprehensive income for the period attributable to :			
- Owners of the Company		-	-
- Non-controlling interest		-	-
Total comprehensive income for the period attributable to :			
- Owners of the Company		(7,919)	(10,011)
- Non-controlling interest		-	-

For and on behalf of the Board of Directors of **Graphene Solution SDN. BHD.**

MR. RAJEEV GUPTA

Director

Date: April 21, 2023

Place: Mumbai, India

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2023

Particulars	Period ended March 31, 2023 MYR	Period ended March 31, 2022 MYR
A. Cash flow from operating activities		
Profit before tax	(7,919)	(10,011)
Adjustments for:		
Depreciation and amortisation	-	-
Interest received	-	-
Interest paid	-	-
Operating profit before working capital changes	(7,919)	(10,011)
Changes in working capital		
(Increase)/decrease in trade and other receivables	-	-
(Increase)/decrease in other receivables	-	-
Increase/(decrease) in trade and other payables	(9,528)	10,011
(Increase)/decrease in working capital	(9,528)	10,011
Cash generated from operations	(17,447)	-
Direct taxes paid	-	-
Net cash (used in)/from operating activities	(17,447)	-
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	-	-
Interest received	-	-
Net cash (used in)/from investing activities	-	-
C. Cash flow from financing activities		
Equity share capital issued including share premium	-	-
Interest paid	-	-
Net cash (used in)/from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(17,447)	-
Cash and cash equivalents at beginning of period	94,295	94,295
Cash and cash equivalents at end of period	76,848	94,295

For and on behalf of the Board of Directors of **Graphene Solution SDN. BHD.**

MR. RAJEEV GUPTA
Director

Date: April 21, 2023
Place: Mumbai, India

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
MARCH 31, 2023**

A. EQUITY SHARE CAPITAL

Particulars	MYR			
	01.04.22 to 31.03.23		01.04.21 to 31.03.22	
	Number of shares	INR	Number of shares	INR
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the period	100,000	100,000	100,000	100,000
Add/(Less): Shares issued on exercise of employee stock options during the period	-	-	-	-
Add/(Less): Reorganization of share capital, reduction of face value	-	-	-	-
Add/(Less): Fresh issue of equity shares	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the period	100,000	100,000	100,000	100,000

B. OTHER EQUITY

Particulars	MYR		
	Reserves & Surplus	Foreign currency translation reserve	Total
Opening Balance	(30,175)	-	(30,175)
Profit for the period (a)	(7,919)	-	(7,919)
Other comprehensive income (net of taxes) (b)	-	-	-
Total comprehensive income (a+b)	(7,919)	-	(7,919)
Closing Balance	(38,094)	-	(38,094)

For and on behalf of the Board of Directors of **Graphene Solution SDN. BHD.**

MR. RAJEEV GUPTA

Director

Date: April 21, 2023

Place: Mumbai, India

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A. CORPORATE INFORMATION

Graphene Solution SDN. BHD. was incorporated and domiciled in Malaysia and has its registered office at 2270, Jalan Usahawan, 2-C-2-20, SME 1, SME Technopreneur Centre, Cyberjaya, Kuala Lumpur, Malaysia 63000.

As at March 31, 2023, L&T Technology Services Limited, the holding company, owns 100% of the Company's equity share capital.

B. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in Malaysia to reflect the financial position, results of operations and cash flows of the Company.

All amounts are stated in MYR, except as otherwise specified.

b) Basis of accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the project/contract/service and extends up to the realization of receivables within the credit period normally applicable to the respective lines of business.

d) Other income

- a. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- b. Dividend income is accounted in the period in which the right to receive the same is established.
- c. Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

e) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

f) Leases

a. Operating leases

Assets acquired on leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on accrual basis.

g) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) Non-derivative financial assets

a. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other deposits with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i) Current income taxes

The current income tax expense includes income taxes payable by the Company.

Provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

j) Provisions, contingent liabilities and contingent assets

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 as a result 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

Contingent liability is disclosed in the case of

- i) A present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- ii) A possible obligation unless the probability of outflow of resources is remote

Contingent Liabilities as at March 31, 2023, is MYR Nil.

Contingent assets are neither recognized nor disclosed.

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

k) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

NOTES FORMING PART OF ACCOUNTS

Particulars	As at March 31, 2023	As at March 31, 2022
	MYR	MYR
1 CASH AND CASH EQUIVALENTS		
Balances with banks	76,848	94,295
	<u>76,848</u>	<u>94,295</u>
2 EQUITY SHARE CAPITAL		
2.1 Issued, subscribed and fully paid up		
Issued, subscribed and fully paid up equity shares outstanding at the end of the period [100000 equity shares of MYR 1 each]	100,000	100,000
Total issued, subscribed and paid up capital	<u>100,000</u>	<u>100,000</u>
3 OTHER EQUITY		
Retained earnings	(38,094)	(30,175)
Foreign currency translation reserve	–	–
	<u>(38,094)</u>	<u>(30,175)</u>
4 TRADE PAYABLE		
Due to related parties	–	9,528
Micro and small enterprises	–	–
Due to others	14,943	14,942
Liability for revenue goods	–	–
	<u>14,943</u>	<u>24,470</u>
	Period ended 31-03-2023	Period ended 31, 2022
	MYR	MYR
5 OTHER EXPENSES		
Legal and professional charges	7,897	9,761
Rates and taxes	–	250
Miscellaneous expenses	22	–
	<u>7,919</u>	<u>10,011</u>

BOARD'S REPORT

Dear Members,

The Directors have pleasure in presenting their Fifth Board Report and Management Certified Accounts for the year ended December 31, 2022.

1. FINANCIAL RESULTS:

Particulars	2022	2021
	NTD	NTD
Total Income	100,415	12,604
Total Expenditure	395,462	242,833
Operating Profit/(Loss)	(295,047)	(230,229)
Add: Interest Income	4,914	1,170
Less: Finance Costs	–	–
Profit/(Loss) before Tax	(290,133)	(229,059)
Less: Tax	–	–
Net Profit/(Loss) after Tax	(290,133)	(229,059)
Add: Balance b/f from previous year	(4,044,115)	(20,164)
Balance available for disposal which directors appropriate as follows	(4,334,248)	(4,044,115)
Balance to be carried forward	(4,334,248)	(4,044,115)

2. CAPITAL & FINANCE:

During the year under review, the Company has not issued any shares. There is no loan outstanding as on December 31, 2022.

3. CAPITAL EXPENDITURE:

As at December 31, 2022, the gross fixed and intangible assets including leased assets, stood at NTD Nil and the net fixed and intangible assets, including leased assets, at NTD Nil. Capital Expenditure during the year amounted to NTD Nil.

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

The Company has not given loan/made investment/provided guarantee or security during the year under review.

5. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were NTD 105,329 as against NTD 13,774 for the previous financial year registering an increase of 665%. The (loss) before tax from continuing operations including extraordinary and exceptional items was NTD (290,133) and the (loss) after tax from continuing operations including extraordinary and exceptional items was NTD (290,133) for the financial year under review as against NTD (229,059) and NTD (229,059) respectively for the previous financial year, registering an increase of 27% and 27% respectively.

6. AMOUNT TO BE CARRIED TO RESERVES:

As at December 31, 2022, the Company has not transferred any amount to reserves.

7. DIVIDEND:

The Directors have not declared any dividend during the year.

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

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

9. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

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

The current Directors of the Company are Mr. Rajeev Gupta and Mr. Abhishek Sinha.

11. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 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 loss of the Company for that period;

- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes 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.

12. ACKNOWLEDGEMENT:

Your Directors acknowledge the invaluable support extended by the Government authorities in Taiwan and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

MR. ABHISHEK SINHA
Director

MR. RAJEEV GUPTA
Director

Date: April 21, 2023
Place: Bangalore

Date: April 21, 2023
Place: Mumbai

BALANCE SHEET AS AT DECEMBER 31, 2022

Particulars	Note No.	NTD	NTD
		As at 31-12-2022	As at 31-12-2021
ASSETS:			
I. Non-current assets			
(a) Property, plant and equipment		-	-
(b) Capital work-in-progress		-	-
(c) Goodwill		-	-
(d) Other intangible assets		-	-
(e) Financial assets			
(i) Investments		-	-
(ii) Other financial assets		-	-
(f) Deferred tax assets (net)		-	-
(g) Other non current assets	1	(14,649)	102,456
Total non-current assets		(14,649)	102,456
II. Current assets			
(a) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	2	(11,994)	924,834
(iii) Cash and cash equivalents	3	2,707,094	1,925,334
(iv) Other bank balances		-	-
(v) Loans		-	-
(vi) Other financial assets		-	-
(b) Other current assets	4	27,765	20,896
Total current assets		2,722,865	2,871,064
TOTAL ASSETS		2,708,216	2,973,520
EQUITY AND LIABILITIES:			
I. Equity			
(a) Capital	5	5,000,000	5,000,000
(b) Other equity	6	(4,334,248)	(4,044,115)
Total equity		665,752	955,885
II. Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities		-	-
(b) Provisions		-	-
Total non-current liabilities		-	-
Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings		-	-
(ii) Trade payables	7	2,026,686	2,001,857
(iii) Other financial liabilities		-	-
(b) Other current liabilities	8	15,778	15,778
(c) Provisions		-	-
(d) Current tax liabilities (net)		-	-
Total current liabilities		2,042,464	2,017,635
Total liabilities		2,042,464	2,017,635
TOTAL EQUITY AND LIABILITIES		2,708,216	2,973,520

For and on behalf of the Board of Directors of
Graphene Solutions Taiwan Limited

Rajeev Gupta
Director

Date: April 21, 2023
Place: Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2022

Particulars	Note No.	(NTD)	(NTD)
		Year ended 31-12-2022	Year ended 31-12-2021
I. Revenue from operations	9	–	12,604
II. Other income (net)	10	105,329	1,170
III. Total income		105,329	13,774
IV. Expenses:			
(a) Employee benefit expenses	11	–	25,979
(b) Depreciation and amortisation expenses		–	–
(c) Other expenses	12	395,462	216,854
(d) Finance costs		–	–
Total expenses		395,462	242,833
V. Profit before tax (III - IV)		(290,133)	(229,059)
VI. Tax expense:			
(a) Current tax		–	–
(b) Tax Adjustments of prior years		–	–
(c) Deferred tax		–	–
Total tax expense		–	–
VII. Profit for the period (V - VI)		(290,133)	(229,059)
VIII. Other comprehensive income			
(A) (i) Items that will not be reclassified to the statement of profit and loss			
(a) Remeasurement of the defined benefit plans		–	–
(ii) Income tax on items that will not be reclassified to the statement of profit and loss		–	–
(B) (i) Items that will be reclassified subsequently to the statement of profit or loss			
(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		–	–
(b) Exchange differences on the translation of foreign operation		–	–
(ii) Income tax relating to items that will be reclassified subsequently to the statement of profit or loss		–	–
(C) (i) Items may be reclassified to the statement of profit or loss			
(a) Exchange differences on translation of foreign subsidiaries		–	–
Total other comprehensive income (net of tax)		–	–
IX. Total comprehensive income for the year		(290,133)	(229,059)

For and on behalf of the Board of Directors of
Graphene Solutions Taiwan Limited

Rajeev Gupta
Director

Date: April 21, 2023
Place: Mumbai

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2022

Particulars	(NTD) Period ended 31-12-2022	(NTD) Period ended 31-12-2021
A. Cash flow from operating activities		
Profit before tax	(290,133)	(229,059)
Adjustments for:		
Depreciation and amortisation	-	-
Interest received	(4,914)	(1,170)
Interest paid	-	-
Operating profit before working capital changes	(295,047)	(230,229)
Changes in working capital		
(Increase)/decrease in trade and other receivables	936,828	134,231
(Increase)/decrease in other receivables	110,236	(57,286)
Increase/(decrease) in trade and other payables	24,829	686,546
(Increase)/decrease in working capital	1,071,893	763,491
Cash generated from operations	776,846	533,262
Direct taxes paid	-	(533,902)
Net cash (used in)/from operating activities	776,846	(640)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	-	-
Interest received	4,914	1,170
Net cash (used in)/from investing activities	4,914	1,170
C. Cash flow from financing activities		
Equity share capital issued including share premium	-	-
Interest paid	-	-
Net cash (used in)/from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	781,760	530
Cash and cash equivalents at beginning of year	1,925,334	1,924,804
Cash and cash equivalents at end of year	2,707,094	1,925,334

For and on behalf of the Board of Directors of
Graphene Solutions Taiwan Limited

Rajeev Gupta
Director

Date: April 21, 2023
Place: Mumbai

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
DECEMBER 31, 2022**

A. CAPITAL

Particulars	(NTD)
Capital at the beginning of the period	5,000,000
Add/(Less): Addition during the year	—
Capital at the end of the period	5,000,000

B. OTHER EQUITY

Particulars	Reserves & Surplus	Items of other comprehensive income	(NTD) Total
	Retained earnings	FCTR	
Opening Balance	(4,044,115)	—	(4,044,115)
Profit for the period	(290,133)	—	(290,133)
Other comprehensive income (net of taxes)	—	—	—
Closing Balance	(4,334,248)	—	(4,334,248)

For and on behalf of the Board of Directors of
Graphene Solutions Taiwan Limited

Rajeev Gupta
Director

Date: April 21, 2023
Place: Mumbai

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A. CORPORATE INFORMATION

Graphene Solutions Taiwan Limited was incorporated and domiciled in Taiwan and has its registered office at 6F, No. 378, Changchun Road, Taipei, Taiwan 10487.

As at December 31, 2022, L&T Technology Services Limited, the holding company, owns 100% of the Company's capital.

B. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in Taiwan to reflect the financial position, results of operations and cash flows of the Company.

All amounts are stated in NTD, except as otherwise specified.

b) Basis of accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the project/contract/service and extends up to the realization of receivables within the credit period normally applicable to the respective lines of business.

d) Revenue Recognition

The Company derives revenue from Engineering Research and Development (ER&D) services, which are a set of services provided to manufacturing, technology and process engineering companies, to help them develop and build products, processes and infrastructure required to deliver products and services to their end customers. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group/Company expects to receive in exchange for those services:

- a. Revenue from contracts which are on time and material basis are recognized when services are rendered, and related costs are incurred.
- b. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity.
- c. Revenues in excess of invoicing are classified as contract assets (unbilled revenue).
- d. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company presents revenue net of discounts, collection charges, indirect taxes and value-added taxes in its statement of profit and loss.
- e. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date as per contract.

e) Other income

- a. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- b. Dividend income is accounted in the period in which the right to receive the same is established.
- c. Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

f) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

g) Leases

a. Operating leases

Assets acquired on leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on accrual basis.

h) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(i) Non-derivative financial assets

a. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

i) **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with Financial Institutions and other deposits with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) **Current income taxes**

The current income tax expense includes income taxes payable by the Company.

Provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

k) **Provisions, contingent liabilities and contingent assets**

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 as a result 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

Contingent liability is disclosed in the case of

- i) A present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- ii) A possible obligation unless the probability of outflow of resources is remote

Contingent Liabilities as at December 31, 2022 is NTD Nil.

Contingent assets are neither recognized nor disclosed.

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

l) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

NOTES FORMING PART OF ACCOUNTS

	NTD As at 31-12-2022	NTD As at 31-12-2021
1 OTHER NON-CURRENT ASSETS		
Prepaid expenses	–	–
Income tax receivable (net)	(14,649)	102,456
	<u>(14,649)</u>	<u>102,456</u>
2 TRADE RECEIVABLES		
Trade receivables	–	–
Receivables from related parties	(11,994)	924,834
Less: Allowances for doubtful debts	–	–
	<u>(11,994)</u>	<u>924,834</u>
3 CASH AND CASH EQUIVALENTS		
Balances with banks	2,707,094	1,925,334
	<u>2,707,094</u>	<u>1,925,334</u>
4 OTHER CURRENT ASSETS		
Prepaid expenses	27,765	20,896
	<u>27,765</u>	<u>20,896</u>
5 CAPITAL		
Capital	5,000,000	5,000,000
Total Capital	<u>5,000,000</u>	<u>5,000,000</u>
6 OTHER EQUITY		
Retained earnings	(4,334,248)	(4,044,115)
Foreign currency translation reserve	–	–
	<u>(4,334,248)</u>	<u>(4,044,115)</u>
7 TRADE PAYABLE		
Due to related parties	856,104	856,104
Due to others	1,119,097	1,118,419
Liability for revenue goods	11,485	27,334
	<u>2,026,686</u>	<u>2,001,857</u>
8 OTHER CURRENT LIABILITIES		
Statutory tax payable	15,778	15,788
	<u>15,778</u>	<u>15,788</u>

NOTES FORMING PART OF ACCOUNTS (Contd.)

