

Big Bets: **Engineering Sustainable Growth**



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Sustainability



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AI & Digital Products



Digital Manufacturing



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BOARD REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their sixteenth report and Audited Accounts for the year ended March 31, 2022.

1. FINANCIAL RESULTS:

Particulars	2021-22	2020-21
	₹ Thousands	₹ Thousands
Profit Before Depreciation, exceptional and extra ordinary items and tax	186,927	176,668
Less: Depreciation, amortization, impairment and obsolescence	4,920	5,794
Profit before exceptional and extraordinary items and tax	182,007	170,874
Add: Exceptional Items	Nil	Nil
Profit/(Loss) before tax	182,007	170,874
Less: Provision for tax	47,020	46,055
Profit for the period carried to the Balance Sheet	134,987	124,818
Add: Balance brought forward from previous year	285,283	160,299
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	1,396	166
Balance available for disposal which the Directors appropriate as follows:	421,666	285,283
Debt Redemption Reserve	Nil	Nil
Balance carried to Balance Sheet	421,666	285,283

2. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were ₹ 927,326 thousand as against ₹ 849,938 thousand for the previous financial year registering an increase of 8%. The profit before tax from continuing operations including extraordinary and exceptional items was ₹ 182,007 thousand and the profit after tax from continuing operations including extraordinary and exceptional items was ₹ 134,987 thousand for the financial year under review as against ₹ 170,874 thousand and ₹ 124,818 thousand respectively for the previous financial year, registering an increase of 7% and 8% respectively.

COVID-19 UPDATE

The Company implemented safety and hygiene protocols like wearing of face masks, social distancing norms, workplace sanitation and employee awareness programs at all its plants and establishments. The protocols are regularly reviewed and updated based on revisions in guidelines received from authorities concerned from time to time.

3. CAPITAL & FINANCE:

There has been no change in the share capital of the Company during the said financial year. As on March 31, 2022, 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, 2022 the gross fixed and intangible assets including leased assets, stood at ₹ 61,190 thousand and the net fixed and intangible assets, including leased assets, at ₹ 4,627 thousand. Addition to gross block during the year amounted to ₹ 81 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, 2022, 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 or guarantees given or security provided as required under Section 186 of the Companies Act, 2013.

8. 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 2021-22 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.

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	791,303
Foreign exchange used	523,613

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 that 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 was held on April 30, 2021.

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (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 Saraf, and Mr. Rajkumar Ravindranathan are the current Directors of the Company.

A. Appointment of Directors:

During the year under review, Mr. Ashish Saraf was appointed as a Director of the Company w.e.f. July 5, 2021 and Mr. Rajkumar Ravindranathan was appointed as a Director of the Company w.e.f. January 31, 2022.

B. Resignation of Directors:

During the year under review, Mr. Emmanuel De Roquefeuil ceased to be a Director of the Company w.e.f. July 5, 2021 and Mr. Indrajit Sen ceased to be a Director of the Company w.e.f. January 31, 2022.

The Board places on record its appreciation for the services rendered by Mr. Emmanuel De Roquefeuil and Mr. Indrajit Sen during their tenure of directorship.

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 30, 2021, July 12, 2021, October 18, 2021 and January 17, 2022.

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

17. 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, 2022, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

18. 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 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 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.

19. 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.

20. 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 2021-22.

21. 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.

22. 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.

23. 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.

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, 2022 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.

25. 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 Saraf

Director

(DIN: 07924215)

Place: Delhi

Date: April 19, 2022

Mr. Rajeev Gupta

Director

(DIN: 06782710)

Place: Mumbai

Date: April 19, 2022

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:

- a. Partnership with communities in education and skill-building
- b. 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:

- a. Water Conservation & Purification
- b. Education and Skill Building
- c. Health
- d. Environment
- e. 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 meeting of CSR Committee held during the year	Number of meeting 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	Nil	Nil
4	Mr. Emmanuel De Roquefeuil**	Member/Non-Executive Director	1	1

*Appointed as a Member of the Committee w.e.f. July 12, 2021

**Ceased to be a Member of the Committee w.e.f. July 5, 2021

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company- Not applicable
4. Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)- Not applicable
5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any-

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in thousand)	Amount required to be set-off for the financial year, if any (₹ in thousand)
1	2021-22	120	Nil
	Total	120	

6. Average net profit of the Company as per section 135(5): ₹ 1,68,897 thousand
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 3,378 thousand
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 3,378 thousand
8. a) CSR amount spent/unspent for the financial year: ₹ 3,400 thousand
- b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

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

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the Project (in ₹ thousands)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through Implementing Agency	
			State	District			Name	CSR Registration Number
Indian Institute of Science	(ii)	No	Bangalore		3,400	Yes	Not Applicable	Not Applicable
TOTAL					3,400			

d) Amount spent in Administrative Overheads: Nil

e) Amount spent on Impact Assessment, if applicable: Nil

f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 3,400 thousand

g) Excess amount for set-off, if any

Amount (in ₹ Thousand)

Sr. No.	Particulars	FY 2021-22	FY 2020-21
(i)	Two percent of average net profit of the Company as per section 135(5)	3,378	2,354
(ii)	Total amount spent for the Financial Year	3,400	2,474
(iii)	Excess amount spent for the financial year [(ii)-(i)]	22	120
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	22	120

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

(b) Details of CSR amount spent in the Financial year for ongoing projects of the preceding financial year(s): Nil

10. There is no case of creation or acquisition of capital asset created or acquired through CSR spent in the financial year.

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

Mr. Ashish 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 31 March 2022, 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 2022, 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 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 40 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 37 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 38 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;
 - (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.

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

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

Mumbai, 19 April 2022

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 verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, 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 (45 of 1988).
- (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, duty of custom, duty of excise, value added 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 31 March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and on the basis of our examination of records of the Company, there were no disputed statutory dues referred to in sub-clause (a) as at 31 March 2022.
- (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 is 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.
- (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) (a) 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, 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(xxi) 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, 19 April 2022

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 31 March 2022 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 31 March 2022, 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, 19 April 2022

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	₹ in thousands	
		As at 31-03-2022	As at 31-03-2021
ASSETS:			
I. Non-current assets			
(a) Property, plant and equipment	4	4,330	9,339
(b) Other intangible assets	5	298	623
(c) Financial assets	6	3,575	3,450
(d) Deferred tax assets (net)	7	21,245	17,139
(e) Other non current assets	8	20,109	9,321
Total non-current assets		49,557	39,872
II. CURRENT ASSETS			
(a) Financial assets			
(i) Investments	9	275,113	145,917
(ii) Trade receivables	10	269,779	202,492
(iii) Cash and cash equivalents	11	8,924	842
(v) Other financial assets	12	6,971	9,575
(b) Other current assets	13	141,379	169,663
Total current assets		702,166	528,489
TOTAL ASSETS		751,723	568,361
EQUITY AND LIABILITIES			
I. Equity			
(a) Equity share capital	14	20,550	20,550
(b) Other equity		494,417	358,035
Total equity		514,967	378,585
II. Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	15		
Due to Micro and small enterprises		31	47
Due to others		144,372	105,539
(ii) Other financial liabilities	16	6,751	6,255
(b) Other current liabilities	17	53,577	50,318
(c) Provisions	18	8,773	14,395
(d) Current tax liabilities (net)		23,252	13,222
Total current liabilities		236,756	189,776
TOTAL EQUITY AND LIABILITIES		751,723	568,361
Notes forming part of the financial statements	1- 41		

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 19, 2022

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

Director
DIN: 06782710

Place: Mumbai
Date: April 19, 2022

ASHISH SARAF

Director
DIN: 07924215

Place: Delhi
Date: April 19, 2022

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

Particulars	Note No.	₹ in thousands	
		Year Ended 31-03-2022	Year ended 31-03-2021
I. Revenue from operations	19	919,125	849,339
II. Other income	20	8,201	599
III. TOTAL REVENUE		927,326	849,938
IV. Expenses:			
(a) Employee benefit expenses	21	145,375	207,478
(b) Depreciation and amortisation expenses	4 & 5	4,920	5,794
(c) Other expenses	22	595,024	465,491
(d) Finance costs	23	–	301
TOTAL EXPENSES		745,319	679,064
V. PROFIT BEFORE TAX (III - IV)		182,007	170,874
VI. Tax expense:			
(a) Current tax		51,126	40,286
(b) Deferred tax		(4,106)	5,769
TOTAL TAX EXPENSE	24	47,020	46,055
VII. PROFIT FOR THE YEAR (V - VI)		134,987	124,819
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		1,865	229
Income tax on items that will not be reclassified to the statement of profit and loss		(469)	(63)
IX. TOTAL COMPREHENSIVE INCOME, NET OF TAXES		136,383	124,985
X. EARNING PER EQUITY SHARE	25		
Basic - Rupee		65.69	60.74
Diluted - Rupee		65.69	60.74
Face value per equity share		10.00	10.00
XI. Notes forming part of the financial statements	1- 41		

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 19, 2022

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

RAJEEV GUPTA

Director
DIN: 06782710

Place: Mumbai
Date: April 19, 2022

ASHISH SARAF

Director
DIN: 07924215

Place: Delhi
Date: April 19, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

	₹ in thousands	
	Year Ended 31-03-2022	Year ended 31-03-2021
A. Cash flow from operating activities:		
Profit before tax	182,007	170,874
Adjustments for:		
Depreciation and amortisation	4,920	5,794
Interest received	(125)	(126)
Interest paid	-	301
(Profit)/loss on sale of fixed assets	(140)	-
Dividends received from current investments	(6,615)	(2,480)
Unrealized exchange (gain)/loss	(4,219)	(24,813)
Operating profit before working capital changes	175,828	149,550
Changes in working capital		
(Increase)/decrease in trade receivables	(63,496)	206,593
(Increase)/decrease in other receivables	30,939	294,979
Increase/(decrease) in trade & other payables	38,776	(413,621)
(Increase)/decrease in working capital	6,219	87,952
Cash generated from operations	182,046	237,502
Direct taxes paid	(51,935)	(54,418)
Net cash used in/from operating activities	130,111	183,084
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(82)	(5,117)
Sale of property, plant and equipment	636	1,003
(Purchase)/sale of current investments (net)	(129,898)	(112,414)
Gain/(loss) sale of current investments	7,315	1,580
Net cash used in/from investing activities	(122,029)	(114,947)
C. Cash flow from financing activities		
Proceeds from/(repayment of) borrowings (net)	-	(90,000)
Interest paid	-	(301)
Net cash used in/from financing activities	-	(90,301)
Net (decrease)/increase in cash and cash equivalents	8,082	(22,165)
Cash and cash equivalents at beginning of year	3,963	26,128
Cash and cash equivalents at end of year	12,045	3,963