	NTD Year ended 31-12-2022	NTD Year ended 31-12-2021
INCOME		
9 REVENUE FROM OPERATIONS		
Engineering and technology services	–	12,604
	–	12,604
10 OTHER INCOME		
Foreign exchange gain/ (loss)	100,415	–
Bank interest received	4,914	1,170
	105,329	1,170
EXPENSES		
11 EMPLOYEE BENEFIT EXPENSES		
Salaries including overseas staff expenses	–	25,979
	–	25,979
12 OTHER EXPENSES		
Rent and establishment expenses	54,000	54,000
Telephone, postage and other communication charges	–	–
Legal and professional charges	256,534	43,209
Advertisement and sales promotion expenses	–	–
Recruitment expenses	–	–
Insurance charges	84,744	119,139
Rates and taxes	–	163
Miscellaneous expenses	184	343
	395,462	216,854

BOARD'S REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting the 12th Board Report along with the Audited Financial Statements of the Company for the year ended March 31, 2023.

1. FINANCIAL RESULTS:

Particulars	2022-23	2021-22
	₹	₹
Profit/(Loss) Before depreciation, exceptional items & tax	(288,513)	(121,488)
Less: Depreciation, amortization, impairment and obsolescence	—	1,881
Profit/(Loss) before exceptional items and tax	(288,513)	(123,369)
Add: Exceptional Items	—	—
Profit/(Loss) before tax	(288,513)	(123,369)
Less: Provision for tax	—	—
Profit for the period carried to the Balance Sheet	(288,513)	(123,369)
Add: Other Comprehensive Income	—	—
Add: Balance brought forward from previous year	5,781,318	5,904,687
Balance available for disposal which the Directors appropriate as follows:	5,492,805	5,781,318
Debtore Redemption Reserve	—	—
Balance to be carried forward	5,492,805	5,781,318

2. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were ₹ 4,050 as against ₹ (2,635) for the previous financial year registering a increase of 254%. The profit/(loss) before tax from continuing operations including extraordinary and exceptional items was ₹ (288,513) and the profit/(loss) after tax from continuing operations including extraordinary and exceptional items was ₹ (288,513) for the financial year under review as against ₹ (123,369) and ₹ (123,369) respectively for the previous financial year registering a increase of 134% and 134% respectively.

3. CAPITAL & FINANCE:

There has been no change in the share capital of the Company during the said financial year. As on the March 31, 2023, the total paid up equity share capital of the Company was ₹ 100,000/- consisting of 10,000 equity shares of ₹ 10/- each, fully paid up.

4. CAPITAL EXPENDITURE:

As at March 31, 2023 the gross fixed and intangible assets including leased assets, stood at ₹ NIL and the net fixed and intangible assets, including leased assets, at ₹ NIL. There was no addition to the gross block during the year.

5. 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.

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

The Company has not given loan/made investment/provided guarantee or security during the year under review.

7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the related party transactions were in the ordinary course of business and at arm's length. The Board has approved all the related party transactions for the FY 2022-23 as required under the provisions of Section 177 of the Companies Act, 2013.

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

8. AMOUNT TO BE CARRIED TO RESERVES:

The Company has not transferred any amount to reserves.

9. DIVIDEND:

The Board of Directors has not declared any dividend for the financial year under review.

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

No material changes and commitments, affecting the financial position of the Company have occurred between the end of the current financial year and the date of this Report.

11. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) Conservation of energy:

The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing activity and is not included under the list of industries which should furnish information as per Rule 8 Companies (Accounts) Rules, 2014.

(B) Technology Absorption: Nil

The Company being Technology driven, has always adopted the latest technology trends and best practices.

(C) Foreign exchange earnings and outgo:

Foreign exchange earnings	Nil
Foreign exchange outgo	Nil

12. RISK MANAGEMENT POLICY:

The Company has in place a risk management framework and mechanism for assessment and minimization of risks. The executive management controls risk by means of a properly designed framework.

13. DETAILS OF DIRECTORS & KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR:

Mr. Rajeev Gupta and Mr. Giri K. K. are the current Directors of the Company.

There were no changes in the Directors of the Company during the year.

The notice convening the Annual General Meeting includes the proposal for re-appointment of Director who is liable to retire by rotation.

14. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Meetings of the Board are held at regular intervals.

During the year under review four meetings were held on April 20, 2022, July 14, 2022, October 17, 2022 and January 17, 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.

15. ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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

16. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

- 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 loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

17. 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.

18. PROTECTION OF WOMEN AT WORKPLACE:

The holding company L&T Technology Services Limited has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group companies. There were no cases of sexual harassment received in the Company during FY 2022-23.

19. AUDITORS REPORT:

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

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.

20. AUDITORS:

The Auditors, M/s A. R. Pai & Co, Chartered Accountants, were re-appointed as Statutory Auditors for a period of five continuous years from the conclusion of 10th Annual General Meeting (AGM) till the conclusion of 15th AGM.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of ICAI.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declared that they have not taken up any prohibited non-audit assignments for the Company.

21. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

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

22. SCHEME OF AMALGAMATION:

During FY 2021-22, the proposal to amalgamate the Esencia Technologies India Private Limited (Esencia), Graphene Semiconductor Services Private Limited (Graphene), and Seastar Labs Private Limited (Seastar) with L&T technology Services Limited, Holding Company was approved by the Board of Directors.

The amalgamation would result in administrative and operations rationalization, organizational efficiencies, reduction in overheads, costs of ERP, compliance cost and other administrative expenses. The said amalgamation would prevent cost duplication and result in synergies in operations. The synergies created by the amalgamation would increase operational efficiency and integrate business functions. The amalgamation would help the Company to simplify its organization structure and will have a single face for the Customers.

23. ANNUAL RETURN:

As the Company doesn't have its own website, the requirement of uploading Annual Return of the Company on its website as on 31st March 2023 in form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is not applicable to the Company.

24. ACKNOWLEDGEMENT:

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities and all the various stakeholders for their continued co-operation and support to the Company.

On behalf of the Board of Directors of

ESENCIA TECHNOLOGIES INDIA PRIVATE LIMITED

RAJEEV GUPTA

Director

DIN: 06782710

Date: April 24, 2023

Place: Mumbai

GIRI.K. K

Director

DIN: 07864395

Date: April 24, 2023

Place: Bengaluru

INDEPENDENT AUDITOR'S REPORT

To the Members of
ESENCIA TECHNOLOGIES INDIA PRIVATE LIMITED

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **ESENCIA TECHNOLOGIES INDIA PRIVATE LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS 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.

Responsibilities of Management and those charged with governance for the Ind AS 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 the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Statement

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

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

ESENCIA TECHNOLOGIES INDIA PRIVATE LIMITED

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
3. 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.
 - a) 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.
 - b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - c) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - d) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - e) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2
 - f) 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:
 - g) According to explanation given to us, during the year no remuneration is paid by the Company to its directors.

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

- i. The Company does not have any pending litigation which would impact its financial position.
- ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregated) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year.

For, **A.R.PAI & CO.,**
Chartered Accountants
FRN. 02519S

A. R. PAI
Proprietor
M.No. 023139
UDIN : 23023139BGSDOO2579

Date: 24-04-2023
Place: Bengaluru

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

- i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - (a) The company does not carry any fixed asset during the financial year, hence reporting under clause 3 (i) (a) to (d) are not applicable to the company.
 - (e) No Proceeding have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. In respect of the Company’s Inventories:
 - (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
 - (b) The Company has not been sanctioned any working capital limits at any points of time during the year, from banks or financial institutions on the basis of security of security of current assets and hence reporting under clause 3 (ii)(b) of the order is not applicable.
- iii. In our Opinion and According to information and explanation given to us by the management, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties hence, reporting under clause 3(iii) (a) to (f) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 or section 186 of the Companies Act, 2013 in respect of loans , investments, guarantees, and securities provided, as applicable.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii. In respect of statutory dues:
 - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has does not have any been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.
 - (b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax outstanding on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. In our opinion and according to the information and explanations given to us, in respect of loans taken and funds raised:
 - (a) The company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
 - (b) The company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.
 - (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 hence, reporting under clause 3(ix)(c) of the Order is not applicable.
 - (d) On an overall examination of the financial statements of the company, no funds are raised on short term basis have, prima facie, not been used during the year for long-term purposes by the company.
 - (e) On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of subsidiaries.
 - (f) The company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the order is not applicable.
- x. In respect of money raised:
 - (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - (b) During the year, the company has not made any preferential allotment or privated placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. In respect of fraud:
 - (a) No fraud by the company and no material fraud on the company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - (c) We have taken into consideration the whistle blower complaints received by the company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.

ESENCIA TECHNOLOGIES INDIA PRIVATE LIMITED

- xii. The Company is not a Nidhi Company hence reporting under clause 3 (xii) of the Order is not applicable.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- xiv. In respect of Internal Audit System:
 - (a) In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.
 - (b) We have considered the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. (a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3 (xvi) (a) to (c) of the Order are not applicable.
 - (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the Order is not applicable.
- xvii. The company has incurred loss of Rs. 288,513 out of this cash loss is Rs. 288,513 during the financial year covered by our audit and the company has incurred loss of Rs. 123,369 out of this cash loss is Rs. 121,488 in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the company during the year.
- xix. 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 and 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 attentions, which causes us to believe that any material uncertainty exists on the date of the audit report indicating that the 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. In our opinion and according to the information and explanations given to us, the provisions of section 135 of the Companies Act, 2013 are not applicable to the company and hence reporting under clause 3(xx) (a) and (b) of the order is not applicable.
- xxi. According to the information and explanations given to us, there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For, **A.R.PAI & CO.,**
Chartered Accountants
FRN. 02519S

A. R. PAI
Proprietor
M.No. 023139
UDIN : 23023139BGSDOO2579

Date:24-04-2023
Place: Bengaluru

ANNEXURE 2 REFERRED TO IN PARAGRAPH 2 (F) OF THE SECTION ON “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

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

To the Members of **ESENCIA TECHNOLOGIES INDIA PRIVATE LIMITED**

We have audited the internal financial controls over financial reporting of **ESENCIA TECHNOLOGIES INDIA PRIVATE LIMITED** (“the Company”) as of March 31, 2023 which is based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO 2013 criteria) in conjunction with our audit of the standalone 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 under the COSO 2013 criteria, which considers 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. 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 the 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.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting in COSO 2013 criteria, 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, **A.R.PAI & CO.,**
Chartered Accountants
FRN. 02519S

A. R. PAI
Proprietor
M.No. 023139
UDIN : 23023139BGSDOO2579

Date:24-04-2023
Place: Bengaluru

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note No.	As at 31-03-2023	As at 31-03-2022
		Rupees in thousands	Rupees in thousands
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment		—	—
(b) Other intangible assets		—	—
(c) Financial assets		—	—
(d) Deferred tax assets (net)	1	60	60
(e) Other non current assets		—	—
Total non-current assets		60	60
II. Current assets			
(a) Financial assets			
(i) Investments		—	—
(ii) Trade receivables		—	—
(iii) Cash and cash equivalents	2	2,703	3,028
(iv) Other bank balances		—	—
(v) Other financial assets		—	—
(b) Other current assets	3	2,911	2,863
(c) Current Tax Assets (net)		—	—
Total current assets		5,614	5,891
TOTAL ASSETS		5,674	5,951
EQUITY AND LIABILITIES			
I. Equity			
(a) Equity share capital	4	100	100
(b) Other equity		5,493	5,781
Total equity		5,593	5,881
II. Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings		—	—
(ii) Trade payables	5	81	70
(iii) Other financial liabilities		—	—
(b) Other current liabilities		—	—
(c) Provisions		—	—
(d) Current tax liabilities (net)		—	—
Total current liabilities		81	70
TOTAL EQUITY AND LIABILITIES		5,674	5,951

As per our report attached

A. R. PAI & CO.,
Chartered Accountants
Firm's Registration No. 002519S
By the hand of

For and on behalf of the Board of Directors of
Esencia Technologies India Private Limited

A.R. PAI
Proprietor
Membership no. 23139

RAJEEV GUPTA
Director
DIN: 06782710

GIRI.K. K
Director
DIN: 07864395

Place: Bengaluru
Date: April 24, 2023

Place: Mumbai
Date: April 24, 2023

Place: Bengaluru
Date: April 24, 2023

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON MARCH 31, 2023

Particulars	Note No.	Year Ended	Year ended
		31-03-2023	31-03-2022
		Rupees in thousands	Rupees in thousands
I. Revenue from operations		-	-
II. Other income	6	4	(3)
III. TOTAL REVENUE		4	(3)
IV. Expenses:			
(a) Employee benefit expenses		-	-
(b) Depreciation and amortisation expenses		-	2
(c) Other expenses	7	292	119
(d) Finance costs		-	-
TOTAL EXPENSES		292	121
V. PROFIT BEFORE TAX (III - IV)		(288)	(123)
VI. Tax expense :			
(a) Current tax		-	-
MAT credit		-	-
(b) Deferred tax		-	-
TOTAL TAX EXPENSE		-	-
VII. PROFIT FOR THE YEAR (V - VI)		(288)	(123)
IX. TOTAL COMPREHENSIVE INCOME, NET OF TAXES		(288)	(123)
X. EARNING PER EQUITY SHARE	8		
Basic - Rupee		(2.88)	(1.23)
Diluted - Rupee		(2.88)	(1.23)
Face value per equity share		10.00	10.00

As per our report attached

A. R. PAI & CO.,
Chartered Accountants
Firm's Registration No. 002519S
By the hand of

A.R. PAI
Proprietor
Membership no. 23139

Place: Bengaluru
Date: April 24, 2023

For and on behalf of the Board of Directors of
Esencia Technologies India Private Limited

RAJEEV GUPTA
Director
DIN: 06782710

Place: Mumbai
Date: April 24, 2023

GIRI.K. K
Director
DIN: 07864395

Place: Bengaluru
Date: April 24, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2023

Particulars	Year Ended	Year ended
	31-03-2023	31-03-2022
	Rupees in thousands	Rupees in thousands
A. Cash flow from operating activities:		
Profit before tax	(288)	(123)
Adjustments for:		
Depreciation and amortisation	—	2
Interest received	—	—
Interest paid	—	—
(Profit)/Loss on sale of fixed assets	—	—
Dividends received from current investments	—	—
Unrealized gain/(loss)	—	—
Operating profit before working capital changes	(288)	(121)
Changes in working capital		
(Increase)/decrease in trade receivables	—	—
(Increase)/decrease in other receivables	(48)	88
Increase/(decrease) in trade & other payables	11	(82)
(Increase)/decrease in working capital	(37)	6
Cash generated from operations	(325)	(116)
Direct taxes paid	—	—
Net cash used in/from operating activities	(325)	(116)
B. Cash flow from investing activities		
Purchase of fixed assets (net)	—	3
(Purchase)/sale of current investments (net)	—	—
Dividends received from current investments	—	—
Interest received	—	—
Net cash used in/from investing activities	—	3
C. Cash flow from financing activities		
Proceeds from/(repayment of) borrowings (net)	—	—
Interest paid	—	—
Net cash used in/from financing activities	—	—
Net (decrease)/increase in cash and cash equivalents	(325)	(113)
Cash and cash equivalents at beginning of year	3,028	3,141
Cash and cash equivalents at end of year	2,703	3,028

Notes:

1	Cash flow has been prepared under the indirect method as set out in the Ind AS - 7		
2	Cash and cash equivalents included in Cash Flow Statement comprise the following:		
	Cash and cash equivalents disclosed under current assets	2,703	3,028
	Other bank balances disclosed under current assets	—	—
	Other bank balances disclosed under non-current assets	—	—
		2,703	3,028

As per our report attached

A. R. PAI & CO.,
Chartered Accountants
Firm's Registration No. 002519S
By the hand of

A.R. PAI
Proprietor
Membership no. 23139

Place: Bengaluru
Date: April 24, 2023

For and on behalf of the Board of Directors of
Essencia Technologies India Private Limited

RAJEEV GUPTA
Director
DIN: 06782710

Place: Mumbai
Date: April 24, 2023

GIRI.K. K
Director
DIN: 07864395

Place: Bengaluru
Date: April 24, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in thousands)

B. OTHER EQUITY

Particulars	Other Equity		Total equity attributable to equity holders of the Company
	Equity Share Capital	Reserves & Surplus	
		Retained earnings	
Balance as at 01-04-2021	100	5,904	6,004
Profit for the year	–	(123)	(123)
Other comprehensive income	–	–	–
Balance as at 31-03-2022	100	5,781	5,881
Balance as at 01-04-2022	100	5,781	5,881
Profit for the year	–	(288)	(288)
Balance as at 31-03-2023	100	5,493	5,593

As per our report attached

A. R. PAI & CO.,
Chartered Accountants
Firm's Registration No. 002519S
By the hand of

A.R. PAI
Proprietor
Membership no. 23139

Place: Bengaluru
Date: April 24, 2023

For and on behalf of the Board of Directors of
Esencia Technologies India Private Limited

RAJEEV GUPTA
Director
DIN: 06782710

Place: Mumbai
Date: April 24, 2023

GIRI.K. K
Director
DIN: 07864395

Place: Bengaluru
Date: April 24, 2023

NOTES FORMING PART OF FINANCIAL STATEMENTS

A. CORPORATE INFORMATION

Esencia Technologies India Private Limited is a private company incorporated and domiciled in India and has its registered office at L&T House, N.M. Marg, Ballard Estate, Mumbai, Maharashtra 400001 India.