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 31-03-2022	As at 31-03-2021
Cash and cash equivalents disclosed under current assets	8,924	842
Add: Other bank balances disclosed under non-current assets	3,575	3,450
Less: Accrued interest included in Other bank balances disclosed under non-current assets	(453)	(329)
	12,045	3,963

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 19, 2022

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

RAJEEV GUPTA
Director
DIN: 06782710

Place: Mumbai
Date: April 19, 2022

ASHISH SARAF
Director
DIN: 07924215

Place: Delhi
Date: April 19, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**A. EQUITY SHARE CAPITAL**

Particulars	As at 31-03-2022		As at 31-03-2021	
	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
	Reserves & Surplus		Other comprehensive income	
	Securities premium reserve	Retained earnings	Other items of other comprehensive income	
Balance as at 01-04-2020	72,751	155,590	4,708	233,050
Profit for the year	-	124,819	-	124,819
Other comprehensive income	-	-	166	166
Balance as at 31-03-2021	72,751	280,409	4,874	358,034
Balance as at 01-04-2021	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	72,751	415,396	6,270	494,417

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 19, 2022

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

RAJEEV GUPTA
Director
DIN: 06782710

Place: Mumbai
Date: April 19, 2022

ASHISH SARAF
Director
DIN: 07924215

Place: Delhi
Date: April 19, 2022

NOTES FORMING PART OF THE 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. As at March 31, 2022, L&T Technology Services Limited, the holding company owns 74% of the Company's equity share capital.

The Company is engaged in the business of software development mainly for flight management systems (FMS), cockpit display systems (CKT), air traffic management systems (ATM), global navigation satellite systems (GNSS) and in-flight entertainment systems (IFE).

The financial statements of the Company for the year ended March 31, 2022 were approved for issue by the Board of Directors on April 19, 2022.

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 (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI) 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 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 year, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for 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) 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 (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as 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 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 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.

(i) The estimated useful lives are as mentioned below:

Asset class	Useful life (years)
Computers	3-5
Office equipment	1-4
Furniture and fixtures	10
Owned vehicles	7
Lab Equipment	6-8

Based on technical evaluation, management believes that the useful lives as given above best represents the period over which 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 Act.

(ii) Estimated useful life of following assets is different than useful life as prescribed under Part C of schedule II of the Companies Act, 2013.

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 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.

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.

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

Non-derivative financial liabilities

Financial liabilities are initially recognised at fair value, 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**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.

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 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.

k) Impairment of assets**a) 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 IndAS 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.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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 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.

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.

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 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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES FORMING PART OF ACCOUNTS**4 PROPERTY, PLANT AND EQUIPMENT**

₹ in thousands

Particulars	Computers and Servers	Office equipments	Furniture and fixtures	Cars	Lab Equipments	Total
Gross carrying value as on 01-04-2021	28,795	3,193	1,087	826	3,623	37,524
Additions during the year	-	81	-	-	-	81
Disposals during the year	493	283	66	826	-	1,668
Gross carrying value as on 31-03-2022	28,302	2,991	1,021	-	3,623	35,937
Depreciation						
Depreciation as on 01-04-2021	24,469	2,411	433	254	618	28,185
For the year	3,070	439	150	78	857	4,594
On disposals	493	283	64	332	-	1,172
Depreciation as on 31-03-2022	27,046	2,567	519	-	1,475	31,607
Net carrying value as on 31-03-2022	1,256	424	502	-	2,148	4,330
<i>Net carrying value as on 31-03-2021</i>	<i>4,326</i>	<i>782</i>	<i>654</i>	<i>572</i>	<i>3,005</i>	<i>9,339</i>

5 OTHER INTANGIBLE ASSETS

₹ in thousands

Particulars	Specialized Software	Total
Gross carrying value as on 01-04-2021	25,253	25,253
Additions during the year	-	-
Disposals during the year	-	-
Balance as on 31-03-2022	25,253	25,253
Amortisation		
Amortisation as on 01-04-2021	24,630	24,630
For the year	326	326
On Disposals	-	-
Amortisation as on 31-03-2022	24,955	24,955
Net carrying value as on 31-03-2022	298	298
<i>Net carrying value as on 31-03-2021</i>	<i>623</i>	<i>623</i>

6 OTHER FINANCIAL ASSETS**Non-current**

Fixed deposits*

	₹ in thousands	
	As at 31-03-2022	As at 31-03-2021
	3,575	3,450
	3,575	3,450

* Fixed deposits are margin money deposits against bank guarantees

7 DEFERRED TAX ASSETS (NET)

₹ in thousands

Description	DTL/(DTA) Charge/(credit) to P&L		DTL/(DTA)
	As at 01-04-2021		As at 31-03-2022
Property, plant and equipment and other intangible assets	(1,555)	(279)	(1,833)
Provision for statutory liabilities	(8,136)	(774)	(8,910)
Unpaid statutory liabilities & provision for Compensatory absences	(3,745)	(64)	(3,810)
Others	(3,703)	(2,990)	(6,692)
Total	(17,139)	(4,106)	(21,245)

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31-03-2022	₹ in thousands As at 31-03-2021
8 OTHER NON CURRENT ASSETS		
Prepaid expenses	-	51
Income tax receivable (net)	20,109	9,270
	20,109	9,321

	As at 31-03-2022 Units	As at 31-03-2022 Amount	As at 31-03-2021 Units	₹ in thousands As at 31-03-2021 Amount
9 INVESTMENTS				
Current investment				
Investment in mutual funds				
Quoted				
L&T Liquid Fund - Regular - Daily Dividend Reinvestment	94,380	275,113	51,763	145,917
	94,380	275,113	51,763	145,917
Aggregate amount of quoted current investments and market value thereof:				
Aggregate amount of quoted investment at cost		274,986		145,480
Aggregate amount of quoted investment at Market value		275,113		145,917

	As at 31-03-2022	₹ in thousands As at 31-03-2021
10 TRADE RECEIVABLES		
Current		
Unsecured, considered good	291,541	214,621
Less: Allowance for doubtful debt	(21,762)	(12,129)
	269,779	202,492

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 31-03-2022						
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						269,779
As at 31-03-2021						
Undisputed trade receivables - considered good	202,148	2,757	6,317	2,563	836	214,621
Less: Allowance for doubtful debt						(12,129)
Trade receivables Total						202,492

	As at 31-03-2022	₹ in thousands As at 31-03-2021
11 CASH AND CASH EQUIVALENTS		
Balances with banks	3,048	842
Remittance in transit	5,876	-
	8,924	842

NOTES FORMING PART OF ACCOUNTS (Contd.)

	₹ in thousands	
	As at 31-03-2022	As at 31-03-2021
12 OTHER FINANCIAL ASSETS		
Unbilled revenue	1,413	2,767
Less: ECL on unbilled revenue	(69)	(66)
	<u>1,344</u>	<u>2,701</u>
Advances to employees	15	15
Security deposits	5,612	6,859
	<u>6,971</u>	<u>9,575</u>
13 OTHER CURRENT ASSETS		
Unbilled revenue	66,906	72,949
Less: ECL on unbilled revenue	(3,278)	(1,738)
	<u>63,628</u>	<u>71,211</u>
Prepaid expenses	1,076	870
GST receivable	76,593	68,529
GST/Service tax recoverable (net of Service tax refund related provision)	-	29,053
Other receivables	82	-
	<u>77,751</u>	<u>98,452</u>
	<u>141,379</u>	<u>169,663</u>
14 SHARE CAPITAL		
14.1 Authorised:		
2,500,000 Equity shares of ₹ 10 each	25,000	25,000
(31 March 2022: 2,500,000 Equity shares of ₹ 10 each)		
(01 April 2021: 2,500,000 Equity shares of ₹ 10 each)		
	<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 2022: 20,54,989 Equity shares of ₹ 10 each)		
(01 April 2021: 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, 2022:		
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 31-03-2022	As at 31-03-2021
	No. of shares	No. of shares
	% Holding	% Holding
Equity shares		
L&T Technology Services Limited	1,520,692	1,520,692
	74%	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 31-03-2022	As at 31-03-2021
	No. of shares	No. of shares
	% Holding	% Holding
Equity shares		
L&T Technology Services Limited	1,520,692	1,520,692
Thales Services SAS, France	534,297	534,297
	74%	74%
	26%	26%
	<u>2,054,989</u>	<u>2,054,989</u>

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31-03-2022	₹ in thousands As at 31-03-2021
15 TRADE PAYABLES		
Due to Related Parties	115,349	76,719
Micro and small enterprises	31	47
Due to others:		
Liability for revenue goods/services	28,282	28,258
Supplier ledger - Revenue goods/Services	742	562
	144,404	105,586

Ageing of Trade payables:

Particulars	Less than 6 months	For less than 1 year	1 to 2 years	2 to 3 years	Total
As at 31-03-2022					
Due to Micro and small enterprise	31	-	-	-	31
Due to others	141,570			2,803	144,372
Total	141,601	-	-	2,803	144,404
As at 31-03-2021					
Due to Micro and small enterprise	47	-	-	-	47
Due to others	102,736			2,803	105,539
Total	102,783	-	-	2,803	105,586

	As at 31-03-2022	₹ in thousands As at 31-03-2021
16 OTHER FINANCIAL LIABILITIES		
Other payables	34	43
Liability towards employee compensation	6,717	6,212
	6,751	6,255
17 OTHER CURRENT LIABILITIES		
Unearned revenue	38,652	36,802
Other payables	14,925	13,368
Liability - employee car/computer schemes	-	148
	53,577	50,318
18 PROVISIONS		
Provisions for employee benefits:		
Leave encashment	3,525	8,475
Gratuity unfunded plan	5,248	5,920
	8,773	14,395

NOTES FORMING PART OF ACCOUNTS (Contd.)