As at March 31, 2023, L&T Technology Services Limited, the holding company, owns 100% of the Company's equity share capital

The unconsolidated financial statements of the Company for the year ended March 31, 2023 were approved for issue by the Board of Directors on April 24, 2023.

B. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 (to the extent notified) and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by Ministry of Corporate Affairs in respect of sections 133 read with sub-section (1) of Section 210A of the Companies Act, 1956 (1 of 1956). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

b) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing Accounting Standards a change in the accounting policy hitherto is used.

c) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

d) Presentation of financial statements

The balance sheet and the statement of profit and loss are prepared 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 "Cash Flow Statements". The disclosure requirements with respect to items in balance sheet and statement of profit and loss, as prescribed in the schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Ind AS.

e) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Asset class	Useful life (years)
Computers *	3
Network Equipments *	5
Office equipment *	4
Furniture and fixtures *	10

* Based on technical evaluation, the management believes that the useful lives as given above best represents the period over which the management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

f) Leases

(a) Operating leases

Assets acquired on leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on accrual basis.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

g) Impairment of assets

a) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets (other than goodwill) are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

h) Foreign currencies

The functional currency of the Company is the Indian rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

i) Income-tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company.

Provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company recognizes interest levied related to income tax assessments in interest expenses.

j) Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The Company has a present obligation as a result of a past event; and
- b) A probable outflow of resources is expected to settle the obligation; and
- c) The amount of the obligation can be reliably estimated

Contingent liability is disclosed in the case of

- a) A present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- b) A present obligation arising from past events, when no reliable estimate is possible; or
- c) A possible obligation unless the probability of outflow of resources is remote

Contingent assets are neither recognized nor disclosed.

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

k) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

l) Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average numbers of the equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

m) Operating cycle for current and non-current classification

Operating cycle for the business activities of the company covers the duration of the project/contract/service and extends up to the realization of receivables within the credit period normally applicable to the respective lines of business.

n) Borrowing Costs

Borrowing costs include interest calculated using the effective interest method, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for acquisition, construction or production of qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets.

	As at 31-03-2023	<i>As at 31-03-2022</i>
	Rupees in thousands	<i>Rupees in thousands</i>
1 DEFERRED TAX ASSETS (NET)		
Deferred Tax assets (net)	60	<i>60</i>
	60	<i>60</i>
2 CASH AND CASH EQUIVALENTS		
Balances with banks	2,703	<i>3,028</i>
Cheque on hand	-	-
Remittance in transit	-	-
Deposits with maturity less than three months	-	-
Cash on hand	-	-
	2,703	<i>3,028</i>
3 OTHER CURRENT ASSETS		
Unbilled revenue	-	-
Less: ECL on unbilled revenue	-	-
	-	-
Advance to supplier	-	-
Prepaid expenses	-	-
GST receivable	2,911	<i>2,863</i>
GST / Service tax recoverable	-	-
Other receivables	-	-
	2,911	<i>2,863</i>
	2,911	<i>2,863</i>

NOTES FORMING PART OF ACCOUNTS

	As at 31-03-2023	As at 31-03-2022
	Rupees in thousands	Rupees in thousands
4 SHARE CAPITAL		
4.1 Authorised :		
10,000 Equity shares of Rs. 10 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
4.2 Issued, subscribed and paid up		
10,000 Equity shares of Rs. 10 each	100	100
Total issued, subscribed and paid up capital	<u>100</u>	<u>100</u>

4.3 In the period of five years immediately preceding March 31,2023:

Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil

Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil

Aggregate number and class of shares bought back - Nil

4.4 Terms/rights attached to 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. The Company declares and pays dividend in Indian rupees.

4.5 Reconciliation of the shares outstanding at the beginning and at the end of the year

There were no movements in the number of equity shares outstanding at the beginning and at the end of the year.

4.5 Shares of the company held by holding company

Equity shares

	As at 31-03-2023		As at 31-03-2022	
	No. of shares	% Holding	No. of shares	% Holding
L&T Technology Services Limited	9,999	99.99%	9,999	99.99%
Mr. P. Ramakrishnan jointly with L&T Technology Services Limited	1	0.01%	1	0.01%
	<u>10,000</u>		<u>10,000</u>	

4.6 Shareholders holding more than 5% of equity shares as at the end of the year

Equity shares

	As at 31-03-2023		As at 31-03-2022	
	No. of shares	% Holding	No. of shares	% Holding
L&T Technology Services Limited	9,999	99.99%	9,999	99.99%

	As at 31-03-2023	As at 31-03-2022
	Rupees in thousands	Rupees in thousands
5 TRADE PAYABLES		
Due to Related Parties	21	20
Micro and small enterprises	-	-
Due to Others:	-	-
Liability for revenue goods/services	60	50
Supplier ledger - Revenue goods/Services	-	-
	<u>81</u>	<u>70</u>

Trade payables ageing

	As at 31-03-2023				
	Upto 1 year	1 to 2 year	2 to 3 year	> 3 year	Total
Due to micro and small enterprises	-	-	-	-	-
Due to others	81	-	-	-	81
	As at 31-03-2022				
	Upto 1 year	1 to 2 year	2 to 3 year	> 3 year	Total
Due to micro and small enterprises	-	-	-	-	-
Due to others	70	-	-	-	70

NOTES FORMING PART OF ACCOUNTS (CONTD.)

	Year ended 31-03-2023	Year ended 31-03-2022
	<u>Rupees in thousands</u>	<u>Rupees in thousands</u>
6 OTHER INCOME		
Profit/(loss) on sales of fixed asset	–	(3)
Miscellaneous income	4	–
	<u>4</u>	<u>(3)</u>
EXPENSE		
7 OTHER OPERATING EXPENSES		
Legal and professional charges	275	85
Rates & taxes	8	21
Miscellaneous expenses	9	13
	<u>292</u>	<u>119</u>
	Year ended 31-03-2023	Year ended 31-03-2022
	<u>Rupees in thousands</u>	<u>Rupees in thousands</u>
8 BASIC AND DILUTED EARNING PER EQUITY SHARE (EPS)		
Basic and diluted EPS		
Profit after tax	(288)	(123)
Less: Dividend on preference shares	–	–
Less: Tax on dividend	–	–
Profit attributable to equity shareholders	(288)	(123)
Weighted average no. of equity shares outstanding	100,000	100,000
Basic EPS - Rupees	(2.88)	(1.23)
Diluted		
Profit after tax	(288)	(123)
Less: Dividend on preference shares	–	–
Less: Tax on dividend	–	–
Profit attributable to equity shareholders	(288)	(123)
Weighted average no. of equity shares outstanding	100,000	100,000
Add - No. of potential equity shares	–	–
Weighted average no. of equity shares outstanding	100,000	100,000
Diluted EPS - Rupees	(2.88)	(1.23)
9 DETAILS OF PAYMENT TO AUDITORS		
Payment to auditors		
As auditor:		
Audit fee	25	50
Tax Audit Fees	–	–
	<u>25</u>	<u>50</u>

NOTES FORMING PART OF ACCOUNTS (CONTD.)**10 FAIR VALUE MEASUREMENTS****Financial instrument by category**

(Rupees in thousands)

	As at 31-03-2023			As at 31-03-2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Bank fixed deposits	—	—	—	—	—	—
Trade receivables	—	—	—	—	—	—
Cash and cash equivalents	—	—	2,703	—	—	3,028
Other bank balances	—	—	—	—	—	—
Foreign currency forward and options contracts	—	—	—	—	—	—
Security deposits	—	—	—	—	—	—
Premium receivable on financial guarantee contracts	—	—	—	—	—	—
Loans - related parties	—	—	—	—	—	—
Advances - to employees	—	—	—	—	—	—
Other financial assets	—	—	—	—	—	—
Total financial assets	—	—	2,703	—	—	3,028
Financial liabilities						
Borrowings	—	—	—	—	—	—
Trade payables	—	—	81	—	—	70
Other financial liabilities	—	—	—	—	—	—
Total financial liabilities	—	—	81	—	—	70

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	As at 31-03-2023			
	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements				
Financial assets				
Financial investment at FVPL				
Mutual funds	—	—	—	—
Financial investment at FVOCI				
Foreign currency forward and options contracts	—	—	—	—
Total financial assets	—	—	—	—
Financial liabilities				
Forward contract payable	—	—	—	—
Total financial liabilities	—	—	—	—

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no transfers between the levels during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include :

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

NOTES FORMING PART OF ACCOUNTS (CONTD.)

(iii) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively. The valuation method applied for various financial assets and liabilities are as follows -

- Quoted price in the primary market (net asset value) considered for the fair valuation of the current investment i.e Mutual fund. Gain/(loss) on fair valuation is recognised in statement of profit and loss.
- The carrying amounts of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory dues/receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.
- The fair value of premium receivable on financial guarantee contract is derived by discounting premium receivable over the period of contract. Thereafter, the same is carried at the amount initially recognised less the cumulative amortisation of income over the period of the contract.
- The fair value of security deposit is calculated by discounting future cash inflows.

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

The carrying amounts of all financials assets and financial liabilities are considered to be the same as their fair values due to their short term nature.

11 TAX RECONCILIATION STATEMENT

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(Rupees in thousands)

Particulars	2022-23	2021-22
Profit Before Income Taxes	-288	-123
Corporate Income Tax Rate	0.000%	0.000%
Tax at Income tax rate	-	-
Tax effect of non-deductible expenses	-	-
Reversal of Deferred Tax Asset	-	-
Adjustment of previous periods	-	-
Total Tax Expense as per books of accounts	-	-

12 RELATED PARTY DISCLOSURE

12(i) List of related parties which can exercise control:

Name	Relationship
L&T Technology Services Limited	Holding Company
Larsen & Toubro Limited	Ultimate Holding Company

12(ii) List of directors as on March 31, 2023:

Name	Designation
Rajeev Gupta	Director
Giri Kunnathur Krishnamaraj	Director

12(iii) List of related parties with whom there were transactions during the year:

Name	Relationship
Larsen & Toubro Limited	Ultimate Holding Company

NOTES FORMING PART OF ACCOUNTS (CONTD.)**12(iv) Disclosure of related party transactions**

(Rupees in thousands)

Transaction	31-Mar-23	31-Mar-22
Sale of services :		
Holding Company	-	-
-Esencia Technologies Inc	-	-
Services availed by Company :		
Holding Company	-	-
-L&T Technology Services Limited	-	-
Ultimate Holding Company	18	17
-Larsen & Toubro Ltd.	18	17
Services rendered by the company :		
Holding Company	-	-
-L&T Technology Services Limited	-	-
Trade payable :		
Holding Company	21	20
-Larsen & Toubro Ltd.	21	20

13 SEGMENT REPORTING**Business segments:**

As the Company's business activity primarily falls within a single primary business segment, viz engineering, programming and testing services, the disclosure requirements of IND AS 108 'Operating Segments' are not applicable.

Geographical segments:

The company does not have operation outside India. Hence, disclosure of geographical segment does not arise.

Assets used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as they are used inter-changeably among segments.

- 14** Based on the information and records available with the Company, there are no amounts payable to micro and small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006
- 15** The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- 16** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023.
- 17** Contingent Liability - Rs. Nil (Rs. Nil)
- 18** Previous year's figures have been regrouped / reclassified wherever necessary.
- 19** Undisclosed income: There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- 20** Details of Crypto Currency or Virtual Currency: Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

21 ADDITIONAL REGULATORY INFORMATION**1. Delay in Registration of charges:**

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period

2. Compliance with number of layers of companies:

Not applicable since esencia India does not have any subsidiary

NOTES FORMING PART OF ACCOUNTS (CONTD.)

3. Financial Ratios

Ratio / Measure*	Formula considered	For Year ended 31-03-2023	For Year ended 31-03-2022
Current ratio	Curren assets / Current liabilities	69.31	84.08
Debt equity ratio	Debt / Total shareholder's equity	NA	NA
Debt service coverage ratio	EBIT / Debt	NA	NA
Return on equity	PAT / Total average equity	(0.05)	(0.02)
Trade receivables turnover ratio	Revenue from operation / Average trade receivable	NA	NA
Trade payable turnover ratio	Adjusted expenses / Average trade payables	3.87	1.81
Net capital turnover ratio	Revenue from operation / Average working capital	NA	NA
Net profit %	Net profit / Revenue	NA	NA
EBITDA %	EBITDA / Revenue	NA	NA
EBIT %	EBIT / Revenue	NA	NA
Return on capital employed %	PBIT / Average capital employed	(0.05)	(0.02)
Return on investment	Interest income	NA	NA

4. Relationship with Struck off Companies:

There are no transactions and balance outstanding to and from any struck off companies as on the balance sheet date.

5. Wilful defaulter:

Company is not declared wilful defaulter by any bank or financial Institution or other lender.

6. Compliance with approved Scheme(s) of Arrangements:

No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

7. Utilisation of Borrowed funds and share premium:

- Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries the company.
- Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report attached

A. R. PAI & CO.,
Chartered Accountants
Firm's Registration No. 002519S
By the hand of

For and on behalf of the Board of Directors of
Esencia Technologies India Private Limited

A.R. PAI
Proprietor
Membership no. 23139

RAJEEV GUPTA
Director
DIN: 06782710

GIRI.K. K
Director
DIN: 07864395

Place: Bengaluru
Date: April 24, 2023

Place: Mumbai
Date: April 24, 2023

Place: Bengaluru
Date: April 24, 2023

BOARD'S REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their Eighth Board's Report and Audited Accounts for the year ended March 31, 2023.

1. FINANCIAL RESULTS:

Particulars	2022-23	2021-22
	₹	₹
Profit before depreciation, exceptional and extra ordinary items & tax	(39,762)	(531,701)
Less: Depreciation, amortization, impairment and obsolescence	–	–
Profit before exceptional and extraordinary items and tax	(39,762)	(531,701)
Add: Exceptional Items	–	–
Profit / (Loss) before tax	(39,762)	(531,701)
Less: Provision for tax	–	–
Profit for the period carried to the Balance Sheet	(39,762)	(531,701)
Add: Balance brought forward from previous year	60,220	591,921
Less: Impact of Ind AS 116	–	–
Less: Dividend paid for the previous year (Including dividend distribution tax)	–	–
Add: Gain/(Loss) on re-measurement of the net defined benefit plans	–	–
Balance available for disposal (which the Directors appropriate as follows)	20,458	60,220
Debenture Redemption Reserve	–	–
Balance carried to Balance Sheet	–	–

2. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were ₹ NIL as against ₹ 56,048 for the previous financial year registering decrease of 100%. The (loss) before tax from continuing operations including extraordinary and exceptional items was ₹ (39,762) and the (loss) after tax from continuing operations including extraordinary and exceptional items was ₹ (39,762) for the financial year under review as against ₹ (531,701) and ₹ (531,701) respectively for the previous financial year, registering a decrease of 93% and 93% respectively.