	₹ in thousands	
	Year ended 31-03-2022	Year ended 31-03-2021
19 REVENUE FROM OPERATIONS		
Engineering and technology services	919,125	849,339
	919,125	849,339
20 OTHER INCOME		
Foreign exchange gain/(loss)	1,163	(2,309)
Profit/(loss) on sales of fixed asset	140	-
Gain/(loss) from mutual fund investments measured at fair value	(702)	900
Bank interest received	125	126
Miscellaneous income	158	302
Net gain/(loss) on sale of investment	7,317	1,580
	8,201	599
21 EMPLOYEE BENEFIT EXPENSES		
Salaries including overseas staff expenses	138,872	200,705
Staff welfare	291	591
Contribution to provident and other funds	4,632	4,588
Provision for gratuity	1,580	1,594
	145,375	207,478
22 OTHER OPERATING EXPENSES		
Subcontracting and component charges	537,989	432,113
Engineering, professional, technical and consultancy fees	-	23
Cost of computer software	304	764
Travelling and conveyance	4,363	5,346
Rent and establishment expenses	10,349	9,768
Telephone, postage and other communication charges	2,191	2,203
Legal and professional charges	1,950	3,311
Repairs to buildings & machineries	4,900	4,519
Power and fuel	2,379	2,557
Equipment hire charges	72	284
Rates & taxes	3,207	(11,722)
Allowances for doubtful debts on trade receivable	9,633	4,841
ECL on unbilled revenue	1,543	(1,339)
Overheads charged by group companies	9,732	8,914
Corporate social responsibility expenditure	3,400	2,474
Miscellaneous expenses	3,012	1,435
	595,024	465,491
23 FINANCE COST		
Interest paid		
Interest paid/payable - others	-	301
	-	301
24 PROVISION FOR TAXATION		
Current tax	51,126	40,286
Deferred tax	(4,106)	5,769
	47,020	46,055

NOTES FORMING PART OF ACCOUNTS (Contd.)

	Year ended 31-03-2022	Year ended 31-03-2021
₹ in thousands		
25 BASIC AND DILUTED EARNING PER EQUITY SHARE (EPS)		
Basic and diluted EPS		
Profit after tax	134,987	124,819
Profit attributable to equity shareholders	134,987	124,819
Weighted average no. of equity shares outstanding	2,054,989	2,054,989
Basic EPS - Rupees	65.69	60.74
Diluted		
Profit after tax	134,987	124,819
Profit attributable to equity shareholders	134,987	124,819
Weighted average no. of equity shares outstanding	2,054,989	2,054,989
Weighted average no. of equity shares outstanding	2,054,989	2,054,989
Diluted EPS - Rupees	65.69	60.74

26 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, 2022	For year ended March 31, 2021
Fixed price contracts	616,732	713,850
Time and materials contracts	302,393	135,488
Total	919,125	849,338

ii) Refer Note 34 for disaggregation of revenue by geographical segments.

iii) The Company believes that this disaggregation best depicts how the nature, amount, timing of our 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, 2022, other than those meeting the exclusion criteria mentioned below in (ii), is ₹ 207,605 thousands (PY: ₹ 235,898 thousands). 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, 2022		For year ended March 31, 2021	
	Unbilled revenue	Advance from customer	Unbilled revenue	Advance from customer
Balance as of April 1, 2021	73,912	36,802	186,877	34,442
Revenue recognised during period	18,763	(36,802)	24,821	(34,442)
invoiced during period	(26,160)	38,652	(139,125)	36,802
(Impairment)/reversal during period	(1,543)	-	1,339	-
Balance as of March 31, 2022	64,972	38,652	73,912	36,802

NOTES FORMING PART OF ACCOUNTS (Contd.)

	Year ended 31-03-2022	Year ended 31-03-2021
27 DETAILS OF PAYMENT TO AUDITORS		
Payment to auditors		
As auditor:		
Statutory audit	593	587
Tax audit	133	133
Other services:		
- Other services including certification work	134	81
	860	801

28 FAIR VALUE MEASUREMENTS
Financial instrument by category

₹ in thousands

	As at 31-03-2022			As at 31-03-2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity investment						
- Mutual funds	275,113	-	-	145,917	-	-
- Bank fixed deposits		-	3,575		-	3,450
Trade receivables	-	-	269,779	-	-	202,492
Cash and cash equivalents	-	-	8,924	-	-	842
Security deposits	-	-	5,612	-	-	6,859
Premium receivable on financial guarantee contracts	-	-	-	-	-	-
Loans - related parties	-	-	-	-	-	-
Advances - to employees	-	-	15	-	-	15
Other receivables	-	-	1,344	-	-	2,701
Total financial assets	275,113	-	289,248	145,917	-	216,359
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	144,404	-	-	105,586
Other payables	-	-	34	-	-	43
Liability towards employee compensation	-	-	6,717	-	-	6,212
Total financial liabilities	-	-	151,155	-	-	111,841

(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

	As at 31-03-2022				As at 31-03-2021			
	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								
Mutual funds	275,113	-	-	275,113	145,917	-	-	145,917
Total financial assets	275,113	-	-	275,113	145,917	-	-	145,917

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).

NOTES FORMING PART OF ACCOUNTS (Contd.)

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 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.
- * 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.

29 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 ₹ 21,762 thousand as at March 31, 2022 and ₹ 12,129 thousand as at March 31, 2021. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

	₹ in thousands	
	2021-22	2020-21
Opening balance of allowances for doubtful accounts	12,129	7,288
Allowances recognized (reversed)	9,633	4,841
Closing balance of allowances for doubtful accounts	21,762	12,129

The percentage of revenue from its top five customers is 94% for 2021-22 (94% for 2020-21).

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, 2022.

NOTES FORMING PART OF ACCOUNTS (Contd.)

The contractual maturities of financial assets and financial liabilities as at March 31, 2022 is as follows:

	₹ in thousands		
	Less than 1 year	More than 1 year	Total
Financial Assets			
Investments	275,113	–	275,113
Trade receivables	269,779	–	269,779
Other financial assets	6,971	–	6,971
Total	551,863	–	551,863
Financial liabilities			
Borrowings	–	–	–
Trade payables	144,404	–	144,404
Other financial liabilities	6,751	–	6,751
Total	151,155	–	151,155

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 ₹ 688 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 ₹ 688 thousand and favourably impact the equity by the same amount.

30 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:

	₹ in thousands	
Particulars	2021-22	2020-21
Accounting Profit Before Income Tax	182,007	170,874
Corporate Income Tax Rate	25.168%	25.168%
Tax at Income tax rate	45,808	43,005
Non Deductible Tax Expenses		
CSR Expense	856	–
Others	356	(22)
First time recognition of deferred tax assets	–	26
Adjustment on account of change in effective rate used for deferred tax	–	3,109
Tax on other comprehensive income	(469)	(63)
Total tax expense as per books of accounts	46,551	46,055

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

The Company has recognised ₹ 4,589 thousand (PY ₹ 4,520 thousand) as Provident Fund Contribution towards defined contribution plan as an expense in the statement of profit and loss.

NOTES FORMING PART OF ACCOUNTS (Contd.)**ii) Defined benefit plan**

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

₹ in thousands

		Gratuity plan	
		As at 31-03-2022	As at 31-03-2021
A.	Present value of defined benefit obligation		
	Wholly funded	–	–
	Wholly unfunded	5,248	5,921
		5,248	5,921
	Less: fair value of Plan assets	–	–
	Amount to be recognised as liability or (asset)	5,248	5,921
B.	Amounts reflected in the balance sheet		
	Liabilities	5,248	5,921
	Net liability/(asset)	5,248	5,921

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

₹ in thousands

		Gratuity plan	
		As at 31-03-2022	As at 31-03-2021
1	Current service cost	1,238	1,312
2	Interest cost	342	282
	Total expense for the year included in Employee benefit expense	1,580	1,594

c) Amount recorded In other comprehensive income:

₹ in thousands

		Gratuity plan	
		As at 31-03-2022	As at 31-03-2021
1	Opening amount recognized in OCI Profit and Loss Account	(6,200)	(5,971)
2	Remeasurement during the period due to		
	Changes in financial assumptions	(150)	(130)
	Changes in demographic assumptions	(112)	108
	Experience adjustments	(1,603)	(207)
	Closing amount recognized in OCI outside Profit and Loss Account	(8,065)	(6,200)

d) Reconciliation of net liability asset:

₹ in thousands

		Gratuity plan	
		As at 31-03-2022	As at 31-03-2021
	Opening net defined benefit	5,921	4,683
	Expense charged to the statement of profit and loss	1,580	1,594
	Amount recognized outside the statement of profit and loss	(1,865)	(229)
	Employer's contributions	(387)	(127)
	Closing balance of the present value of defined benefit obligation	5,248	5,921

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

Movement in Benefit Obligations:

₹ in thousands

Particulars	Gratuity plan	
	As at 31-03-2022	As at 31-03-2021
Opening of defined benefit obligation	5,921	4,683
Transfer in/(out)		
Current service cost	1,238	1,312
Past service cost	–	–
Interest on defined benefit obligation	342	282
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(150)	(130)
Actuarial loss/(gain) arising from change in demographic assumptions	(112)	108
Actuarial loss/(gain) arising on account of experience changes	(1,603)	(207)
Benefits paid	(387)	(127)
Liabilities assumed/(settled)	–	–
Closing balance of the plan assets	5,248	5,921

Movement in plan assets:

₹ in thousands

Particulars	Gratuity plan	
	As at 31-03-2022	As at 31-03-2021
Employer's contributions	387	127
Benefits paid	(387)	(127)
Closing balance of the plan assets	–	–

Sensitivity analysis:

	Gratuity plan	
	As at 31-03-2022	As at 31-03-2021
Impact of increase in 100 bps on DBO		
- Discount rate	-6.59%	-6.70%
- Salary escalation rate	6.86%	7.55%
Impact of decrease in 100 bps on DBO		
- Discount rate	7.43%	7.58%
- Salary escalation rate	-6.71%	-6.80%

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

Particulars	As at 31-03-2022	As at 31-03-2021
1 Discount rate		
Gratuity plan	6.55%	6.15%
2 Salary growth rate	5.50%	5.50%
3 Attrition rate	0% to 22% for various age groups	1% to 25% for various age groups

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

₹ in thousands

Particulars	As at 31-03-2022	As at 31-03-2021
Gratuity plan		
1 Defined benefit obligation	5,248	5,921
2 (Surplus)/deficit	5,248	5,921

NOTES FORMING PART OF ACCOUNTS (Contd.)**32 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
Larsen & Toubro Infotech Limited	Fellow Subsidiary
Mindtree Limited	Fellow Subsidiary
L&T Hydrocarbon Engineering Limited*	Fellow Subsidiary

*During the year, L&T Hydrocarbon Engineering Limited is merged with its Parent Company Larsen & Toubro Limited as per the order of National Company Law Tribunal with effect from April 01, 2021.