3. CAPITAL & FINANCE:

There has been no change in the share capital of the Company during the said financial year. As on the March 31, 2023, the total paid up equity share capital of the Company was ₹ 500,000 consisting of 50,000 equity shares of ₹ 10/- each, fully paid up.

4. CAPITAL EXPENDITURE:

As at March 31, 2023 the gross fixed and intangible assets including leased assets, stood at ₹ Nil and the net fixed and intangible assets, including leased assets, at ₹ Nil. Capital Expenditure during the year amounted to ₹ Nil.

5. 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.

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

The Company has not given loan/made investment/provided guarantee or security during the year under review.

7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the related party transactions were in the ordinary course of business and at arm's length. The Board has approved all the related party transactions for the FY 2022-23 as required under the provisions of Section 177 of the Companies Act, 2013.

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

8. AMOUNT TO BE CARRIED TO RESERVES:

The Company has not transferred any amount to reserves.

9. DIVIDEND:

The Company has not declared any dividend for the financial year under review.

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

There are no material changes that have taken place in the Company between the date of Balance Sheet and the date of Director's Report.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**(A) Conservation of energy**

The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing activity and is not included under the list of industries which should furnish information as per Rule 8(3) of the Companies (Accounts) Rules, 2014.

(B) Technology absorption

The Company being technology driven, has always adopted the latest technology trends and best practices.

(C) Foreign exchange earnings and outgo

The total foreign exchange earned and used for the period under review is as under:

Particulars	In ₹
Foreign exchange earned	Nil
Foreign exchange used	Nil

12. RISK MANAGEMENT POLICY:

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

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

Mr. Rajeev Gupta and Mr. Abhishek Sinha are the current Directors of the Company.

There were no changes in the Directors of the Company during the year.

The notice convening the Annual General Meeting includes the proposal for re-appointment of Director who is liable to retire by rotation.

14. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Meetings of the Board are held at regular intervals.

During the year under review 4 meetings were held on April 20, 2022, July 14, 2022, October 17, 2022 and January 17, 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.

15. ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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

16. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 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 loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis;
- 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. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD 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.

18. PROTECTION OF WOMEN AT WORKPLACE:

The holding company L&T Technology Services Limited has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group companies. There were no cases of sexual harassment received in the Company during 2022-23.

19. AUDITORS REPORT:

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

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.

20. AUDITORS:

The Auditors, M/s. S. K. JHA, Chartered Accountants, were re-appointed as Statutory Auditors in AGM held on August 24, 2021 for a period of five continuous years from the conclusion of 6th AGM till the conclusion of 11th AGM of the Company.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declared that they have not taken up any prohibited non-audit assignments for the Company.

21. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

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

22. SCHEME OF AMALGAMATION:

During FY 2021-22, the Board of Directors approved the scheme of amalgamation of Esencia Technologies India Private Limited (Esencia), Graphene Semiconductor Services Private Limited (Graphene) and the Company with L&T Technology Services Limited, Holding Company.

The amalgamation would result in administrative and operations rationalization, organizational efficiencies, reduction in overheads, costs of ERP, compliance cost and other administrative expenses. The said amalgamation would prevent cost duplication and result in synergies in operations. The synergies created by the amalgamation would increase operational efficiency and integrate business functions. The amalgamation would help the Holding Company to simplify its organization structure and will have a single face for the Customers.

23. ANNUAL RETURN:

As the Company doesn't have its own website, the requirement of uploading Annual Return of the Company on its website as on March 31, 2023, in form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is not applicable to the Company.

24. ACKNOWLEDGEMENT:

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, and all the various stakeholders for their continued co-operation and support to the Company.

For and on the behalf of the Board

RAJEEV GUPTA
Director
(DIN: 06782710)

Place: Mumbai
Date: April 24, 2023

ABHISHEK SINHA
Director
(DIN: 07596644)

Place: Bengaluru
Date: April 24, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Seastar Labs Private Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Seastar Labs Private Limited ("the Company") which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit/loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS 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.

Responsibilities of Management and those charged with governance for the Ind AS 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 the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Statement

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 1** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 2**
 - 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:
According to explanation given to us, during the year no remuneration is paid by the Company to its directors.
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position.
 - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregated) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year.

For, **S K Jha & Co.**
Chartered Accountants
FRN. 126173W

Nikhil Makhija
Partner
M.No. 176178
UDIN: 23176178BGVPJY3892

Date: April 24, 2023
Place: Ahmedabad

ANNEXURE 1

Annexure 1 referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) The company does not carry any fixed asset during the financial year, hence reporting under clause 3 (i) (a) to (d) are not applicable to the company.
 - (e) No Proceeding have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. In respect of the Company's Inventories:
 - (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
 - (b) The Company has not been sanctioned any working capital limits at any points of time during the year, from banks or financial institutions on the basis of security of security of current assets and hence reporting under clause 3 (ii)(b) of the order is not applicable.
- iii. In our Opinion and According to information and explanation given to us by the management, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties hence, reporting under clause 3(iii) (a) to (f) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 or section 186 of the Companies Act, 2013 in respect of loans , investments, guarantees, and securities provided, as applicable.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii. In respect of statutory dues:
 - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.
 - (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. In our opinion and according to the information and explanations given to us, in respect of loans taken and funds raised:
 - (a) The company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
 - (b) The company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.
 - (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 hence, reporting under clause 3(ix)(c) of the Order is not applicable.
 - (d) On an overall examination of the financial statements of the company, no funds are raised on short term basis have, prima facie, not been used during the year for long-term purposes by the company.
 - (e) On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of subsidiaries.
 - (f) The company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the order is not applicable.
- x. In respect of money raised:
 - (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - (b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. In respect of fraud:
 - (a) No fraud by the company and no material fraud on the company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - (c) We have taken into consideration the whistle blower complaints received by the company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company hence reporting under clause 3 (xii) of the Order is not applicable.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

- xiv. In respect of Internal Audit System:
- (a) In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.
 - (b) We have considered the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. (a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3 (xvi) (a) to (c) of the Order are not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the Order is not applicable.
- xvii. The company has incurred cash loss of Rs. 39,762 during the financial year covered by our audit and cash losses of Rs. 5,31,701 in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the company during the year.
- xix. 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 and 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 attentions, which causes us to believe that any material uncertainty exists on the date of the audit report indicating that the 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 upto 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. In our opinion and according to the information and explanations given to us, the provisions of section 135 of the Companies Act, 2013 are not applicable to the company and hence reporting under clause 3(xx) (a) and (b) of the order is not applicable.
- xxi. According to the information and explanations given to us, there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For, **S K Jha & Co.**
Chartered Accountants
FRN. 126173W

Nikhil Makhija
Partner
M.No. 176178
UDIN: 23176178BGVPJY3892

Date: April 24, 2023
Place: Ahmedabad

ANNEXURE 2 REFERRED TO IN PARAGRAPH 2 (F) OF THE SECTION ON “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

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

To the Members of **Seastar Labs Private Limited**

We have audited the internal financial controls over financial reporting of Seastar Labs Private Limited (“the Company”) as of March 31, 2023 which is based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO 2013 criteria) in conjunction with our audit of the standalone 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 under the COSO 2013 criteria, which considers 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. 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 the 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.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting in COSO 2013 criteria, 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, **S K Jha & Co.**
Chartered Accountants
FRN. 126173W

Nikhil Makhija
Partner
M.No. 176178
UDIN: 23176178BGVPJY3892

Date: April 24, 2023
Place: Ahmedabad

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note No.	₹ in thousands	
		As at 31-03-2023	As at 31-03-2022
ASSETS:			
I. Non-current assets			
(a) Property, plant and equipment		-	-
(b) Right-of-Use Assets		-	-
(c) Capital work-in-progress		-	-
(d) Goodwill		-	-
(e) Other intangible assets		-	-
(f) Financial assets		-	-
(i) Investments		-	-
(ii) Non current trade receivables		-	-
(iii) Other financial assets	1	15	15
(iv) Trade receivables		-	-
(g) Deferred tax assets (net)		-	-
(h) Other non current assets	2	259	259
Total non-current assets		274	274
II. Current assets			
(a) Financial assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	3	947	955
(iv) Other bank balances		-	-
(v) Loans		-	-
(vi) Other financial assets	4	334	501
(b) Current tax assets (net)		-	-
(C) Other current assets	5	329	318
Total non-current assets		1,610	1,774
TOTAL ASSETS		1,884	2,048
EQUITY AND LIABILITIES:			
I. Equity			
(a) Equity share capital	6	500	500
(b) Other equity	7	20	60
Total equity		520	560
II. Liabilities			
Non-current liabilities			
(a) Financial Liabilities		-	-
(i) Lease liability - non-current		-	-
(ii) Other financial liabilities		-	-
(b) Provisions		-	-
Total non-current liabilities		-	-
Current liabilities			
(a) Financial liabilities		-	-
(i) Short-term borrowings		-	-
(ii) Trade payables		-	-
Due to micro enterprises and small enterprises		-	-
Due to others	8	1,364	1,486
(iii) Lease liability - current		-	-
(iv) Other financial liabilities		-	-
(b) Other current liabilities	9	-	2
(c) Provisions		-	-
(d) Current tax liabilities (net)		-	-
Total current liabilities		1,364	1,488
Total liabilities		1,364	1,488
TOTAL EQUITY AND LIABILITIES		1,884	2,048
Notes forming part of the financial statements	1-26		

As per our report attached

S K JHA & CO.

Chartered Accountants

Firm's registration No. 126173W

by the hand of

NIKHIL MAKHIJA

Partner

Membership No. 176178

UDIN: 23176178BGVPJY3892

Place: Ahmedabad

Date: April 24, 2023

For and on behalf of the Board of Directors of
Seastar Labs Private Limited**RAJEEV GUPTA**

Director

(DIN: 06782710)

Place: Mumbai

Date: April 24, 2023

ABHISHEK SINHA

Director

(DIN: 07596644)

Place: Bengaluru

Date: April 24, 2023

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023

Particulars	Note No.	₹ in thousands	
		Period ended 31-03-2023	Period ended 31-03-2022
I. Revenue from operations		-	-
II. Other income (net)	10	-	56
III. Total income		-	56
IV. Expenses:			
(a) Employee benefit expenses		-	-
(b) Depreciation and amortisation expenses		-	-
(c) Other expenses	11	40	588
(d) Finance costs		-	-
Total expenses		40	588
V. Profit before tax (III - IV)		(40)	(532)
VI. Tax expense:			
(a) Current tax		-	-
(b) Tax Adjustments of prior periods		-	-
(c) Deferred tax		-	-
Total tax expense		-	-
VII. Profit/(loss) for the preiod from continuing operations (V - VI)		(40)	(532)
VIII Profit/(loss) for the preiod from discontinued operations		-	-
IX Tax expense of discontinued operations		-	-
X Profit/(loss) for the preiod from discontinued operations (after tax) (IX - X)		-	-
XI Profit/(loss) for the period (VII + X)		(40)	(532)
XII Other comprehensive income			
(A) (i) Items that will not be reclassified to the statement of profit and loss			
(a) Remeasurement of the defined benefit plans		-	-
(ii) Income tax on items that will not be reclassified to the statement of profit and loss		-	-
(B) (i) Items that will be reclassified subsequently to the statement of profit or loss			
(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		-	-
(b) Exchange differences on the translation of foreign operation		-	-
(ii) Income tax relating to items that will be reclassified subsequently to the statement of profit or loss		-	-
Total other comprehensive income (net of tax)		-	-
XIII Total comprehensive income for the period		(40)	(532)
XIV Earnings per equity share (for continuing operation)	12		
Equity share of face value of ₹ 10 each			
- Basic (₹)		(0.81)	(10.63)
- Diluted (₹)		(0.81)	(10.63)
XV Earnings per equity share (for discontinued operation)			
Equity share of face value of ₹ 10 each			
- Basic (₹)		-	-
- Diluted (₹)		-	-
XVI Earnings per equity share (for discontinued & continuing operations)			
Equity share of face value of ₹ 10 each			
- Basic (₹)		(0.81)	(10.63)
- Diluted (₹)		(0.81)	(10.63)
Profit for the period attributable to:			
- Owners of the Company		(40)	(532)
- Non-controlling interest		-	-
Other comprehensive income for the period attributable to :			
- Owners of the Company		-	-
- Non-controlling interest		-	-
Total comprehensive income for the period attributable to :			
- Owners of the Company		(40)	(532)
- Non-controlling interest		-	-
Notes forming part of the financial statements	1-26		

As per our report attached

S K JHA & CO.

Chartered Accountants

Firm's registration No. 126173W

by the hand of

NIKHIL MAKHIJA

Partner

Membership No. 176178

UDIN: 23176178BGVPJY3892

Place: Ahmedabad

Date: April 24, 2023

For and on behalf of the Board of Directors of
Seastar Labs Private Limited**RAJEEV GUPTA**

Director

(DIN: 06782710)

Place: Mumbai

Date: April 24, 2023

ABHISHEK SINHA

Director

(DIN: 07596644)

Place: Bengaluru

Date: April 24, 2023

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2023

Particulars	₹ in thousands	
	Period ended 31-03-2023	Period ended 31-03-2022
A. Cash flow from operating activities		
Profit before tax	(40)	(532)
Adjustments for:		
Depreciation and amortisation	-	-
Interest received	-	-
Interest paid	-	-
Operating profit before working capital changes	(40)	(532)
Changes in working capital		
(Increase)/decrease in trade and other receivables	-	-
(Increase)/decrease in other receivables	156	1,093
Increase/(decrease) in trade and other payables	(124)	(559)
(Increase)/decrease in working capital	32	534
Cash generated from operations	(8)	2
Direct taxes paid	-	48
Net cash (used in)/from operating activities	(8)	50
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles - ROU Adj	-	-
Interest received	-	-
Net cash (used in)/from investing activities	-	-
C. Cash flow from financing activities		
Intercompany borrowings	-	-
Interest paid	-	-
Net cash (used in)/from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(8)	50
Cash and cash equivalents at beginning of the period	955	905
Cash and cash equivalents at end of the period	947	955

Notes:

- Statement of cash flows has been prepared under the indirect method as set out in the IndAS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Purchase of fixed assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of capital work-in-progress of (a) capital work-in-progress for property, plant and equipment and (b) intangible assets under development during the period..

As per our report attached

S K JHA & CO.

Chartered Accountants

Firm's registration No. 126173W

by the hand of

NIKHIL MAKHIJA

Partner

Membership No. 176178

UDIN: 23176178BGVPJY3892

Place: Ahmedabad

Date: April 24, 2023

For and on behalf of the Board of Directors of
Seastar Labs Private Limited**RAJEEV GUPTA**

Director

(DIN: 06782710)

Place: Mumbai

Date: April 24, 2023

ABHISHEK SINHA

Director

(DIN: 07596644)

Place: Bengaluru

Date: April 24, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2023**A. EQUITY SHARE CAPITAL**

₹ in thousands

Particulars	01-04-2022 to 31-03-2023		01-04-2021 to 31-03-2022	
	Number of shares	Amount	Number of shares	Amount
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the period	50,000	500	50,000	500
Add/(Less): Shares issued on exercise of employee stock options during the period	—	—	—	—
Add/(Less): Reorganization of share capital, reduction of face value	—	—	—	—
Add/(Less): Fresh issue of equity shares	—	—	—	—
Issued, subscribed and fully paid up equity shares outstanding at the end of the period	50,000	500	50,000	500

Reconciliation of Equity**Equity Share Capital****(1) Current reporting period**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
500	0	500	0	500

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
500	0	500	0	500

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2023**B. OTHER EQUITY**

₹ in thousands

Particulars	As at 31-03-2023	
	Other Equity	
	Retained earnings	Total
Opening Balance	60	60
Profit for the period (a)	(40)	(40)
Closing Balance	20	20

As per our report attached

S K JHA & CO.
Chartered Accountants
Firm's registration No. 126173W
by the hand of

NIKHIL MAKHIJA
Partner
Membership No. 176178
UDIN: 23176178BGVPJY3892

Place: Ahmedabad
Date: April 24, 2023

For and on behalf of the Board of Directors of
Seastar Labs Private Limited

RAJEEV GUPTA
Director
(DIN: 06782710)

Place: Mumbai
Date: April 24, 2023

ABHISHEK SINHA
Director
(DIN: 07596644)

Place: Bengaluru
Date: April 24, 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A. CORPORATE INFORMATION

Seastar Labs Private Limited is a private company incorporated and domiciled in India and has its registered office L&T House, N.M. Marg, Ballard Estate, Mumbai, Maharashtra 400001 India.