(iii) Disclosure of related party transactions:

Transactions	₹ in thousands	
	31-Mar-22	31-Mar-21
Sale of services:		
Holding Company	473	2,943
- L&T Technology Services Limited	473	2,943
Purchase of services:		
Holding Company	467,724	368,165
- L&T Technology Services Limited	467,494	367,930
- Larsen & Toubro Limited	230	235
Fellow Subsidiaries	63,192	52,460
- Larsen & Toubro Infotech Limited	93	7,990
- Mindtree Limited	63,099	44,470
Interest paid:		
Holding Company	-	299
- L&T Technology Services Limited	-	299
Repayment of Inter company borrowing:		
Holding Company	-	90,000
- L&T Technology Services Limited	-	90,000
Services availed by the Company:		
Holding Company	48,466	108,228
- Larsen & Toubro Limited	163	-
- L&T Technology Services Limited	48,303	108,228
Fellow Subsidiaries	-	192
- L&T Hydrocarbon Engineering Limited	-	192
Services rendered by the Company:		
Holding Company	26	-
- L&T Technology Services Limited	26	-
Trade receivable:		
Holding Company	5,832	5,626
- L&T Technology Services Limited	5,832	5,626
Associate Company	135	135
- Thales Services SAS, France	135	135

NOTES FORMING PART OF ACCOUNTS (Contd.)

₹ in thousands		
Transactions	31-Mar-22	31-Mar-21
Trade payable:		
Holding Company	96,863	71,301
- Larsen & Toubro Limited	918	542
- L&T Technology Services Limited	95,945	70,759
Associate Company	1,342	3,577
- Thales Services SAS, France	1,342	3,577
Fellow Subsidiaries	17,143	1,841
- Larsen & Toubro Infotech Limited	-	1,628
- Mindtree Limited	17,143	-
- L&T Hydrocarbon Engineering Limited	-	212

33 LEASES

The lease rentals charged during the period are as under:

Particulars	₹ in thousands	
	Year ended March 31, 2022	Year ended March 31, 2021
Lease rentals	10,188	9,475

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	₹ in thousands	
	As at March 31, 2022	As at March 31, 2021
Not later than 1 year	10,439	2,641
Later than 1 year and not later than 5 years	2,641	-
Later than 5 years	-	-

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

34 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:

₹ in thousands					
Particulars	North America	Europe	India	Rest of world	Total
Revenue by location of customers	523,507	250,574	145,044	-	919,125
	<i>471,699</i>	<i>242,818</i>	<i>129,091</i>	<i>5,731</i>	<i>849,339</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.

- 35** There are ₹ 31 thousands (PY - ₹ 47 thousand) - 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.
- 36** 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 preceeding three financial years on corporate social responsibility (CSR) activities. Amount spent by the Company on CSR related activities during the year is ₹ 3,378 thousand (PY - ₹ 2,354 thousand). During the year, the Company has spent ₹ 3,400 thousand for education and skill building (PY ₹ 2,474 thousand for education and skill building).
- 37** The Company does not have any long-term contracts as on March 31, 2022 (PY ₹ Nil), including derivative contracts for which there are any material foreseeable losses.
- 38** There are no amounts due and outstanding to be credited to Investor education and protection fund as at March 31, 2022 (PY ₹ Nil).

NOTES FORMING PART OF ACCOUNTS (Contd.)**39 Financial ratios:**

Ratio	Formula	For year ended 31-03-2022	For year ended 31-03-2021
Current ratio	Current assets/Current liabilities	2.97	2.78
Debt equity ratio	Debt/Total shareholder's equity	-	-
Debt service coverage ratio	EBIT/Debt	-	-
Return on equity	PAT/Total average equity	30%	39%
Trade receivables turnover ratio #	Revenue from operation/Average trade receivable	3.9	2.7
Trade payable turnover ratio #	Adjusted expenses/Average trade payables	4.7	1.4
Net capital turnover ratio	Revenue from operation/Average working capital	2.3	3.1
Net profit %	Profit after tax/Revenue from operations	15%	15%
EBITDA %	EBITDA/Revenue from operations	19%	21%
EBIT %	EBIT/Revenue from operations	19%	20%
Return on capital employed %	PBIT/Average capital employed	41%	54%
Return on investment	Interest income/average investment	3.1%	2.8%

Reasons for change in ratios by more than 25%:

Trade receivables to turnover and trade payables to turnover ratios improved significantly on account of better working capital management. Movement in Net Capital turnover ratio is mainly on accounts higher balances in current assets.

40 Contingent Liability - ₹ Nil (PY ₹ Nil).

41 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 19, 2022

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

RAJEEV GUPTA
Director
DIN: 06782710

Place: Mumbai
Date: April 19, 2022

ASHISH SARAF
Director
DIN: 07924215

Place: Delhi
Date: April 19, 2022

BOARD REPORT

Dear Members,

It is our pleasure to present the Board Report and Audited Accounts for the year ended March 31, 2022.

1. FINANCIAL RESULTS:

Particulars	2021-22	2020-21
	USD	USD
Total Income	89,544,689	66,221,962
Total Expenditure	80,833,802	62,778,156
Operating Profit/(Loss)	8,710,887	3,443,806
Add: Other Income	194,436	228,608
Less: Depreciation & Finance Costs	-	39,628
Profit/(Loss) before Tax	8,905,323	3,632,786
Less: Tax	3,058,962	1,278,236
Net Profit/(Loss) after Tax	5,846,361	2,354,550
Add: Balance b/f from previous year	9,005,420	6,650,870
Balance available for disposal which directors appropriate as follows:	14,851,781	9,005,420
Dividend	-	-
Transfer to Reserves	-	-
Balance to be carried forward	14,851,781	9,005,420

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, 2022.

3. CAPITAL EXPENDITURE:

As at March 31, 2022, 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 19,405,462. 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 was USD 89,544,689 as against USD 66,221,962 for the previous financial year registering an increase of 35%. The profit before tax from continuing operations including extraordinary and exceptional items was USD 8,905,323 and the profit after tax from continuing operations including extraordinary and exceptional items was USD 5,846,361 for the financial year under review as against USD 3,632,786 and USD 2,354,550 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), 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 are 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.
	Currency	CAD	USD
1	Share capital	6,612	4,600
2	Reserves	(152,766)	2,000,082
3	Current liabilities	1,305,781	8,677,749
4	Non-current liabilities	-	-
5	Total equity and liabilities (1+2+3+4)	1,159,627	10,682,431
6	Non-current assets	-	2,114,650
7	Current assets	1,159,627	8,567,781
8	Total assets (6+7)	1,159,627	10,682,431

Sr. No.	Particulars	L&T Technology Services (Canada) Limited	Orchestra Technologies Inc.
	Currency	CAD	USD
9	Investments included in current assets (7 above)	–	–
10	Cash flow from operating activities	189,838	67,058
11	Cash flow from investing activities	–	(1,482)
12	Cash flow from financing activities	–	–
13	Net increase in cash and cash equivalents (10+11+12)	189,838	65,576
14	Revenue from operations	1,091,913	22,399,615
15	Profit before taxation	(159,666)	(1,062,445)
16	Provision for taxation	–	(152,066)
17	Profit after taxation	(159,666)	(910,379)
18	% of share holding	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, 2022, 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, 2022.

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 13, 2022

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, 2022, and March 31, 2021, and the related statements of income, changes in member's equity, and cash flows for the years 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 for 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, 2022, and March 31, 2021, 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 \$11,957,113 and \$7,949,587 and; total liabilities would have increased by \$14,985,685 and \$9,577,924 as at March 31, 2022, and March 31, 2021, respectively; and member's equity would have decreased by \$3,028,572 and \$1,628,337 as of March 31, 2022, and March 31, 2021, respectively; and net income would have decreased by \$1,366,083 and \$1,060,440, 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 13, 2022

BALANCE SHEETS

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

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	5,423,276	2,471,752
Accounts receivable, net	18,729,878	8,937,575
Due from related parties	584,251	7,796
Prepaid and other current assets	5,573,488	4,680,871
Total current assets	30,310,893	16,097,994
Property and equipment, net	1,014,989	712,366
Goodwill and other intangible assets, net	14,679,916	15,047,959
Operating lease right-of-use ('ROU') assets	3,710,557	1,163,388
Investments	13,405,896	13,405,896
Deferred tax assets	695,022	722,111
Other assets	332,105	63,894
Total assets	64,149,378	47,213,608
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	3,661,189	670,130
Due to related parties	4,040,386	1,760,223
Operating lease liability, current portion	702,674	349,170
Other current liabilities	8,679,070	5,856,858
Total current liabilities	17,083,319	8,636,381
Operating lease liability, non-current portion	2,984,669	794,379
Contingent consideration	3,219,609	2,767,428
Total liabilities	23,287,597	12,198,188
Member's equity		
Member's equity	26,010,000	26,010,000
Accumulated surplus	14,851,781	9,005,420
Total member's equity	40,861,781	35,015,420
Total liabilities and member's equity	64,149,378	47,213,608

(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 13, 2022

STATEMENTS OF INCOME

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

	For the year ended March 31, 2022	<i>For the year ended March 31, 2021</i>
Revenues	89,544,689	66,221,962
Total revenues	89,544,689	66,221,962
Operating expenses		
Cost of revenues	74,131,690	55,945,790
Selling, general and administrative expenses	5,493,200	4,185,523
Depreciation and amortization	756,731	2,410,721
Change in fair value of contingent consideration	452,181	236,122
Total operating expenses	80,833,802	62,778,156
Operating profit	8,710,887	3,443,806
Finance cost	-	(39,628)
Other income	194,436	228,608
Profit before income tax	8,905,323	3,632,786
Current tax expense	3,031,873	2,023,215
Deferred tax expense (benefit)	27,089	(744,979)
Net profit	5,846,361	2,354,550

*(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 13, 2022

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, 2020	15,010,000	6,650,870	21,660,870
Issue of membership units	11,000,000	–	11,000,000
Net profit for the year	–	2,354,550	2,354,550
Balance as at March 31, 2021	26,010,000	9,005,420	35,015,420
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