As at March 31, 2023, L&T Technology Services Limited, the holding company, owns 100% of the Company's equity share capital.

The financial statements of the Company for the year ended March 31, 2023 were approved for issue by the Board of Directors on April 24, 2023.

B. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

b) Basis of accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

c) Presentation of financial statements

The balance sheet and the statement of profit and loss are prepared in the format prescribed in the schedule III to the Act. The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Cash Flow Statements". The disclosure requirements with respect to items in balance sheet and statement of profit and loss, as prescribed in the schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Ind AS.

d) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the project/contract/service and extends up to the realization of receivables within the credit period normally applicable to the respective lines of business.

e) Other income

- a. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- b. Dividend income is accounted in the period in which the right to receive the same is established.
- c. Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

f) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

g) Leases

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts

The company has elected not to apply the requirements of Ind AS 116 leases to short-term leases where lease term is 12 months or less and leases for which the underlying asset is of low value. The lease payments related to these leases are recognised as an expense.

h) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(i) Non-derivative financial assets

a. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other deposits with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Borrowing costs

Borrowing costs include interest expense and exchange differences arising on foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

k) Foreign currencies

The functional currency of the Company is Indian rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

l) Income-tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company.

Provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

The Company recognizes interest levied related to income tax assessments in interest expenses.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

m) Provisions, contingent liabilities and contingent assets

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 as a result 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

Contingent liability is disclosed in the case of

- i) A present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- ii) A possible obligation unless the probability of outflow of resources is remote

Contingent assets are neither recognized nor disclosed.

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

n) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

o) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, future cash inflows (net) for hedging purpose, fair value measurement etc. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

p) Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average numbers of the equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and the weighted average number of equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

q) Impact of Covid-19

During the year there is no ongoing business operations. Hence the company does not foresee any impact of Covid-19. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	₹ in thousands	
	As at 31-03-2023	As at 31-03-2022
1 OTHER FINANCIAL ASSETS		
Security deposits	15	15
	<u>15</u>	<u>15</u>
2 OTHER NON-CURRENT ASSETS		
Income tax receivable (net)	259	259
	<u>259</u>	<u>259</u>
3 CASH AND CASH EQUIVALENTS		
Balances with banks	947	949
Cash on hand	-	6
	<u>947</u>	<u>955</u>
4 OTHER FINANCIAL ASSETS		
Current		
Loans and advances to related parties	334	501
	<u>334</u>	<u>501</u>

Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013)

ii) without specifying any terms or period of repayment

Type of Borrower	Amount of advance	Percentage to the total Loans and Advance
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	334	100%

	₹ in thousands	
	As at 31-03-2023	As at 31-03-2022
5 OTHER CURRENT ASSETS		
Other receivables	2	-
GST recoverable	327	319
	<u>329</u>	<u>319</u>
6 EQUITY SHARE CAPITAL		
6.1 Authorised:		
50,000 Equity Shares of ₹ 10/- each	500	500
	<u>500</u>	<u>500</u>
6.2 Issued, subscribed and fully paid up:		
Issued, subscribed and fully paid up equity shares outstanding at the end of the period		
50,000 Equity Shares of ₹ 10/- each	500	500
Total issued, subscribed and paid up capital	<u>500</u>	<u>500</u>

6.3 Shareholders holding more than 5% of equity shares as at the end of the year

Name of the Person	As at 31-03-2023	
	Number of shares	% Holding
L&T Technology Services Limited*	50,000	100%

*Out of 50,000 Equity Shares, P Ramkrishnan is holding 100 equity shares as a nominee share holder on behalf of L & T Technology Services Limited.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**6.4 Share Holding of Promoters' is as under**

Shares held by promoters at the end of the Year			% Change during the Year
Promoter's Name	No. of Shares	% of total shares	
L&T Technology Services Limited	50,000	100%	0

	₹ in thousands	
	As at 31-03-2023	As at 31-03-2022
7 OTHER EQUITY		
Retained earnings	20	60
	<u>20</u>	<u>60</u>
8 TRADE PAYABLE		
Micro and small enterprises	-	-
Due to related parties	1,168	1,273
Due to others	-	-
Liability for revenue goods	196	213
	<u>1,364</u>	<u>1,486</u>

Trade payables ageing

	As at 31-03-2023				
	Upto 1 year	1 to 2 year	2 to 3 year	> 3 year	Total
Due to micro and small enterprises	-	-	-	-	-
Due to others - undisputed	217	-	1,147	-	1,364

	As at 31-03-2022				
	Upto 1 year	1 to 2 year	2 to 3 year	> 3 year	Total
Due to micro and small enterprises	-	-	-	-	-
Due to others - undisputed	339	1,147	-	-	1,486

	₹ in thousands	
	As at 31-03-2023	As at 31-03-2022
9 OTHER CURRENT LIABILITIES		
Advance received from customer	-	-
Other Payables	-	-
Statutory tax payable	-	2
Other Payables	-	-
	<u>-</u>	<u>2</u>

	₹ in thousands	
	Period ended 31-03-2023	Period ended 31-03-2022
INCOME		
10 OTHER INCOME		
Foreign exchange gain/ (loss)	-	-
Miscellaneous income	-	56
	<u>-</u>	<u>56</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	Period ended 31-03-2023	₹ in thousands Period ended 31-03-2022
EXPENSES		
11 OTHER EXPENSES		
Rent and establishment expenses	-	18
Legal and professional charges	32	181
Power and fuel	-	163
Rates and taxes	-	24
Overheads charged by group companies	-	200
Miscellaneous expenses	8	2
	<u>40</u>	<u>588</u>
12 BASIC EARNING PER EQUITY SHARE		
Profit after tax	(40)	(532)
Less: Dividend on preference shares	-	-
Less: Tax on dividend	-	-
Profit attributable to equity shareholders	(40)	(532)
Weighted average no. of equity shares outstanding	50,000	50,000
Basic EPS	(0.81)	(10.63)
Diluted		
Profit after tax	(40)	(532)
Less: Dividend on preference shares	-	-
Less: Tax on dividend	-	-
Profit attributable to equity shareholders	(40)	(532)
Weighted average no. of equity shares outstanding	50,000	50,000
Add - No. of potential equity shares	-	-
Weighted average no. of equity shares outstanding	50,000	50,000
Diluted EPS	(0.81)	(10.63)
		₹ in thousands
	Year ended 31-03-2023	Year ended 31-03-2022
13 DETAILS OF PAYMENT TO AUDITORS		
Payment to auditors		
As auditor:		
Audit fee	25	25
Tax Audit Fees	-	-
Other taxation matters	-	-
Other services:	-	-
- Other services including certification work	-	-
	<u>25</u>	<u>25</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**14 FAIR VALUE MEASUREMENTS****Financial instrument by category**

₹ in thousands

	As at 31-03-2023			As at 31-03-2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
- Bank fixed deposits	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	947	-	-	955
Other financial assets	-	-	334	-	-	501
Security deposits	-	-	15	-	-	14
Total financial assets	-	-	1,296	-	-	1,470
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	1,364	-	-	1,486
Other financial liabilities	-	-	-	-	-	-
Total financial liabilities	-	-	1,364	-	-	1,486

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	As at 31-03-2023			
	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements				
Financial assets				
Financial investment at FVPL				
Mutual funds	-	-	-	-
Financial investment at FVOCI				
Foreign currency forward and options contracts	-	-	-	-
Total financial assets	-	-	-	-
Financial liabilities				
Forward contract payable	-	-	-	-
Total financial liabilities	-	-	-	-

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no transfers between the levels during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include :

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

(iii) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively. The valuation method applied for various financial assets and liabilities are as follows -

- Quoted price in the primary market (net asset value) considered for the fair valuation of the current investment i.e Mutual fund. Gain/(loss) on fair valuation is recognised in statement of profit and loss.
- The carrying amounts of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory dues/receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.
- The fair value of premium receivable on financial guarantee contract is derived by discounting premium receivable over the period of contract. Thereafter, the same is carried at the amount initially recognised less the cumulative amortisation of income over the period of the contract.
- The fair value of security deposit is calculated by discounting future cash inflows.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**(iv) Fair value of financial assets and financial liabilities measured at amortised cost:**

The carrying amounts of all financials assets and financial liabilities are considered to be the same as their fair values due to their short term nature.

15 TAX RECONCILIATION STATEMENT

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	₹ in thousands	
	2022-23	2021-22
Accounting Profit Before Income Tax	-40	532
Corporate Income Tax Rate	-	-
Tax at Income tax rate	0.000%	0.000%
Incomes Exempted from Taxation		
Dividend Income	-	-
Others	-	-
Non Deductible Tax Expenses		
Expenditure on exempt income	-	-
Others	-	-
First time recognition of Deferred tax Assets	-	-
Adjustment on account of change in Effective Rate used for deferred tax	-	-
Tax on other comprehensive income	-	-
Tax on income at differential tax rates	-	-
Adjustment of previous period	-	-
Total Tax Expense as per books of accounts	-	-

16 RELATED PARTY DISCLOSURE**16(i) List of related parties which can exercise control**

Name	Relationship
Larsen & Toubro Limited	Ultimate Holding company
L&T Technology Services Limited	Holding company

16(ii) Key management personnel

Name	Status
Mr. Abhishek Sinha	Director
Mr. Rajeev Gupta	Director

16(iii) List of related parties with whom there were transactions during the year

Name	Relationship
Larsen & Toubro Limited	Ultimate Holding company
L&T Technology Services Limited	Holding company
Graphene Semiconductor Services Private Limited	Fellow Subsidiary

16(iv) Disclosure of related party transactions

Transaction	31-03-2023	31-03-2022
Services availed by the Company		
Ultimate Holding Company	18	217
- Larsen & Toubro Limited	18	217
Balance	31-03-2023	31-03-2022
Receivable		
Holding Company	334	501
- L&T Technology Services Limited	334	501
Fellow Subsidiary	-	-
- Graphene Semiconductor Services Private Limited	-	-
Payable		
Ultimate Holding Company	21	126
- Larsen & Toubro Limited	21	126

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Transaction	31-03-2023	31-03-2022
Fellow Subsidiary	1,147	1,147
- Graphene Semiconductor Services Private Limited	1,147	1,147
Loans & Advances Payable		
Holding Company	-	-
- L&T Technology Services Limited	-	-

17 SEGMENT REPORTING**Business segments:**

As the Company's business activity primarily falls within a single primary business segment, viz engineering, programming and testing services, the disclosure requirements of IND AS 108 'Operating Segments' are not applicable.

Geographical segments:

The company does not have operation outside India. Hence, disclosure of geographical segment does not arise.

Assets used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as they are used inter-changeably among segments.

- 18** Based on the information and records available with the Company, there are no amounts payable to micro and small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006
- 19** The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- 20** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023.
- 21** Contingent Liability - ₹ Nil (₹ Nil)
- 22** Previous year's figures have been regrouped / reclassified wherever necessary.

23 UNDISCLOSED INCOME:

Undisclosed income: There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

24 CSR:

The company is not covered under section 135 of The Companies Act, 2013

25 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY:

Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

26 ADDITIONAL REGULATORY INFORMATION:**1. Delay in Registration of charges:**

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period

2. Compliance with number of layers of companies:**3. Financial Ratios**

Ratio/Measure*	Formula considered	For Year ended 31-03-2023	For Year ended 31-03-2022
Current ratio	Current assets / Current liabilities	1.18	1.19
Debt equity ratio	Debt / Total shareholder's equity	NA	NA
Debt service coverage ratio	EBIT / Debt	NA	NA
Return on equity	PAT / Total average equity	(0.08)	(0.95)
Trade receivables turnover ratio	Revenue from operation / Average trade receivable	NA	NA
Trade payable turnover ratio	Adjusted expenses / Average trade payables	0.03	0.01
Net capital turnover ratio	Revenue from operation / Average working capital	NA	NA
Net profit %	Net profit / Revenue	NA	NA
EBITDA %	EBITDA / Revenue	NA	NA
EBIT %	EBIT / Revenue	NA	NA
Return on capital employed %	PBIT / Average capital employed	(0.08)	(0.95)
Return on investment	Interest income	NA	NA

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

4. Relationship with Struck off Companies:

There are no transactions and balance outstanding to and from any struck off companies as on the balance sheet date.

5. Wilful defaulter:

Company is not declared wilful defaulter by any bank or financial Institution or other lender.

6. Compliance with approved Scheme(s) of Arrangements:

No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

7. Utilisation of Borrowed funds and share premium:

1. Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries the company
2. Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report attached

S K JHA & CO.
Chartered Accountants
Firm's registration No. 126173W
by the hand of

NIKHIL MAKHIJA
Partner
Membership No. 176178
UDIN: 23176178BGVPJY3892

Place: Ahmedabad
Date: April 24, 2023

For and on behalf of the Board of Directors of
Seastar Labs Private Limited

RAJEEV GUPTA
Director
(DIN: 06782710)

Place: Mumbai
Date: April 24, 2023

ABHISHEK SINHA
Director
(DIN: 07596644)

Place: Bengaluru
Date: April 24, 2023

BOARD'S REPORT

Dear Members,

The Directors have pleasure in presenting their Fourth Board Report and Audited Accounts for the year ended December 31, 2022.

1. FINANCIAL RESULTS:

Particulars	2022	2021
	CNY	CNY
Total Revenue	1,840,076	2,619,638
Total Expenditure	573,751	1,546,508
Operating Profit/(Loss)	1,266,325	1,073,130
Add: Other Income	10,298	6,860
Less: Finance Costs	(151,899)	31,911
Profit/(Loss) before Tax	1,428,522	1,048,079
Less: Tax	46,426	3,525
Net Profit/(Loss) after Tax	1,382,096	1,044,554
Add: Balance b/f from previous year	123,735	(907,071)
Balance available for disposal which directors appropriate as follows:	1,505,831	137,483
Dividend	–	–
Transfer to Reserves	138,210	13,748
Balance to be carried forward	1,367,621	123,735

2. STATE OF COMPANY AFFAIRS:

The gross sales for the financial year under review were CNY 1,840,076 as against CNY 2,619,638 for the previous financial year registering a decrease of 30%. The profit before tax from continuing operations including extraordinary and exceptional items was CNY 1,428,522 and the profit after tax from continuing operations including extraordinary and exceptional items was CNY 1,382,096 for the financial year under review as against CNY 1,048,079 and CNY 1,044,554 respectively for the previous financial year, registering an increase of 36% and 32% respectively.

3. CAPITAL & FINANCE:

During the year under review, the Company has not issued any shares. There is no loan outstanding as on December 31, 2022. The Company has a share capital of CNY 3,288,438.

4. CAPITAL EXPENDITURE:

As at December 31, 2022, the gross fixed and intangible assets including leased assets, stood at CNY Nil and the net fixed and intangible assets, including leased assets, at CNY Nil. Capital Expenditure during the year amounted to CNY Nil.

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

The Company has not given loan/made investment/provided guarantee or security during the year under review.

6. AMOUNT TO BE CARRIED TO RESERVE:

As at December 31, 2022, the Company has transferred CNY 138,210 to legal reserves as per local regulations.

7. DIVIDEND:

The Directors do not propose the payment of any dividend during the year.

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

There are no material changes affecting the financial position of the Company between the end of the financial year and the date of the Report.

9. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

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

The current Executive Director and General Manager is Mr. P. Ramakrishnan and Supervisor is Mr. Kamalapuram Prabhhakaran.

11. FINANCIAL STATEMENTS:

The Financial Statements do not contain any qualification, observation or adverse comment which has/have an adverse effect on the functioning of the Company.

12. AUDITORS:

M/s Shanghai Zhongqin Wanxin CPAs Co., Ltd. are the Auditors of the Company. They will continue to be Auditors of the Company for the ensuing financial year.

13. 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 of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes 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.

14. ACKNOWLEDGEMENT:

Your Directors acknowledge the invaluable support extended by the Government authorities in China and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

MR. KAMALAPURAM PRABHAKARAN
Supervisor

Date: April 24, 2023

Place: Bengaluru

AUDITORS' REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

Shanghai Zhongqin Wanxin CPAS Co., Ltd.

Address: Room 1618, Shatian Mansion, #587 Changshou Road

Tel: (86-21) 31275173

Fax: (86-21) 31275175

Zip Code: 200060

HQWSZ(2023)00166

TO THE BOARD OF DIRECTORS OF AND MEMBERS OF L&T TECHNOLOGY SERVICES (SHANGHAI) CO., LTD

I. Auditors' Opinion

We have audited the accompanying financial statements of L&T TECHNOLOGY SERVICES (SHANGHAI) CO., LTD. (hereafter referred to also as "The company") which comprise the Balance Sheet as of December 31, 2022, the Income Statements, the Cash Flows and the Statement of Change in Equity for the year then ended and notes appended to the related financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of L&T TECHNOLOGY SERVICES (SHANGHAI) CO., LTD. as of December 31, 2022 and of its financial performance and its cash flows for the year then ended in accordance with the requirements of Enterprise Accounting System.

II. Basis of Auditors' opinion

We conducted our audit in accordance with Independent Auditing Standards for Certified Public Accountants. The section of Responsibility of Auditor in the report will further illustrate our responsibilities under these guidelines. According to the ethics code of CPA, we are independent of your company and have fulfilled other responsibilities in the field of professional ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

III. Responsibility of the Management for the Financial Statements

The management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Enterprise Accounting System. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

The management is responsible for overseeing the company's financial reporting process.

IV. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit in accordance with the Auditing Standards 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 the financial statements.

As part of an audit in accordance with the Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Meanwhile, we also conduct the following works:

- 1) Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 internal control.
- 2) Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 3) Evaluate the appropriateness of accounting policy used and the reasonableness of accounting estimates and related disclosures made by the management.
- 4) Conclude the appropriateness of the management's use of going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainties exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, 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.
- 5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation.

We communicate with the management of the company regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we've identified during our audit.

Shanghai Zhongqin Wanxin CPAS Co., Ltd.

Shanghai, China
March 23rd, 2022

This auditor's report and the accompanying notes to the financial statements are an English translation of the Chinese auditors' report. In case of doubt regarding the presentation of these documents, the Chinese version shall prevail.

BALANCE SHEET AS AT 31 DECEMBER 2022

Particulars	Note No.	(CURRENCY: CNY)	
		2022.12.31	2021.12.31
ASSETS			
CURRENT ASSETS			
Cash and Bank Deposits	6.1	3,165,040.71	4,462,913.39
Accounts Receivable	6.2	23,039.10	23,039.10
Advances to Suppliers		—	2,973.74
Other Receivables	6.3	1,595,493.99	235,988.72
Inventory		—	—
Prepaid expenses		—	—
Other current assets		—	—
TOTAL CURRENT ASSETS		4,783,573.80	4,724,914.95
FIXED ASSETS			
Fixed assets - Cost		—	—
Less: Accumulated depreciation		—	—
FIXED ASSETS - NET VALUE		—	—
TOTAL FIXED ASSETS		—	—
INTANGIBLE AND OTHER ASSETS			
Intangible assets		—	—
Deferred assets		—	—
TOTAL INTANGIBLE AND OTHER ASSETS		—	—
TOTAL ASSETS		4,783,573.80	4,724,914.95
LIABILITIES AND OWNER'S EQUITY			
CURRENT LIABILITIES			
Accounts Payable	6.4	—	72,218.83
Advances from customers		—	—
Payroll and Welfare Payable		—	—
Tax Payable		(34,354.88)	1,180.73
Other Payables	6.5	9,911.00	1,225,593.70
TOTAL CURRENT LIABILITIES		(24,443.88)	1,298,993.26
DEFERRED TAX			
Deferred tax credits		—	—
TOTAL LIABILITIES		(24,443.88)	1,298,993.26
OWNER'S EQUITY			
Paid-in capital	6.6	3,288,438.05	3,288,438.05
Surplus Reserve		151,957.96	13,748.36
Undistributed profits	6.7	1,367,621.67	123,735.28
TOTAL OWNER'S EQUITY		4,808,017.68	3,425,921.69
TOTAL LIABILITIES AND OWNER'S EQUITY		4,783,573.80	4,724,914.95

The annexed Notes form an integral part of these Financial Statements.

Sd/-

Director

Sd/-

Financial controller

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

Particulars	Note No.	(CURRENCY: CNY)	
		2022	2021
SALES	6.8	1,840,076.31	2,619,638.06
Less: Cost of Sales	6.8	1,445,676.78	1,033,767.21
Taxes and surcharge for main operations	6.9	1,334.28	4,413.30
Less: Operating expenses	6.10	—	227,227.36
General and administrative expenses	6.11	(873,259.60)	281,100.20
Financial expenses	6.12	(151,899.20)	31,910.51
Asset disposal incomes		—	—
OPERATION INCOME		1,418,224.05	1,041,219.48
Add: Non-operating incomes	6.13	10,298.05	6,860.49
Less: Non-operating expenses		—	—
INCOME BEFORE TAX		1,428,522.10	1,048,079.97
Less: Income tax	6.14	46,426.11	3,525.22
NET INCOME		1,382,095.99	1,044,554.75

The annexed Notes form an integral part of these Financial Statements.

Sd/-

Director

Sd/-

Financial controller

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

Particulars	(CURRENCY: CNY)	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from sales of goods or rendering of services	1,898,493.46	3,385,383.99
Cash received from return of taxation fee	—	91.15
Other cash received relating to operating activities	36,805.30	13,885.55
Sub-total of cash inflows	1,935,298.76	3,399,360.69
Cash paid for goods and services	1,514,921.87	1,315,859.85
Cash paid to and on behalf of employees	—	216,195.36
Tax paid	141,713.15	81,877.99
Other cash paid relating to operating activities	1,704,081.87	459,646.95
Sub-total of cash outflows	3,360,716.89	2,073,580.15
Net Cash Flows from Operating Activities	(1,425,418.13)	1,325,780.54
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash received from disposal of fixed asset	—	—
Sub-total of cash inflows	—	—
Cash paid to acquire fixed assets, intangible assets and other long-term assets	—	—
Sub-total of cash outflows	—	—
Net Cash Flows from Investing Activities	—	—
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from investors	—	—
Sub-total of cash inflows	—	—
Cash payments for distribution of dividends, interest expenses	—	—
Sub-total of cash outflows	—	—
Net Cash Flows from Financing Activities	—	—
Effect of Foreign Exchange Rate Changes on Cash	127,545.45	(35,698.70)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,297,872.68)	1,290,081.84

The annexed Notes form an integral part of these Financial Statements.

Sd/-

Director

Sd/-

Financial controller

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(CURRENCY: CNY)

	Paid in Capital	Surplus Reserve	Accumulated Profits	Total
Balance at 1 January 2021				
– as originally stated	3,288,438.05	–	(907,071.11)	2,381,366.94
– adjustment on adoption of Accounting Standard	–	–	–	–
– as restated	<u>3,288,438.05</u>	<u>–</u>	<u>(907,071.11)</u>	<u>2,381,366.94</u>
Increase and Decrease for the Year				
– Net profit for the year	–	–	1,044,554.75	1,044,554.75
– Profit distributed				
Statutory surplus reserve	–	–	–	–
Extract for employee bonus and welfare fund	–	13,748.36	(13,748.36)	–
Dividend payable	–	–	–	–
Balance at 31 December 2021	<u>3,288,438.05</u>	<u>13,748.36</u>	<u>123,735.28</u>	<u>3,425,921.69</u>
Balance at 1 January 2022				
– as originally stated	3,288,438.05	13,748.36	123,735.28	3,425,921.69
– adjustment on adoption of Accounting Standard	–	–	–	–
– as restated	<u>3,288,438.05</u>	<u>13,748.36</u>	<u>123,735.28</u>	<u>3,425,921.69</u>
Increase and Decrease for the Year				
– Net profit for the year	–	–	1,382,095.99	1,382,095.99
– Owner invest new capital	–	–	–	–
– Profit distributed				
Statutory surplus reserve	–	138,209.60	(138,209.60)	–
Extract for employee bonus and welfare fund	–	–	–	–
Dividend payable	–	–	–	–
Balance at 31 December 2022	<u>3,288,438.05</u>	<u>151,957.96</u>	<u>1,367,621.67</u>	<u>4,808,017.68</u>

The annexed Notes form an integral part of these Financial Statements.

Sd/-

Director

Sd/-

Financial controller

NOTES TO THE FINANCIAL STATEMENTS

(Amounts are expressed in CNY unless otherwise stated)

1. General

L&T TECHNOLOGY SERVICES (SHANGHAI) CO., LTD. (hereinafter referred to as “the Company”) was invested by L&T TECHNOLOGY SERVICES LTD. as a wholly foreign-owned enterprise. The Company was approved to establish in August 2019. The code of Business license is No.91310115MA1K4DK527. The registered capital is 3,300,000.00 RMB. The approved operating period is 50 years.

Business Scope: Engage in engineering design and manufacturing support solutions for mechanical equipment, electronic equipment and medical equipment;engage in developing,designing and manufacturing of computer software(excluding audiovisual products and electronic publications) ;sells of self-produced products, integrated circuits, computer hardware and R&D of auxiliary equipment,engage in wholesale, import and export, commission agents (excluding auctions) of the above-mentioned commodities and provide related supporting business;engage in designing,installation,maintenance of computer system integration.(Projects subject to approval according to law may be operated after approval by relevant departments).

2. Basis of preparation

The Financial Statements have been prepared in accordance with the Accounting System for Business Enterprises and regulations of the relevant Accounting Standards for business enterprises.

3. Statement of compliance

The Financial statements have been prepared in conformity with the Accounting Regulations for Business Enterprises and regulations of the relevant Accounting Standards for business enterprises by the Company, and give a true and fair view of the state of affairs, results and cash flows.

4. Principal Accounting Policies and Estimates

4.1 Fiscal Year

The Company adopts the calendar year as its fiscal year which starts on 1st January and ends on 31st December.

4.2 Recording Currency and Foreign Currency Transactions

The Company uses the Renminbi (CNY) as its reporting currency.

Foreign currency transactions are converted into CNY for recording purpose at the exchange rate on the date of when the transactions occur. Adjustments are made to foreign currency accounts according to the exchange rate prevailing on the date of balance sheet. Exchange differences arising from these translations are taken to the profit and loss account.

4.3 Recording Principle and Valuation Basis

The Financial Statements are prepared on accrual basis and follow the historical cost convention.

4.4 Cash and Cash Equivalent

Cash and Cash equivalents are defined as highly liquid investments that are convertible to a known amount of cash, have an original maturity of less than three months at the time of purchase and have insignificant risk of change in fair market value due to shifts in the interest rate.

4.5 Provisions for Bad Debts

(A) Recognition of bad debts

Uncollected accounts arising from repeal and liquidation of debtor after taking legal clearance procedures, from the death of debtor leaving no assets to pay off and nobody to assume the obligations; accounts past due with strong evidence to show the debtors failed to repay obligations are considered as bad debts.

(B) Provision for bad and doubtful debts

Specific identification method is adopted.

4.6 Inventory

(A) Categories

Merchandised goods and low cost and short- lived articles.

(B) Valuation method

The inventories are recorded at actual cost when acquired and calculated using first-in-first-out method when issued.

(C) Amortization of low cost and short- lived articles

By once amortization method.

(D) Provision for diminution in value of inventory

After year-end stock taking, provision for diminution in value of inventory is recognized by individual unit based on the lower of the cost or the net realizable value of inventory.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Amounts are expressed in CNY unless otherwise stated)

4.7 Recognition of revenue**(A) Sale of goods**

Revenue from the sale of goods is recognized when the enterprise has transferred to the buyer the significant risks and rewards of ownership of the goods; the enterprise retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; it is probable that the economic benefits associated with the transaction will flow to the enterprise; and the relevant amount of revenue and costs can be measured reliably.

(B) Rendering of services

When the provision of services is started and completed within the same accounting year, revenue is recognized at the time of completion of the services, receipt of the proceeds or obtaining the evidence to receive proceeds. When the provision of services is started and completed in different accounting years and the outcome of a transaction can be estimated reliably, revenue is recognized using the percentage of completion method at the balance sheet date.

4.8 Income Tax

The corporate and local income taxes are accounted for using tax payable method.

5. Taxation**5.1 VAT**

VAT outputs are calculated on the taxable revenue with a tax rate of 6% for services and 13% of goods, the difference between VAT out-put and VAT inputs shall be declared.

5.2 Urban maintenance and construction tax

Based on actual payment of value added tax and consumption tax.

5.3 Enterprise Income Tax

EIT calculate base on the taxable income with the rate 25%.

5.4 Education surcharges

Based on actual payment of business tax, value added tax and consumption tax.

6. Note to the Financial Statements**6.1 Cash and Bank Deposits**

Item	31 December 2022	31 December 2021
Bank deposits	3,165,040.71	4,462,913.39

6.2 Accounts Receivables

Age	31 December 2022			31 December 2021		
	Amount	Rate	Bad debts	Amount	Rate	Bad debts
Within 1 year	–	–	–	23,039.10	100%	–
1-2 years	23,039.10	100%	–	–	–	–
Total	23,039.10	100%	–	23,039.10	100%	–

6.3 Other Receivables

Age	31 December 2022			31 December 2021		
	Amount	Rate	Bad debts	Amount	Rate	Bad debts
Within 1 year	1,500,000.00	94.01%	–	150,194.73	63.64%	–
1-2 years	9,700.00	0.61%	–	85,793.99	36.30%	–
2-3 years	85,793.99	5.38%	–	–	–	–
Total	1,595,493.99	100%	–	235,988.72	100%	–

Among which, main items:

Company	31 December 2022	Age
L&T Information Technology Services (Shanghai) Co., Ltd	1,500,000.00	within 1 year

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Amounts are expressed in CNY unless otherwise stated)

6.4 Accounts Payable

Aging	31 December 2022	31 December 2021
Within 1 year	–	72,218.83

6.5 Other Payables

Aging	31 December 2022	31 December 2021
Within 1 year	9,911.00	1,225,593.70

6.6 Paid in Capital

Investor	31 December 2022	
	USD	CNY equivalent
L&T TECHNOLOGY SERVICES LTD	469,985.00	3,288,438.05

6.7 Undistributed Profits

Item	Year Ended 31 December 2022	Year Ended 31 December 2021
Balance as at the beginning of the year	123,735.28	(907,071.11)
Add: Profit for current year	1,382,095.99	1,044,554.75
Less: Legal reserve	138,209.60	13,748.36
Dividend paid	–	–
Balance as at the end of the year	1,367,621.67	123,735.28

6.8 Sales and Cost of Sales

Item	Year Ended 31 December 2022		Year Ended 31 December 2021	
	Sales	Cost of Sales	Sales	Cost of Sales
Main business	1,840,076.31	1,445,676.78	2,619,638.06	1,033,767.21

6.9 Taxes and surcharge for main operations

Item	Year Ended 31 December 2022	Year Ended 31 December 2021
Taxes and surcharge for main operations	1,334.28	4,413.30

6.10 Operating Expenses

Item	Year Ended 31 December 2022	Year Ended 31 December 2021
Operating Expenses	–	227,227.36
Among which, main items:		
Salaries	–	159,369.08
Total	–	386,596.44

6.11 General and Administrative Expenses

	Year Ended 31 December 2022	Year Ended 31 December 2021
General and Administrative Expenses	(873,259.60)	281,100.20
Among which, main items:		
Management fee	(1,225,593.70)	–
Consultation fee	290,080.67	221,541.80
Total	(1,808,772.63)	502,642.00

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**6.12 Financial expenses**

Item	Year Ended 31 December 2022	<i>Year Ended 31 December 2021</i>
Interest income	26,507.25	7,063.70
Exchange gains or losses	(127,545.45)	35,646.19
Others	2,153.50	3,328.02
Total	(151,899.20)	31,910.51

6.13 Non-operating incomes

Item	Year Ended 31 December 2022	<i>Year Ended 31 December 2021</i>
Tax return	–	91.15
Subsidy of vat-in	10,297.86	6,769.04
Others	0.19	0.30
Total	10,298.05	6,860.49

6.14 Income tax

Item	Year Ended 31 December 2022	<i>Year Ended 31 December 2021</i>
Income tax	46,426.11	3,525.22

7. Contingencies

The Company has no significant contingent events to disclose.