(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 13, 2022

STATEMENTS OF CASH FLOWS

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

	For the year ended March 31, 2022	<i>For the year ended March 31, 2021</i>
Cash flow from operating activities		
Net profit	5,846,361	2,354,550
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	756,731	2,410,721
Deferred tax expense (benefit)	27,089	(744,979)
Allowance for bad debts	310,982	194,910
Unwinding of interest on contingent consideration	452,181	236,122
Changes in current assets and liabilities		
Accounts receivable, net	(10,103,285)	6,418,628
Prepaid and other current assets	(892,618)	5,266,764
Other assets	(268,209)	1,676
Operating lease right of use asset and liability	(3,377)	(756,764)
Accounts payable	2,991,061	545,980
Due from related parties	(576,455)	2,720,226
Due to related parties	2,280,163	(10,396,050)
Other current liabilities	2,822,211	(3,707,381)
Net cash provided by operating activities	3,642,835	4,544,403
Cash flow from investing activities		
Purchase of property and equipment	(691,311)	705,934
Investment in subsidiaries	-	(10,874,590)
Net cash used in investing activities	(691,311)	(10,168,656)
Cash flow from financing activities		
Repayment of short-term line of credit	-	(4,000,000)
Issue of member's equity	-	11,000,000
Net cash provided by financing activities	-	7,000,000
Net increase in cash and cash equivalents	2,951,524	1,375,747
Cash and cash equivalents at the beginning of the year	2,471,752	1,096,005
Cash and cash equivalents at the end of the year	5,423,276	2,471,752
Supplemental cash flow information		
Income taxes paid	2,519,242	1,921,171
Interest paid	-	39,628
Supplementary non-cash information		
Earn-out provision, non-cash investment	-	2,767,428

*(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 13, 2022*

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

(All amounts in United State 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 the subsidiaries had been consolidated with those of the Company, total assets would have increased by \$11,957,113 and \$7,949,587 and; total liabilities would have increased by \$14,985,685 and \$9,577,924 as at March 31, 2022, and March 31, 2021, respectively; and member's equity would have decreased by \$3,028,572 and \$1,628,337 as of March 31, 2022, and March 31, 2021, respectively; and net income would have decreased by \$1,366,083 and \$1,060,440, respectively, for the years then ended.
- b) The separate parent company financial statements presented are for the years ended March 31, 2022, and March 31, 2021.
- 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 State Dollars, unless otherwise stated)

7. 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.

8. 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

9. 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.

10. 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.

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

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

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

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

11. 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.

12. 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.

13. 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.

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.

14. 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.

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

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

15. Retirement and employee benefits

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

16. 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, 2022</u>	<u>As at March 31, 2021</u>
Bank balance	5,423,276	2,471,752
Total	<u>5,423,276</u>	<u>2,471,752</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, 2022</u>	<u>As at March 31, 2021</u>
Due from customers	19,447,235	9,343,950
Less: allowances for doubtful debts	(717,357)	(406,375)
Total	<u>18,729,878</u>	<u>8,937,575</u>

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

	<u>Year ended March 31, 2022</u>	<u>Year ended March 31, 2021</u>
Beginning balance	406,375	211,465
Add: Provision during the year	310,982	194,910
Closing balance	<u>717,357</u>	<u>406,375</u>

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

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

NOTE D - PREPAID AND OTHER CURRENT ASSETS

Prepaid and other current assets comprise of the following:

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Unbilled receivables	5,284,909	4,407,801
Prepaid expenses	260,613	144,159
Advance to vendors	4,253	94,307
Other current assets	23,713	34,604
Total	<u><u>5,573,488</u></u>	<u><u>4,680,871</u></u>

NOTE E - PROPERTY AND EQUIPMENT, NET

Property and equipment, net comprise of the following:

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Information technology equipment	1,611,957	978,112
Office equipment, furniture, and fixtures	488,730	431,264
	<u>2,100,687</u>	<u>1,409,376</u>
Less: accumulated depreciation	<u>(1,085,698)</u>	<u>(697,010)</u>
Property and equipment, net	<u><u>1,014,989</u></u>	<u><u>712,366</u></u>

Depreciation for the year ended March 31, 2022, is \$388,688 (year ended March 31, 2021, \$306,465).

NOTE F - GOODWILL AND OTHER INTANGIBLES, NET

Goodwill and other intangibles, net comprise of the following:

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Goodwill	14,631,012	14,631,012
Customer relationships	13,063,000	13,063,000
Computer software	203,629	203,629
	<u>27,897,641</u>	<u>27,897,641</u>
Less: accumulated amortization	<u>(13,217,725)</u>	<u>(12,849,682)</u>
Goodwill and other intangibles, net	<u><u>14,679,916</u></u>	<u><u>15,047,959</u></u>

Amortization expense for the year ended March 31, 2022, is \$368,043 (year ended March 31, 2021, \$2,104,256).

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	21,708
2025	5,488

NOTE G - INVESTMENTS

The following table presents a summary of the investments:

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Investment made in Orchestra Technology, Inc., at cost*	13,400,896	13,400,896
Investment in L&T Technology Services, Canada at cost	5,000	5,000
Total	<u><u>13,405,896</u></u>	<u><u>13,405,896</u></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:

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

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

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

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

Particulars	Consideration
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.

Asset and liabilities purchased as a part of common control transaction:	Amount
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	8,567,867

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.

NOTE H - OTHER ASSETS

Other assets consist of the following:

	As at March 31, 2022	<i>As at March 31, 2021</i>
Deposits	90,395	63,894
Advance for fixed assets	237,311	-
Other assets	4,399	-
Total	332,105	63,894

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. The line of credit is guaranteed by L&T Technology Services Limited, Holding Company, and is valid up to September 30, 2022. Interest on the line of credit is at LIBOR rate, payable monthly. During the year, the Company has not utilized the facility.

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

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

NOTE J - OTHER CURRENT LIABILITIES

Other current liabilities comprise the following:

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Employee benefits	3,102,409	2,256,145
Statutory liabilities	762,083	1,141,211
Deferred revenue	-	41,743
Provision for income tax	1,016,899	455,585
Other payables	3,797,679	1,962,174
Total	<u><u>8,679,070</u></u>	<u><u>5,856,858</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 \$3,219,609 and \$2,767,428 as at March 31, 2022 and March 31, 2021, respectively.

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, 2022, and March 31, 2021, the Company contributed \$367,113 and \$341,485 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, 2022</u>	<u>Year ended March 31, 2021</u>
Services	89,544,689	66,221,962
Total	<u><u>89,544,689</u></u>	<u><u>66,221,962</u></u>

The following table presents revenue disaggregated by timing of recognition:

	<u>Year ended March 31, 2022</u>	<u>Year ended March 31, 2021</u>
Services transferred over time	89,544,689	66,221,962
Total	<u><u>89,544,689</u></u>	<u><u>66,221,962</u></u>

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, 2022</u>	<u>As at March 31, 2021</u>
Unbilled receivables (contract assets)	5,284,909	4,407,801
Deferred revenue (contract liabilities)	-	(41,743)
	<u><u>5,284,909</u></u>	<u><u>4,366,058</u></u>

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

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

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:

	Year ended March 31, 2022	Year ended March 31, 2021
Current taxes		
Federal	1,975,978	1,341,246
State	1,055,895	681,969
Deferred taxes		
Federal	8,086	(573,471)
State	19,003	(171,508)
	<u>3,058,962</u>	<u>1,278,236</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:

	Year ended March 31, 2022	Year ended March 31, 2021
Income tax at federal rate	1,864,576	762,886
State tax, net of federal effect	1,066,627	351,708
Return to provision	30,346	28,288
Permanent differences	97,413	141,473
Change in net operating losses (NOL's)	-	13,479
Others	-	(19,598)
Total	<u>3,058,962</u>	<u>1,278,236</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:

	As at March 31, 2022	As at March 31, 2021
Non-current deferred tax liabilities		
Property and equipment	(290,443)	(214,972)
Acquired goodwill	(473,165)	(408,453)
Total deferred tax liabilities	<u>(763,608)</u>	<u>(623,425)</u>
Non-current deferred tax assets		
Identified intangibles	663,457	663,116
Net operating losses	12,637	20,041
Provision for rebate	65,659	22,597
Provision for bad debts	195,996	58,487
Operating lease adjustments	45,827	9,327
Accrued expenses	475,054	571,968
Total	<u>1,458,630</u>	<u>1,345,536</u>
Less: valuation allowance	-	-
Total deferred tax assets	<u>1,458,630</u>	<u>1,345,536</u>
Net deferred taxes, before valuation allowance	1,168,187	1,130,564
Less: deferred tax asset valuation allowance	-	-
Deferred tax liability - Goodwill	(473,165)	(408,453)
Net deferred taxes	<u>695,022</u>	<u>722,111</u>
Components of net deferred taxes		
Net deferred tax asset	1,168,187	1,130,564
Deferred tax liability - Goodwill	(473,165)	(408,453)
Total	<u>695,022</u>	<u>722,111</u>

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

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

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 asset of \$695,022 and \$722,111 as at March 31, 2022 and March 31, 2021, respectively.

The Company has no federal NOLs carryforwards as at March 31, 2022, and March 31, 2021.

The Company has state net operating loss carryforwards of approximately \$335,585 and \$487,344 as at March 31, 2022 and March 31, 2021, which if unutilized will expire based on the statutes of various states.

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, 2022, and March 31, 2021.

The tax years 2018 through 2020 remain subject to examination by the taxing authorities.

NOTE O - RELATED PARTY TRANSACTIONS

Where control exists

No.	Name of the party	Nature of relationship
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

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

	March 31, 2022	<i>March 31, 2021</i>
L&T Technology Services Limited		
<i>Transactions during the year</i>		
- Corporate guarantee charges*	53,624	57,305
- Expenses paid by the holding company on Company's behalf	533,764	703,581
- Expenses paid by the Company on behalf of the holding company	892,213	-
- Capital contribution in the Company	-	11,000,000
- Services availed by the Company	328,532	284,922
- Services rendered by the Company	143,625	196,819
- Sub-contracting expenses	12,299,156	12,894,424
- Sub-contracting revenue	14,302,268	8,937,461
- Seat cost charge incurred by Company	90,488	134,318
<i>Balance</i>		
- Payable as at	3,974,284	1,591,348
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	102,004	-
- Payable as at	-	8,877

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

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

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
L&T Infotech Limited		
<i>Transactions during the year</i>		
- Expenses incurred on behalf of the Company	31,186	31,186
<i>Balance</i>		
- Receivable as at	7,797	7,796
Orchestra Technology, Inc.		
<i>Transactions during the year</i>		
- Expenses incurred on behalf of the Company	14,922	-
- Sub-contracting expenses	292,234	119,998
- Expenses paid by the subsidiary company on Company's behalf	-	40,000
<i>Balance</i>		
- Receivable as at	474,450	-
- Payable as at	-	159,998
L&T Technology Services (Canada) Limited		
<i>Transactions during the year</i>		
- Capital contributed by the Company	-	5,000
L&T Technology Services (Shanghai) Limited		
<i>Transactions during the year</i>		
- Sub-contracting charges incurred by the Company	195,062	-
<i>Balance</i>		
- Payable as at	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.

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.

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

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

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.

<u>Leases</u>	<u>Financial statements classification</u>	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Assets			
Operating lease right-of-use assets	Non-current asset	3,710,557	1,163,388
Liabilities			
Operating lease liabilities	Non-current liabilities	2,984,669	794,379
	Current liabilities	702,674	349,170
		<u>3,687,343</u>	<u>1,143,549</u>

The components of total lease cost are as follows:

	<u>For the year ended March 31, 2022</u>	<u>For the year ended March 31, 2021</u>
Right of use asset amortization	774,753	540,886
Interest expenses	135,518	104,553
Total	<u>910,271</u>	<u>645,439</u>

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>
2023	927,741
2024	998,298
2025	703,810
2026	447,019
2027	444,561
2028	451,700
2029	151,366
Total minimum lease payments	<u>4,124,495</u>
Less: imputed interest	(437,152)
Operating lease liabilities	<u>3,687,343</u>

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

NOTE Q - CONCENTRATION OF CREDIT RISK

The Company's service revenues are concentrated primarily with two customers which account for approximately 31% and 23% of total revenues for the year ended March 31, 2022 and year ended March 31, 2021, respectively. These customers accounted for 8% and 12% of the accounts receivable as at March 31, 2022 and March 31, 2021, 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.

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS (CONTD.)

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

- Impact of COVID-19 Pandemic

The extent of the impact of coronavirus (COVID 19) outbreak on operations of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions, government actions, the impact on financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. While many countries have begun the process of vaccinating their residents against COVID-19, the large scale and challenging logistics of distributing the vaccines, as well as uncertainty over the efficacy of the vaccines against new variants of the virus, may contribute to delays in economic recovery. Overall, the full duration and total impact of COVID-19 remains uncertain, and it is difficult to predict how the recovery will unfold for the business, going forward

NOTE S - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2022, up through April 13, 2022, the date the separate parent company financial statements are issued. Based on the evaluation, there are no material effects of the same on the separate parent company financial statements as on April 13, 2022, that would require recognition or disclosure.

BOARD REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their 9th Board Report and Audited Accounts for the year ended March 31, 2022.

1. FINANCIAL RESULTS:

Particulars	2021-22	2020-21
	₹	₹
Profit Before Depreciation, exceptional and extra ordinary items and tax	2,243,759	10,447,559
Less: Depreciation, amortization, impairment and obsolescence	-	288,149
Profit before exceptional and extraordinary items and tax	2,243,759	10,159,410
Add: Exceptional Items	-	-
Profit/(Loss) before tax	2,243,759	10,159,410
Less: Provision for tax	816,387	2,909,278
Profit for the period carried to the Balance Sheet	1,427,372	7,250,132
Add: Balance brought forward from previous year	11,547,252	184,695,856
Less: Dividend paid for the previous year (Including dividend distribution tax)	-	(180,398,736)
Balance available for disposal which the Directors appropriate as follows:	12,974,624	11,547,252
Debenture Redemption Reserve	0	0
Balance carried to Balance Sheet	12,974,624	11,547,252

2. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were ₹ 3,478,205 as against ₹ 12,621,471 for the previous financial year registering a decrease of 72%. The profit before tax from continuing operations including extraordinary and exceptional items was ₹ 2,243,759 and the profit after tax from continuing operations including extraordinary and exceptional items was ₹ 1,427,372 for the financial year under review as against ₹ 10,159,410 and ₹ 7,250,132 respectively for the previous financial year, registering a decrease of 78% and 72% respectively.

COVID-19 UPDATE

The Company implemented safety and hygiene protocols like wearing of face masks, social distancing norms, workplace sanitation and employee awareness programs at all its plants and establishments. The protocols are regularly reviewed and updated based on revisions in guidelines received from authorities concerned from time to time.

Post business transfer by the Company, there are no ongoing business operations. Hence the Company does not foresee any impact of Covid-19 during the year under review.

3. CAPITAL & FINANCE:

As on the March 31, 2022, 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, 2022, the gross fixed and intangible assets including leased assets, stood at ₹ Nil and the net fixed and intangible assets, including leased assets, at ₹ Nil. Addition 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 4 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 2021-22 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:

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 was held on April 30, 2021.

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (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 6 meetings were held on April 30, 2021, July 12, 2021, September 24, 2021, October 18, 2021, October 20, 2021 and January 17, 2022.

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

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, 2022, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

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;

e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

18. 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 2021-22.

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. SHIFTING OF REGISTERED OFFICE FROM STATE OF KARNATAKA TO STATE OF MAHARASHTRA:

During the year under review, the Company has shifted its Registered Office from the State of Karnataka to the State of Maharashtra at Mumbai in accordance with the provisions of Sections 12, 13 and other applicable provisions of the Companies Act, 2013. The said shift in the Registered Office of the Company was in the best interests of the Company, its stakeholders and would provide administrative convenience.

Approval for shifting of Registered Office was granted by the Regional Director of Hyderabad on February 2, 2022. The registered office of the Company is now situated at L&T House, N.M. Marg, Ballard Estate, Mumbai, Maharashtra, India- 400001.

24. SCHEME OF AMALGAMATION:

During the year under review, the Board of Directors approved the scheme of amalgamation of Esencia Technologies India Private Limited (Esencia), the Company and Seastar Labs Private Limited (Seastar) 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.

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 March 31, 2022 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

MR. RAJEEV GUPTA
Director
(DIN: 06782710)

MR. BHANU PRASAD GOPALAM
Director
(DIN: 08264739)

Place: April 20, 2022
Date: Mumbai

Place: April 20, 2022
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 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 details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2021-22	10,173	Nil
	Total	10,173	

6. Average net profit of the Company as per section 135(5): ₹ 46,310,230

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 926,205

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 926,205

8. (a) 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 Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,000,000	NIL	NA	None	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation-Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Contribution towards New Women's Hostel Block 'C' at IISc, Bangalore	(i)	Yes	Karnataka	Bangalore	₹ 1,000,000	No	Indian Institute of Science, Bangalore	CSR00007370
	TOTAL					₹ 1,000,000			

- (d) Amount spent in Administrative Overheads: Nil
 (e) Amount spent on Impact Assessment, if applicable: Not Applicable
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 1,000,000
 (g) Excess amount for set off, if any

Amount (in ₹)

Sr. No.	Particulars	FY 2021-22	FY 2020-21
(i)	Two percent of average net profit of the Company as per section 135(5)	926,205	1,389,827
(ii)	Total amount spent for the Financial Year	1,000,000	1,400,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	73,795	10,713
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	73,795	10,713

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable
 10. There is no case of creation or acquisition of capital asset created or acquired through CSR spent in the financial year.
 11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

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 2022, 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 2022, 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.

- 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 IND 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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: 22221580AHLVZN8252

Place: Bengaluru
Date: 20-04-2022

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, 2022 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 2022 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 2022, 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.

- 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: 22221580AHLVZN8252

Place: Bengaluru
Date: 20-04-2022

“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, 2022 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, 2022, 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: 22221580AHLVZN8252

Place: Bengaluru
Date: 20-04-2022

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	As at 31-03-2022 ₹	As at 31-03-2021 ₹
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	3	3,173,446	4,679,876
Total non-current assets		3,173,446	4,679,876
II. Current assets			
(a) Financial assets			
(i) Investments	4	106,648,709	72,325,000
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	5	330,635	32,569,807
(iv) Other bank balances		-	-
(v) Loans		-	-
(vi) Other financial assets	6	1,146,909	1,146,909
(b) Other current assets	7	227,806	1,219,983
Total current assets		108,354,059	107,261,699
TOTAL ASSETS		111,527,504	111,941,574
EQUITY AND LIABILITIES:			
I. Equity			
(a) Equity share capital	8	14,317,360	14,317,360
(b) Other equity	9	95,510,914	94,083,542
Total equity		109,828,274	108,400,902
II. Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liability - non-current		-	-
(ii) Other financial liabilities		-	-
(b) Deferred tax liabilities (Net)	10	987,385	170,998
Total non-current liabilities		987,385	170,998
Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings		-	-
(ii) Trade payables			
Due to micro enterprises and small enterprises		-	-
Due to others	11	706,302	3,005,781
(iii) Lease liability - current		-	-
(iv) Other financial liabilities	12	5,544	363,893
(b) Other current liabilities		-	-
(c) Provisions		-	-
(d) Current tax liabilities (net)		-	-
Total current liabilities		711,845	3,369,674
Total liabilities		1,699,230	3,540,672
TOTAL EQUITY AND LIABILITIES		111,527,504	111,941,574
Notes forming part of the financial statements	1-32		

As per our report attached
V G BODE & CO
 Chartered Accountants
 Firm's registration no. 006743S
 By the hand of

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

SAROJA BHAT
 Partner
 Membership no. 221580

RAJEEV GUPTA
 Director
 DIN: 06782710

BHANU PRASAD GOPALAM
 Director
 DIN: 08264739

Place: Bengaluru
 Date: April 20, 2022

Place: Mumbai
 Date: April 20, 2022

Place: United States of America
 Date: April 20, 2022

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON MARCH 31, 2022

Particulars	Note No.	Year Ended	Year ended
		31-03-2022	31-03-2021
		₹	₹
I. Revenue from operations	13	–	–
II. Other income (net)	14	3,478,205	12,621,471
III. Total income		3,478,205	1,26,21,471
IV. Expenses:			
(a) Employee benefit expenses	15	–	–
(b) Depreciation and amortisation expenses		–	288,149
(c) Other expenses	16	1,234,446	2,170,989
(d) Finance costs	17	–	2,923
Total expenses		1,234,446	2,462,061
V. Profit before tax (III - IV)		2,243,759	10,159,410
VI. Tax expense:			
(a) Current tax		–	27,03,695
(b) Tax Adjustments of prior years		–	–
(c) Deferred tax		816,387	205,583
Total tax expense	18	816,387	2,909,278
VII. Profit for the year (V - VI)		1,427,372	7,250,132
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		1,427,372	7,250,132
X. Earnings per equity share	19		
Equity share of face value of ₹ 10 each			
- Basic (₹)		1.00	5.06
- Diluted (₹)		1.00	5.06
XI. Notes forming part of the financial statements	1-32		