8. Post-balance sheet events

No significant post-balance sheet event needs to be disclosed.

TAXABLE INCOME RECONCILIATION FOR THE YEAR ENDED DECEMBER 31, 2022

(CURRENCY: CNY)

Items	Amount
Accounting income for the year	1,428,522.10
Taxable income for the year	1,428,522.10

The adjustment of taxable is done by the CPA who has conducted the audit.

The ultimate taxable income must be subject to the verification of local tax bureau.

BOARD'S REPORT

Dear Members,

The Directors have pleasure in presenting their Third Board's Report and Management Certified Accounts for the year ended March 31, 2023.

1. FINANCIAL RESULTS:

Particulars	2022-23	2021-22
	CAD	CAD
Total Income	44,202	1,091,486
Total Expenditure	37,389	1,251,152
Operating Profit/(Loss)	6,813	(159,666)
Add: Interest Income	–	–
Less: Finance Costs	–	–
Profit/(Loss) before Tax	6,813	(159,666)
Less: Tax	–	–
Net Profit/(Loss) after Tax	6,813	(159,666)
Add: Balance b/f from previous year	(152,766)	6,900
Balance available for disposal which directors appropriate as follows:	(145,953)	(152,766)
Dividend	–	–
Transfer to Reserves	–	–
Balance to be carried forward	(145,953)	(152,766)

2. CAPITAL & FINANCE:

During the year under review, the Company has not issued any shares. There is no loan outstanding as on March 31, 2023.

3. CAPITAL EXPENDITURE:

As at March 31, 2023, the gross fixed and intangible assets including leased assets, stood at CAD Nil and the net fixed and intangible assets, including leased assets, at CAD Nil. Capital Expenditure during the year amounted to CAD Nil.

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

The Company has not given loan/made investment/provided guarantee or security during the year under review.

5. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were CAD 44,202 as against CAD 1,091,486 for the previous financial year registering an (decrease) of 97%. The profit/(loss) before tax from continuing operations including extraordinary and exceptional items was CAD 6,813 and the profit/(loss) after tax from continuing operations including extraordinary and exceptional items of CAD 6,813 for the financial year under review as against CAD (159,666) and CAD (159,666) respectively for the previous financial year, registering an increase of 104 % and 104 % respectively.

6. AMOUNT TO BE CARRIED TO RESERVES:

As at March 31, 2023, the Company has not transferred any amount to reserves.

7. DIVIDEND:

The Directors have not declared any dividend during the year.

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

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

9. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

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

During the year under review, Dr. Keshab Panda and Mr. P. Ramakrishnan ceased to act as Directors of the Company w.e.f. June 30, 2022. The Board places on record its appreciation for the services rendered by Dr. Keshab Panda and Mr. P. Ramakrishnan during their tenure as Directors of the Company.

During the year under review Mr. Abhishek Sinha and Mr. Rajeev Gupta were appointed as the Directors of the Company w.e.f June 30, 2022. The current Directors of the Company are Mr. Amit Chadha, Mr. Abhishek Sinha & Mr. Rajeev Gupta.

11. 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 of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes 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.

12. ACKNOWLEDGEMENT:

Your Directors acknowledge the invaluable support extended by the Government authorities in Canada and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

MR. AMIT CHADHA
Director

Date: April 21, 2023

Place: United States of America

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note No.	CAD	
		As at 31-03-2023	As at 31-03-2022
ASSETS:			
I. Current assets			
Financial assets			
Trade receivables	1	353,814	930,266
Cash and cash equivalents	2	805,732	193,174
Current tax assets (net)		3,181	2,876
Other current assets	3	63,499	36,187
Total current assets		<u>1,226,226</u>	<u>1,162,503</u>
TOTAL ASSETS		<u>1,226,226</u>	<u>1,162,503</u>
EQUITY AND LIABILITIES			
I. Shareholders' funds			
Share capital	4	6,612	6,612
Other equity		(145,953)	(152,766)
Total equity		<u>(139,341)</u>	<u>(146,154)</u>
II. Current liabilities			
Financial liabilities			
Trade payables	5	1,254,535	1,201,730
Other current liabilities	6	111,032	106,927
Current tax liabilities (net)		—	—
Total current liabilities		<u>1,365,567</u>	<u>1,308,657</u>
TOTAL EQUITY AND LIABILITIES		<u>1,226,226</u>	<u>1,162,503</u>

For and on behalf of L&T Technology Services (Canada) Limited

MR. AMIT CHADHA

Director

Date: April 21, 2023

Place: United States of America

STATEMENT OF PROFIT AND LOSS FOR PERIOD ENDED ON MARCH 31, 2023

Particulars	Note No.	CAD	
		Year ended 31-03-2023	Year ended 31-03-2022
I. Revenue from operations	7	31,579	1,091,913
II. Other income	8	12,623	(427)
III. TOTAL INCOME		44,202	1,091,486
IV. Expenses:			
Other operating expenses	9	37,389	1,251,152
TOTAL EXPENSES		37,389	1,251,152
V. PROFIT BEFORE TAX (III - IV)		6,813	(159,666)
VI. Tax expense:			
(a) Current tax		–	–
(b) Deferred tax		–	–
TOTAL TAX EXPENSE		–	–
VII. PROFIT FOR THE YEAR (V - VI)		6,813	(159,666)
VIII. Other comprehensive income (OCI), net of taxes		–	–
IX. TOTAL COMPREHENSIVE INCOME, NET OF TAXES		6,813	(159,666)
X. EARNING PER EQUITY SHARE			
Basic		0.14	(3.19)
Diluted		0.14	(3.19)

For and on behalf of **L&T Technology Services (Canada) Limited**

MR. AMIT CHADHA
Director

Date: April 21, 2023
Place: United States of America

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	CAD	
	Year ended 31-03-2023	Year ended 31-03-2022
A. Cash flow from operating activities		
Profit before tax	6,813	(159,666)
Operating profit before working capital changes	6,813	(159,666)
Changes in working capital		
(Increase)/decrease in trade receivables	576,147	(793,749)
(Increase)/decrease in other receivables	(27,312)	16,411
Increase/(decrease) in trade & other payables	56,910	1,129,054
(Increase)/decrease in working capital	605,745	351,716
Cash generated from operations	612,558	192,050
Direct taxes paid	—	(2,212)
Net cash (used in)/from operating activities	612,558	189,838
B. Cash flow from investing activities		
Purchase of fixed assets	—	—
Sale of fixed assets	—	—
(Purchase)/Sales of current investments	—	—
Consideration paid on acquisition of subsidiaries	—	—
Cash & cash equivalents acquired pursuant to acquisition of subsidiaries	—	—
Dividends received from current investments	—	—
Interest received	—	—
Net cash (used in)/from investing activities	—	—
C. Cash flow from financing activities		
Equity share capital issued including share premium	—	—
Preference share capital redeemed	—	—
Proceeds from/(repayment of) borrowings	—	—
Interest paid	—	—
Dividend paid	—	—
Dividend tax	—	—
Net cash (used in)/from financing activities	—	—
Net (decrease)/increase in cash and cash equivalents	612,558	189,838
Cash and cash equivalents at beginning of year	193,174	3,336
Cash and cash equivalents at end of year	805,732	193,174

For and on behalf of L&T Technology Services (Canada) Limited

MR. AMIT CHADHA

Director

Date: April 21, 2023

Place: United States of America

STATEMENT OF CHANGES IN EQUITY

CAD

OTHER EQUITY

Particulars	Other Equity			Total equity attributable to equity holders of the Company
	Equity Share Capital	Reserves & Surplus	FCTR	
		Retained earnings		
Balance as at 01-04-2022	6,612	(152,766)	—	(152,766)
Profit for the year	—	6,813	—	6,813
Addition/(deduction) during the period	—	—	—	—
Balance as at 31-03-2023	6,612	(145,953)	—	(145,953)

 For and on behalf of **L&T Technology Services (Canada) Limited**
MR. AMIT CHADHA
 Director

 Date: April 21, 2023
 Place: United States of America

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A. CORPORATE INFORMATION

L&T Technology Services (Canada) Limited was incorporated and domiciled in Canada and has its registered office at 1200 Waterfront Centre, PO Box 48600, 200 Burrard Street, Vancouver, BC V7X 1T2, Canada

As at March 31, 2023, L&T Technology Services LLC, the holding company, owns 100% of the Company's equity share capital.

B. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in Singapore to reflect the financial position, results of operations and cash flows of the Company.

All amounts are stated in CAD, except as otherwise specified.

b) Basis of accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the project/contract/service and extends up to the realization of receivables within the credit period normally applicable to the respective lines of business.

d) Revenue Recognition

The Company derives revenue from Engineering Research and Development (ER&D) services, which are a set of services provided to manufacturing, technology and process engineering companies, to help them develop and build products, processes and infrastructure required to deliver products and services to their end customers. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group/Company expects to receive in exchange for those services:

- a. Revenue from contracts which are on time and material basis are recognized when services are rendered, and related costs are incurred.
- b. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity.
- c. Revenues in excess of invoicing are classified as contract assets (unbilled revenue).
- d. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company presents revenue net of discounts, collection charges, indirect taxes and value-added taxes in its statement of profit and loss.
- e. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date as per contract.

e) Other income

- a. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- b. Dividend income is accounted in the period in which the right to receive the same is established.
- c. Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

f) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

g) Leases

a. Operating leases

Assets acquired on leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on accrual basis.

h) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(i) Non-derivative financial assets

a. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions and other deposits with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Current income taxes

The current income tax expense includes income taxes payable by the Company.

Provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

k) Provisions, contingent liabilities and contingent assets

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 as a result 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

Contingent liability is disclosed in the case of

- i) A present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation;
or
- ii) A possible obligation unless the probability of outflow of resources is remote

Contingent Liabilities as at March 31, 2023 is Nil.

Contingent assets are neither recognized nor disclosed.

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

l) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

NOTES FORMING PART OF ACCOUNTS

	CAD	CAD
	<u>As at 31-03-2023</u>	<u>As at 31-03-2022</u>
1 TRADE RECEIVABLES		
Trade receivables	353,814	930,266
	<u>353,814</u>	<u>930,266</u>
2 CASH AND CASH EQUIVALENTS		
Balances with banks	805,732	193,174
	<u>805,732</u>	<u>193,174</u>
3 OTHER CURRENT ASSETS		
Other receivables	63,499	36,187
	<u>63,499</u>	<u>36,187</u>
4 SHARE CAPITAL		
Issued, subscribed and paid up	6,612	6,612
Total issued, subscribed and paid up capital	<u>6,612</u>	<u>6,612</u>
5 TRADE PAYABLES		
Due to related parties	1,254,535	1,201,818
Liability for revenue goods	—	(88)
	<u>1,254,535</u>	<u>1,201,730</u>
6 OTHER CURRENT LIABILITIES		
Unearned Revenue	—	—
Other payables	111,032	106,927
	<u>111,032</u>	<u>106,927</u>

NOTES FORMING PART OF ACCOUNTS

		CAD	
		Year ended	<i>Year ended</i>
		31-03-2023	<i>31-03-2022</i>
7	REVENUE FROM OPERATIONS		
	Overseas	31,579	<i>1,091,913</i>
		<u>31,579</u>	<u><i>1,091,913</i></u>
8	OTHER INCOME		
	Foreign exchange gain / (loss)	12,623	<i>(427)</i>
	Miscellaneous income	–	<i>–</i>
		<u>12,623</u>	<u><i>(427)</i></u>
	EXPENSE		
9	OTHER OPERATING EXPENSES		
	Subcontracting and component charges	30,000	<i>1,361,589</i>
	Engineering, professional, technical and consultancy fees	–	<i>(117,195)</i>
	Miscellaneous expenses	7,389	<i>6,758</i>
		<u>37,389</u>	<u><i>1,251,152</i></u>

BOARD REPORT

Dear Members,

The Directors have pleasure in presenting their Third Board Report and Audited Accounts for the year ended March 31, 2023.

1. FINANCIAL RESULTS:

Particulars	2022-23	2021-22
	USD	USD
Total Income	31,167,507	22,399,615
Total Expenditure	29,549,753	20,035,587
Operating Profit/(Loss)	1,617,754	2,364,028
Add: Other Income	(3,427,764)	(3,426,473)
Less: Finance Costs	—	—
Profit/(Loss) before Tax	(1,810,010)	(1,062,445)
Less: Tax	(323,471)	(152,066)
Net Profit/(Loss) after Tax	(1,486,539)	(910,379)
Add: Balance b/f from previous year	(4,761,945)	(3,851,566)
Balance available for disposal which directors appropriate as follows:	(6,248,484)	(4,761,945)
Dividend	—	—
Transfer to Reserves	—	—
Balance to be carried forward	(6,248,484)	(4,761,945)

2. CAPITAL & FINANCE:

During the year under review, the Company has not issued any shares. There is no loan outstanding as on March 31, 2023.

3. CAPITAL EXPENDITURE:

As at March 31, 2023, the gross fixed and intangible assets including leased assets, stood at USD 77,277 and the net fixed and intangible assets, including leased assets, at USD 64,377. Capital Expenditure during the year amounted to USD 75,759.

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

The Company has not given loan/made investment/provided guarantee or security during the year under review.

5. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were USD 27,739,743 as against USD 18,973,142 for the previous financial year registering an increase of 46%. The profit/(loss) before tax from continuing operations including extraordinary and exceptional items was (1,810,010) and the profit/(loss) after tax from continuing operations including extraordinary and exceptional items was USD (1,486,539) for the financial year under review as against USD (1,062,445) and USD (910,379) respectively for the previous financial year.

6. AMOUNT TO BE CARRIED TO RESERVES:

As at March 31, 2023, the Company has not transferred any amount to reserves.

7. DIVIDEND:

The Directors have not declared any dividend during the period.

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

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

9. REPORTING OF FRAUDS:

The Auditors of the Company have not reported any fraud committed against the Company by its officers or employees.

10. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

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

The current Directors of the Company are Mr. Anuj Jain, Mr. Jairaj Hegde, Mr. Rajeev Gupta, Mr. Alind Saxena and Mr. Bhanu Gopalam.

12. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review 1 meeting was held on March 31, 2023.

The Agenda of the Meeting is circulated to the Directors in advance.

13. FINANCIAL STATEMENTS:

The Financial Statements do not contain any qualification, observation or adverse comment which has/have an adverse effect on the functioning of the Company.

The Auditors report to the shareholders does not contain any qualification, observation, or adverse comment.

14. AUDITORS:

M/s KNAV P.A. are the auditors of the Company. They will continue to be auditors of the Company for the ensuing financial year.

15. 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 loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes 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.

16. ACKNOWLEDGEMENT:

Your Directors acknowledge the invaluable support extended by the Government authorities and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

MR. RAJEEV GUPTA
Director

Date: April 18, 2023
Place: Mumbai

MR. BHANU GOPALAM
Director

Date: April 18, 2023
Place: United States of America

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Orchestra Technology, Inc.