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 20, 2022

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

RAJEEV GUPTA
 Director
 DIN: 06782710

Place: Mumbai
 Date: April 20, 2022

BHANU PRASAD GOPALAM
 Director
 DIN: 08264739

Place: United States of America
 Date: April 20, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

	Year Ended 31-03-2022	Year ended 31-03-2021
	₹	₹
A. Cash flow from operating activities		
Profit before tax	2,243,759	10,159,410
Adjustments for:		
Depreciation and amortisation	-	288,149
Interest received	-	(11,604,648)
Interest paid	-	2,923
Exchange difference on items grouped under financing/investing activities	-	-
Profit on sale of investments (net)	-	-
Operating profit before working capital changes	2,243,759	(1,154,166)
Changes in working capital		
(Increase)/decrease in trade and other receivables	-	21,358,517
(Increase)/decrease in other receivables	992,178	244,444,134
Increase/(decrease) in trade and other payables	(2,657,831)	(57,996,006)
(Increase)/decrease in working capital	(1,665,653)	207,806,645
Cash generated from operations	578,106	206,652,479
Direct taxes paid	1,506,430	62,126,242
Net cash (used in)/from operating activities	2,084,537	268,778,721
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	-	-
Interest received	-	11,604,648
Investment in mutual funds	(34,323,709)	(72,325,000)
Disinvestment of stake in subsidiaries	-	-
Proceeds from slump sale	-	-
Net cash (used in)/from investing activities	(34,323,709)	(60,720,352)
C. Cash flow from financing activities		
Interest paid	-	(2,923)
Equity share capital issued including share premium	-	(180,398,736)
Dividend paid	-	-
Net cash (used in)/from financing activities	-	(180,401,659)
Net (decrease)/increase in cash and cash equivalents	(32,239,173)	27,656,710
Cash and cash equivalents at beginning of the year	32,569,807	4,913,097
Cash and cash equivalents at end of the year	330,635	32,569,807

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 year.

As per our report attached
V G BODE & CO
 Chartered Accountants
 Firm's registration no. 006743S
 By the hand of

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

SAROJA BHAT
 Partner
 Membership no. 221580

RAJEEV GUPTA
 Director
 DIN: 06782710

BHANU PRASAD GOPALAM
 Director
 DIN: 08264739

Place: Bengaluru
 Date: April 20, 2022

Place: Mumbai
 Date: April 20, 2022

Place: United States of America
 Date: April 20, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. EQUITY SHARE CAPITAL

Particulars	01.04.21 to 31.03.22		01.04.20 to 31.03.21	
	Number of shares	₹	Number of shares	₹
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	1,431,736	14,317,360	1,431,736	14,317,360
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	14,317,360	1,431,736	14,317,360

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
14,317,360	-	14,317,360	-	14,317,360

(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
14,317,360	-	14,317,360	-	14,317,360

B. OTHER EQUITY

Particulars	Other Equity				Total
	Reserves & Surplus			Items of other comprehensive income	
	Securities premium reserve	Capital Reserve	Retained earnings	Other items of other comprehensive income	
Opening Balance	82,536,290	-	11,547,252	-	94,083,542
Impact of Ind AS 116	-	-	-	-	-
Profit for the year (a)	-	-	1,427,372	-	1,427,372
Other comprehensive income (net of taxes) (b)	-	-	-	-	-
Total comprehensive income for the year (a+b)	-	-	1,427,372	-	1,427,372
Dividends	-	-	-	-	-
Addition/(deduction) during the year	-	-	-	-	-
Closing Balance	82,536,290	-	12,974,624	-	95,510,914

As per our report attached

V G BODE & CO
Chartered Accountants
Firm's registration no. 006743S
By the hand of

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

SAROJA BHAT
Partner
Membership no. 221580

RAJEEV GUPTA
Director
DIN: 06782710

BHANU PRASAD GOPALAM
Director
DIN: 08264739

Place: Bengaluru
Date: April 20, 2022

Place: Mumbai
Date: April 20, 2022

Place: United States of America
Date: April 20, 2022

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, 2022, 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, 2022 were approved for issue by the Board of Directors on April 20, 2022.

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 IndAS 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.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019 to the extent of ₹ 10,44,832.

The details of the right-of-use asset held by the Company is as follows:

Particulars	Additions for year ended March 31, 2022	As at March 31, 2022
Buildings	-	-

Depreciation on right-of-use assets is as follows:

Particulars	For the Year ended March 31, 2022
Buildings	-

Interest on lease liabilities is ₹ 0 for the year ended March 31, 2022.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

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.

(ii) 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)**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.

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

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 31-03-2022	As at 31-03-2021
	₹	₹
3 OTHER NON-CURRENT ASSETS		
Income tax receivable (net)	3,173,446	4,679,876
Income tax net of previous year provisions	3,173,446	4,679,876
Income tax net of current year provisions	-	-
	3,173,446	4,679,876
4 INVESTMENTS		
Investment in Mutual Funds	106,648,709	72,325,000
	106,648,709	72,325,000
5 CASH AND CASH EQUIVALENTS		
Balances with banks	330,635	32,569,807
Cash on hand	-	-
	330,635	32,569,807
6 OTHER FINANCIAL ASSETS		
Current		
Security deposits	-	-
Loans and advances to related parties	1,146,909	1,146,909
Other receivables	-	-
	1,146,909	1,146,909

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	1,146,909	100%

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

	As at 31-03-2022	As at 31-03-2021
	₹	₹
7 OTHER CURRENT ASSETS		
Other receivables	164,716	164,707
GST recoverable	63,090	1,055,276
	<u>227,806</u>	<u>1,219,983</u>
8 EQUITY SHARE CAPITAL		
8.1 Authorised:		
20,57,000 Equity Shares of ₹ 10/- each	20,570,000	20,570,000
4,94,300 0.10% Preference Shares of ₹ 100/- each	49,430,000	49,430,000
	<u>70,000,000</u>	<u>70,000,000</u>
8.2 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]	14,317,360	14,317,360
Total issued, subscribed and paid up capital	<u>14,317,360</u>	<u>14,317,360</u>

Equity Share Capital

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

	As at 31-03-2022	As at 31-03-2021
	₹	₹
9 OTHER EQUITY		
Securities premium account	82,536,290	82,536,290
Retained earnings	12,974,624	11,547,252
	<u>95,510,914</u>	<u>95,753,678</u>

10 DEFERRED TAX ASSETS (NET)

Particulars	DTL/(DTA)	Charge/(Credit) to P & L	DTL/(DTA)
	As at 01-04-2021		As at 31-03-2022
Temporary difference on account of IND-AS 116 Adjustment	-	-	-
Capital Gain/Loss on Investments	170,998	816,387	987,385
	-	816,387	987,385

	As at 31-03-2022	As at 31-03-2021
	₹	₹
11 TRADE PAYABLE		
Due to related parties	441,927	2,609,322
Due to others	264,375	396,459
	<u>706,302</u>	<u>3,005,781</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Trade payables ageing

	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	706,302	-	-	-	706,302
	As at 31-03-2021				
	Upto 1 year	1 to 2 year	2 to 3 year	> 3 year	Total
Due to micro and small enterprises	-	-	-	-	-
Due to others	3,005,781	-	-	-	3,005,781

	As at 31-03-2022	As at 31-03-2021
	₹	₹
12 OTHER FINANCIAL ASSETS		
Due to others		
Lease liability	-	-
Other payables	5,544	363,893
	<u>5,544</u>	<u>363,893</u>
	<u>₹</u>	<u>₹</u>
	Period ended	Period ended
	31-03-2022	31-03-2021
	<u>₹</u>	<u>₹</u>
INCOME		
13 REVENUE FROM OPERATIONS		
Engineering and technology services	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
14 OTHER INCOME		
Foreign exchange gain/(loss)	-	37,486
Dividend income and gain/(loss) from mutual fund investments (measured at fair value through profit and loss)	3,270,299	679,426
Interest received	-	11,613,487
Miscellaneous income	152,911	291,072
Net gain/(loss) on sale of investment	54,995	-
	<u>3,478,205</u>	<u>12,621,471</u>
	<u>₹</u>	<u>₹</u>
EXPENSES		
15 EMPLOYEE BENEFIT EXPENSES		
Salaries including overseas staff expenses	-	-
Contribution to and provision for:	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
16 OTHER EXPENSES		
Telephone, postage and other communication charges	-	73,594
Legal and professional charges	82,377	611,143
Repairs to buildings & machineries	-	30,648
Power and fuel	122,543	-
Rates and taxes	1,575	7,103
Corporate social responsibility expenditure	1,000,000	1,400,000
Miscellaneous expenses	27,951	48,501
	<u>1,234,446</u>	<u>2,170,989</u>
	<u>₹</u>	<u>₹</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

	Period ended 31-03-2022	Period ended 31-03-2021
	₹	₹
17 FINANCE COSTS		
Bank interest paid	-	-
Interest on lease liability	-	2,923
Interest expenses	-	-
	<u>-</u>	<u>2,923</u>
18 PROVISION FOR TAXATION		
Current tax	-	2,703,695
Deferred tax	816,387	205,583
	<u>816,387</u>	<u>2,909,278</u>
19 BASIC EARNING PER EQUITY SHARE		
Profit attributable to equity shareholders	1,427,372	7,250,132
Weighted average no. of equity shares outstanding	1,431,736	1,431,736
Basic EPS	1.00	5.06
Diluted		
Profit after tax	1,427,372	7,250,132
Less: Dividend on preference shares	-	-
Less: Tax on dividend	-	-
Profit attributable to equity shareholders	1,427,372	7,250,132
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	1.00	5.06
20 DETAILS OF PAYMENT TO AUDITORS		
Payment to auditors (net of taxes)		
As auditor:		
Audit fee	25,000	25,000
Taxation matters	-	-
Company law matters	-	-
	<u>25,000</u>	<u>25,000</u>
21 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 ₹ 926,205.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

c) Amount spent during the year:

(₹)

Particulars	Year ended 31-03-2022			Year ended 31-03-2021		
	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)	1,000,000	-	1,000,000	1,400,000	-	1,400,000
Total	1,000,000	-	1,000,000	1,400,000	-	1,400,000

22 FAIR VALUE MEASUREMENTS**Financial instrument by category**

(₹)

	As at 31-03-2022			As at 31-03-2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
– Mutual funds	-	-	106,648,709	-	-	72,325,000
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	330,635	-	-	32,569,807
Other bank balances	-	-	-	-	-	-
Other financial assets	-	-	1,146,909	-	-	1,146,909
Total financial assets	-	-	108,126,253	-	-	106,041,716
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	706,302	-	-	3,005,781
Other financial liabilities	-	-	5,544	-	-	363,893
Lease Liability	-	-	-	-	-	-
Total financial liabilities	-	-	711,846	-	-	3,369,675

(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 31-03-2022			
	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	-	-	-	-
Bank - Fixed deposits				
Financial investment at FVOCI				
Unquoted equity investments				
Foreign currency forward and options contracts	-	-	-	-
Security deposits				
Premium receivable on financial guarantee contracts				
Other receivables				
Total financial assets	-	-	-	-

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.