OPINION

We have audited the accompanying financial statements of Orchestra Technology, Inc. ('the Company'), which comprise the balance sheets as of March 31, 2023, and March 31, 2022, and the related statements of loss, stockholder's equity, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2023, and March 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Atlanta, Georgia
April 18, 2023

BALANCE SHEET*(All amounts are stated in United States Dollars, unless otherwise stated)*

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	1,276,296	696,512
Accounts receivable, net	5,855,774	1,459,347
Due from related parties	—	2,014,304
Unbilled revenue	579,432	4,370,755
Prepaid expenses and other current assets	29,723	26,863
Total current assets	<u>7,741,225</u>	<u>8,567,781</u>
Computer & equipment, net	64,377	1,098
Deferred tax assets	2,440,570	2,113,552
Total assets	<u>10,246,172</u>	<u>10,682,431</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable	1,733,772	1,019,971
Due to related parties	464,062	474,450
Deferred revenue	151,588	82,622
Other current liabilities	2,476,982	2,959,066
Earn-out provision (Refer <i>note L</i>)	4,901,625	4,141,640
Total current liabilities	<u>9,728,029</u>	<u>8,677,749</u>
Stockholder's equity		
Common stock (authorized 20,000,000 common shares, \$0.001 par value; issued and outstanding 4,600,000 common shares, \$0.001 par value)	4,600	4,600
Additional paid-in-capital	6,762,027	6,762,027
Accumulated deficit	(6,248,484)	(4,761,945)
Total stockholder's equity	<u>518,143</u>	<u>2,004,682</u>
Total liabilities and stockholder's equity	<u>10,246,172</u>	<u>10,682,431</u>

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF LOSS

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended March 31, 2023	<i>For the year ended March 31, 2022</i>
Service revenue	31,167,507	22,399,615
Less: cost of revenue	(25,335,701)	<i>(16,374,714)</i>
Gross profit	5,831,806	6,024,901
Selling, general and administrative expenses	4,201,572	3,660,489
Depreciation	12,480	384
Total expenses	4,214,052	3,660,873
Operating income	1,617,754	2,364,028
Other income	-	1,285
Earn- out expenses	(3,427,764)	<i>(3,427,758)</i>
Net loss before income tax	(1,810,010)	<i>(1,062,445)</i>
Deferred tax benefit	(327,018)	<i>(324,210)</i>
Current tax expense	3,547	172,144
Net loss	(1,486,539)	<i>(910,379)</i>

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF STOCKHOLDERS' EQUITY

For the years ended March 31, 2023, and March 31, 2022

(All amounts are stated in United States Dollars, except number of shares, and unless otherwise stated)

Particulars	Common stock				Additional paid-in-capital	Accumulated deficit	Total stockholders' equity
	Authorized		Issued & outstanding				
	Shares	Value	Shares	Value			
Balance as of April 01, 2021	20,000,000	20,000	4,600,000	4,600	6,762,027	(3,851,566)	2,915,061
Net loss for the year	–	–	–	–	–	(910,379)	(910,379)
Balance as of March 31, 2022	20,000,000	20,000	4,600,000	4,600	6,762,027	(4,761,945)	2,004,682
Balance as of April 01, 2022	20,000,000	20,000	4,600,000	4,600	6,762,027	(4,761,945)	2,004,682
Net loss for the year	–	–	–	–	–	(1,486,539)	(1,486,539)
Balance as of March 31, 2023	20,000,000	20,000	4,600,000	4,600	6,762,027	(6,248,484)	518,143

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF CASH FLOWS*(All amounts are stated in United States Dollars unless otherwise stated)*

	For the year ended March 31, 2023	<i>For the year ended March 31, 2022</i>
Cash flows from operating activities		
Net loss	(1,486,539)	<i>(910,379)</i>
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Deferred tax benefit	(327,018)	<i>(324,210)</i>
Allowance for doubtful debts	12,480	<i>384</i>
Depreciation	3,427,764	<i>3,427,758</i>
Changes in operating assets and liabilities		
Accounts receivable, net	(4,396,427)	<i>(163,610)</i>
Prepaid expenses and other current assets	(2,861)	<i>(9,572)</i>
Unbilled revenue	3,791,322	<i>(1,669,335)</i>
Accounts payable	713,801	<i>503,097</i>
Related party balances	2,003,916	<i>(1,089,060)</i>
Deferred revenue	68,967	<i>13,504</i>
Other current liabilities	(482,083)	<i>1,288,481</i>
Earn-out payments	(2,667,779)	<i>(1,000,000)</i>
Net cash provided by (used in) operating activities	655,543	<i>67,058</i>
Cash flow from investing activities		
Purchase of computer and equipment	(75,759)	<i>(1,482)</i>
Net cash used in investing activities	(75,759)	<i>(1,482)</i>
Net increase (decrease) in cash and cash equivalents	579,784	<i>65,576</i>
Cash and cash equivalents at the beginning	696,512	<i>630,936</i>
Cash and cash equivalents at the end of the period	1,276,296	<i>696,512</i>
Supplemental cash flow information		
Income tax paid	1,750	<i>13,915</i>

(The accompanying notes are an integral part of these financial statements)

NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF OPERATIONS

Orchestra Technology, Inc. ("the Company") was incorporated on June 07, 2012, in the state of Texas. The Company was formed from a plan of conversion. The converting entity was Orchestra Technology, LLC, a Texas Limited Liability Company formed on September 20, 2010. The Company is an engineering solutions company serving the telecom sector with emphasis on Cellular, Wi-Fi and IOT service providers and original equipment manufacturers (OEMs). Its solutions are based on patented Intelli-Agent platform (IA) and help customers in accelerating the launch of new products, understanding, and improving customer satisfaction, improving operational efficiencies and quality of products. It also serves customers through a suite of professional services spanning across network engineering, test and test automation, consulting, and custom software solutions.

As of October 02, 2020, the Company became a wholly owned subsidiary of L&T Technology Services LLC, a wholly owned subsidiary of L&T Technology Services Limited, a public listed company in India.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

1. Basis of preparation

- a. The accompanying financial statements are prepared under the historical cost convention on accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position, results of operation and cash flows.
- b. The financial statements are for the years ended March 31, 2023, and March 31, 2022.
- c. All amounts are stated in United States Dollars, except as otherwise specified.
- d. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or stockholder's equity.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management's estimates for realization of deferred tax assets, earn-out provision, useful life of property and equipment, revenue recognition, accrued liabilities and allowance for doubtful debts at the balance sheet dates represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

3. Cash and cash equivalents

Cash equivalents consist of highly liquid investments with a maturity of three months or less on the date of purchase. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of \$250,000.

4. Revenue recognition

The core principle of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

To achieve this core principle, the Company has applied the five-step process:

1. Identify the contract with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to performance obligations in the contract.
5. Recognize revenue when or as the Company satisfies a performance obligation.

The Company recognizes revenues when services are rendered to the customer for an amount, referred to as the transaction price, that reflects the consideration to which the Company is expected to be entitled in exchange for those services.

Revenues related to time-and-material contracts are recognized over the period the services are provided either using an input method such as labor hours, or output method such as surveys of performance completed to date or a method that is otherwise consistent with the way in which value is delivered to the customer. Revenue related to fixed price contracts is recognized as and when the performance obligation mentioned in the contract is fulfilled and approved by the customer. Perpetual license revenue is recognized at a point in time when control transfers to the customer and reported within product revenue. Maintenance revenues are recognized ratably over the term of the maintenance contract.

Contract balances

The timing of revenue recognition, invoicing and cash collections results in billed receivables, contract assets and contract liabilities on the Company balance sheet. Contract assets represent sales recognized in excess of billings related to work completed but not yet billed for which revenue is recognized over time. Contract assets are recorded as unbilled receivables. Contract liabilities are customer deposits for

NOTES TO FINANCIAL STATEMENTS (Contd.)

which revenue has not been recognized. Customer deposits are recorded as other current liabilities. When invoices are raised to the customer prior to completion of the performance obligation under the terms of a contract, a contract liability is recorded as deferred revenue. Contract liabilities are recognized as revenue after performance obligation is completed and all revenue recognition criteria have been met.

5. Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment. Cost of items of property and equipment comprises cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property and equipment over the estimated useful life using the straight-line method. Expenditures for maintenance and repairs are charged to expense. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited to statements of income.

The estimated useful lives used to determine depreciation are:

Nature of assets	Estimated useful life of assets
Office equipment, furniture, and fixtures	7 to 10 years
Information technology equipment	6 months to 4 years

6. Impairment of long-lived assets

Long-lived assets, to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are considered to be impaired if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured by the amount by which the carrying value of the assets exceeds its fair value.

7. Accounts receivable and allowance for doubtful accounts

The Company follows policy of recording allowance for doubtful debts for any receivables outstanding for more than 90 days. Management also analyses composition of the accounts receivable aging, historical bad debts, current economic trends, and customer credit worthiness of each accounts receivable when evaluating the adequacy of the allowance for doubtful accounts.

8. Income taxes

In accordance with the provisions of FASB ASC Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the period in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized.

All deferred tax assets and liabilities, along with any related valuation allowance, are classified as non-current on the balance sheet. The Company has applied FASB Accounting Standards Update ("ASU") 2015-17 Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes, for all deferred tax assets and liabilities.

9. Fair value measurements and financial instruments

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The estimated fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

10. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Bank balance	1,276,296	696,512
Total	<u>1,276,296</u>	<u>696,512</u>

Cash balances on checking accounts and payroll accounts with the bank are insured by the Federal Deposit Insurance Corporation up to an aggregate of \$250,000 per depositor at each financial institution. The Company's non-interest-bearing cash balances may exceed federal insured limits.

NOTE D - ACCOUNTS RECEIVABLE, NET

The Company's accounts receivable primarily relate to sale of services and perpetual licenses. The Company maintains an allowance for doubtful accounts on all accounts receivable, based on present and prospective financial condition of the customer and ageing of accounts receivable after considering historical experience and the current economic environment.

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Accounts receivable	5,855,774	1,471,942
Less: allowance for doubtful debts	—	(12,595)
Accounts receivable, net	<u>5,855,774</u>	<u>1,459,347</u>

The activity in allowance for doubtful debts is given below:

	<u>For the year ended March 31, 2023</u>	<u>For the year ended March 31, 2022</u>
Balance at beginning of the period	12,595	12,595
Add: Provision for the current year	—	—
Less: Provision reversed during the year	(12,595)	—
Balance at the end of the year	<u>—</u>	<u>12,595</u>

NOTE E - COMPUTER & EQUIPMENT, NET

Computer & equipment, net comprise of the following:

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Computer	77,277	1,518
Total gross block	77,277	1,518
Less: Accumulated depreciation	(12,900)	(420)
Total	<u>64,377</u>	<u>1,098</u>

Depreciation expenses for the years ended March 31, 2023, and March 31, 2022, is \$12,480 and \$384 respectively.

NOTE F - OTHER CURRENT LIABILITIES

Other current liabilities comprise of the following:

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Accrued employee liabilities	985,436	1,000,666
Accrued expenses	1,195,106	1,665,607
Provision for income tax	296,440	292,793
Total	<u>2,476,982</u>	<u>2,959,066</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)**NOTE G - REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following table presents revenue disaggregated by source of revenue:

	For the year ended March 31, 2023	<i>For the year ended March 31, 2022</i>
Services	31,167,507	19,439,615
Sale of product	—	2,960,000
Total	31,167,507	22,399,615

The following table presents revenue disaggregated by timing of recognition:

	For the year ended March 31, 2023	<i>For the year ended March 31, 2022</i>
Services transferred over time	31,167,507	19,439,615
Sale of licenses at a point in time	—	2,960,000
Total	31,167,507	22,399,615

Contract balances

The following table provides information about contract assets and liability balances as follows:

	As at March 31, 2023	<i>As at March 31, 2022</i>
Unbilled receivables (contract assets)	579,432	4,370,755
Deferred revenue (contract liabilities)	(151,588)	(82,622)
Total	427,844	4,288,133

NOTE H - INCOME TAXES

The Company files federal and state tax returns as per regulations applicable to Chapter C corporations in the United States of America. The Company is a member of L&T Technology Services LLC consolidated federal tax group. In accordance with applicable state laws, the Company shall file state returns at combined level in certain states and at separate entity level in certain states.

The components of the provision for income taxes are as follows:

	For the year ended March 31, 2023	<i>For the year ended March 31, 2022</i>
Current taxes		
Federal	(1,871)	130,414
State	5,418	41,730
Deferred taxes		
Federal	(375,210)	(349,229)
State	48,192	25,019
Provision for income taxes	(323,471)	(152,066)

NOTES TO FINANCIAL STATEMENTS (Contd.)

The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes are as follows:

	For the year ended March 31, 2023	<i>For the year ended March 31, 2022</i>
Income tax at federal rate	(379,198)	(223,061)
Permanent difference	3,988	6,456
Return to provision	3,547	(681)
State taxes, net of federal effect	48,192	66,749
Change in net operating losses (NOL's)	—	(1,529)
Provision for income taxes	(323,471)	(152,066)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As at March 31, 2023	<i>As at March 31, 2022</i>
Non-current deferred tax assets		
Accrued expenses	1,087,868	952,029
Net operating loss carryover	1,267,391	1,081,102
Deferred revenue	17,393	-
Credit carryforward	80,661	80,661
	2,453,313	2,113,792
Non-current deferred tax liabilities		
Computer and equipment, net	(12,743)	(240)
Net deferred taxes (non-current portion)	2,440,570	2,113,552

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the analysis of positive and negative evidence, the management believes that it is more likely than not that the deferred tax assets may be realized during foreseeable future and accordingly, no valuation allowance was recognized as at March 31 2023, and March 31, 2022.

The net deferred tax assets recognized were \$2,440,570 and \$2,113,552 as at March 31, 2023, and March 31, 2022 respectively.

The Company has federal net operating loss carryforwards (subject to IRC 382 limitation) of \$ 5,952,802 and \$ 5,011,833 respectively as on March 31, 2023, and March 31, 2022, respectively. The Company has state net operating loss carryforwards of \$373,511 & \$345,202 respectively as on March 31, 2023, and March 31, 2022, respectively.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as at March 31, 2023 and as at March 31, 2022.

The tax years of 2019 through 2021 remain subject to examination by the taxing authorities.

NOTE I - RELATED PARTY TRANSACTIONS

Where control exists:

No.	Name of the party	Nature of relationship
1	L&T Technology Services Limited	Ultimate Holding Company
2	L&T Technology Services LLC	Holding Company

ORCHESTRA TECHNOLOGY, INC.

Particulars	March 31, 2023	March 31, 2022
Transactions for the year/period		
L&T Technology Services LLC		
Sub-contracting revenue billed by the Company	233,244	292,234
Expenses paid on behalf of the Company	1,300	14,922
L&T Technology Services Limited		
Sub-contracting revenue billed by the Company	1,183,160	2,580,220
Expense paid by the ultimate holding company on Company's behalf	104,514	39,790
Expense paid by the Company on behalf of the holding company	122,625	–
Sub-contracting expenses	538,656	17,792
Balances at the end of the year		
L&T Technology Services LLC		
Payable as at	294,070	474,450
L&T Technology Services Limited		
Receivable as at	–	2,014,304
Payable as at	169,992	–

NOTE J - CONCENTRATION OF CREDIT RISK

The Company's service revenues are concentrated primarily with six customers which account for approximately 94% and 94% of total revenues for the year ended March 31, 2023, and period ended March 31, 2022, respectively. These customers accounted for 94% and 86% of the accounts receivable as at March 31, 2023 and March 31, 2022, respectively.

NOTE K - RISK AND UNCERTAINTIES

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to: deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in sales; competitive factors, including but not limited to pricing pressures; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

NOTE L - EARN-OUT EXPENSES

In the month of October 2020, the Company adopted a phantom stock plan to offer participation rights in a bonus plan to erstwhile shareholders and other employees (together referred to as "participants"). The Company delivered an award agreement to each participant designating the number of Class E, Class AB, Class I and Class R phantom shares. Upon satisfaction of certain performance or service-based conditions, the Company will be required to make a payment of certain amount to the holders of the said class of shares. As of March 31, 2023, the Company believes that certain conditions as mentioned in the plan will be met and has recorded an expense of \$3,427,764 and \$3,427,758 for the years ended March 31, 2023, and March 31, 2022, respectively.

NOTE M - STOCKHOLDER'S EQUITY

Common stock issued

Common stock issued as at March 31, 2023 is 4,600,000 shares at \$ 0.001 par.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote. All shares issued are held by the holding company.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE N - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2023, up through the date the financial statements are available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.