23 RELATED PARTY DISCLOSURE

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

Name	Relationship
L&T Technology Services Limited	Holding company

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

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

23(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

23(iv) Disclosure of related party transactions

Transactions	For the Year ended 31-03-2022	For the Year ended 31-03-2021
Services availed by Company		
Holding Company		
- L&T Technology Services Limited	-	464,290
Fellow subsidiary		
- Seastar Labs Private Limited	-	-
Ultimate Holding Company	17,000	26,000
- Larsen & Toubro Limited	17,000	26,000

(₹)

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

(₹)

Transactions	For the Year ended 31-03-2022	For the Year ended 31-03-2021
Interest received		
Holding Company	-	7,062,418
- L&T Technology Services Limited	-	7,062,418
Fellow subsidiary company		
- Seastar Labs Private Limited	-	-
PAYABLE		
Holding Company	421,867	2,580,592
- L&T Technology Services Limited	421,867	2,580,592
Ultimate Holding Company	20,060	28,730
- Larsen & Toubro Limited	20,060	28,730
Fellow subsidiary company	-	-
- Seastar Labs Private Limited	-	-
RECEIVABLE		
Fellow subsidiary company	1,146,909	1,146,909
- Seastar Labs Private Limited	1,146,909	1,146,909

- 24 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.
- 25 The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- 26 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2022.
- 27 Contingent Liability - ₹ Nil (PY ₹ Nil).
- 28 The Company evaluated all events and transactions that occurred after March 31, 2022 up through April 19, 2022, 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 20, 2022, that would require recognition or disclosure.
- 29 Previous year's figures have been regrouped/reclassified wherever necessary.
- 30 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).
- 31 Details of Crypto Currency or Virtual Currency: Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 32 **ADDITIONAL REGULATORY INFORMATION**
- Delay in Registration of charges:** There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
 - Compliance with number of layers of companies:** Complied with
 - Financial Ratios:**

Ratio/Measure*	Formula considered	For Year ended 31-03-2022	For Year ended 31-03-2021
Current ratio	Curren assets/Current liabilities	152.22	31.83
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	0.01	0.07
Trade receivables turnover ratio	Revenue from operation/Average trade receivable	NA	NA
Trade payable turnover ratio	Adjusted expenses/Average trade payables	0.67	0.07
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	0.02	0.09
Return on investment	Interest income	NA	NA

NOTES FORMING PART OF 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:

- a. 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.
- b. 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

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 20, 2022

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

RAJEEV GUPTA

Director

DIN: 06782710

Place: Mumbai

Date: April 20, 2022

BHANU PRASAD GOPALAM

Director

DIN: 08264739

Place: United States of America

Date: April 20, 2022

BOARD REPORT

Dear Members,

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

1. FINANCIAL RESULTS:

Particulars	2021-22	2020-21
	SGD	SGD
Total Income	105,615	612,693
Total Expenditure	129,027	677,330
Operating Profit/(Loss)	(23,412)	(64,637)
Add: Interest Income	-	-
Less: Finance Costs	-	-
Profit/(Loss) before Tax	(23,412)	(64,637)
Less: Tax	-	-
Net Profit/(Loss) after Tax	(23,412)	(64,637)
Add: Balance b/f from previous year	57,331	121,968
Balance available for disposal which directors appropriate as follows:	33,919	57,331
Balance to be carried forward	33,919	57,331

2. CAPITAL & FINANCE:

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

3. CAPITAL EXPENDITURE:

As at March 31, 2022, the gross fixed and intangible assets including leased assets, stood at SGD 619 and the net fixed and intangible assets, including leased assets, at SGD Nil. Capital Expenditure during the year amounted to SGD 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 105,615 as against SGD 612,693 for the previous financial year registering a decrease of 83%. The (loss) before tax from continuing operations including extraordinary and exceptional items was SGD (23,412) and the (loss) after tax from continuing operations including extraordinary and exceptional items was SGD (23,412) for the financial year under review as against SGD (64,637) and SGD (64,637) respectively for the previous financial year registering a decrease of 64% and 64% respectively.

6. AMOUNT TO BE CARRIED TO RESERVE:

As at March 31, 2022, 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, Ms. Haslina Binte Abu Bakar ceased to act as Directors of the Company with effect from April 9, 2021. Mr. Kelvin Koh Kwang Min was appointed as the Director w.e.f. April 9, 2021 and ceased to act as a Director w.e.f. December 1, 2021.

The Board places on record its appreciation for the services rendered by Ms. Haslina Binte Abu Bakar and Mr. Kelvin Koh Kwang Min during their tenure as Directors of the Company.

During the year under review, Ms. Soh Xiao Ling was appointed as the Director of the Company w.e.f. December 1, 2021.

The current Directors of the Company are Mr. Rajeev Gupta, Mr. Abhishek Sinha, Mr. Giri K. K. and Ms. Soh Xiao Ling.

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review 4 meetings were held on April 9, 2021, July 12, 2021, December 1, 2021 and March 15, 2022.

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 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 in Singapore 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

MR. GIRI K. K.
Director

Date: April 18, 2022
Place: Mumbai

Date: April 18, 2022
Place: Bangalore

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	As at 31-03-2022 SGD	As at 31-03-2021 SGD
ASSETS:			
I. Non-current assets			
(a) Property, plant and equipment	1	-	-
(b) Capital work-in-progress		-	-
(c) Goodwill		-	-
(d) Other intangible assets		-	-
(e) Financial assets		-	-
(i) Investments		-	-
(ii) Other financial assets	2	-	1,680
(f) Deferred tax assets (net)		-	-
(g) Other non current assets		-	-
Total non-current assets		-	1,680
II. Current assets			
(a) Financial assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	3	464,197	316,088
(iv) Other bank balances		-	-
(v) Loans		-	-
(vi) Other financial assets	4	-	50,900
(b) Other current assets	5	16,542	16,542
Total current assets		480,739	383,530
TOTAL ASSETS		480,739	385,210
EQUITY AND LIABILITIES:			
I. Equity			
(a) Equity share capital	6	60,501	60,501
(b) Other equity	7	33,919	57,331
Total equity		94,420	117,832
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	8	384,357	35,554
(iii) Other financial liabilities	9	60	220,507
(b) Other current liabilities	10	105	9,520
(c) Provisions		-	-
(d) Current tax liabilities (net)	11	1,797	1,797
Total current liabilities		386,319	267,378
Total liabilities		386,319	267,378
TOTAL EQUITY AND LIABILITIES		480,739	385,210

For and on behalf of the Board of Directors of Graphene Solutions Pte. Ltd.

RAJEEV GUPTA

Date: April 18, 2022

Place: Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022

Particulars	Note No.	Period ended	Period ended
		31-03-2022	31-03-2021
		SGD	SGD
I. Revenue from operations	12	105,615	612,693
II. Other income (net)		-	-
III. Total income		105,615	612,693
IV. Expenses:			
(a) Employee benefit expenses	13	99,549	655,765
(b) Depreciation and amortisation expenses		-	-
(c) Other expenses	14	29,478	21,565
(d) Finance costs		-	-
Total expenses		129,027	677,330
V. Profit before tax (III - IV)		(23,412)	(64,637)
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)		(23,412)	(64,637)
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		(23,412)	(64,637)
Profit for the period attributable to:			
- Owners of the Company		(23,412)	(64,637)
- 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		(23,412)	(64,637)
- Non-controlling interest		-	-

For and on behalf of the Board of Directors of Graphene Solutions Pte. Ltd.

RAJEEV GUPTA

Date: April 18, 2022

Place: Mumbai

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

Particulars	Period ended 31-03-2022 SGD	Period ended 31-03-2021 SGD
A. Cash flow from operating activities		
Profit before tax	(23,412)	(64,637)
Adjustments for:		
Depreciation and amortisation	-	-
Interest received	-	-
Interest paid	-	-
Operating profit before working capital changes	(23,412)	(64,637)
Changes in working capital		
(Increase)/decrease in trade and other receivables	-	-
(Increase)/decrease in other receivables	52,580	12,567
Increase/(decrease) in trade and other payables	118,941	204,177
(Increase)/decrease in working capital	171,521	216,744
Cash generated from operations	148,109	152,107
Direct taxes paid	-	(10,502)
Net cash (used in)/from operating activities	148,109	141,605
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	148,109	141,605
Cash and cash equivalents at beginning of period	316,088	174,483
Cash and cash equivalents at end of period	464,197	316,088

For and on behalf of the Board of Directors of Graphene Solutions Pte. Ltd.

RAJEEV GUPTA

Date: April 18, 2022

Place: Mumbai

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2022**A. Equity share capital**

SGD

Particulars	01.04.2021 to 31.03.2022		01.04.2020 to 31.03.2021	
	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	57,331		-	57,331
Profit for the period (a)	(23,412)		-	(23,412)
Other comprehensive income (net of taxes) (b)	-		-	-
Total comprehensive income for the period (a+b)	(23,412)		-	(23,412)
Closing Balance	33,919		-	33,919

For and on behalf of the Board of Directors of **Graphene Solutions Pte. Ltd.****RAJEEV GUPTA**

Date: April 18, 2022

Place: Mumbai

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A. CORPORATE INFORMATION

Graphene Solutions 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, 2022, 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, 2022 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**1 FIXED ASSETS**

Period ended 31.03.2022

Note 1: Tangible Assets**Gross Block**

Particulars	Office equipments	Total
Balance as on 01-04-2021	619	619
Additions	-	-
Deductions	-	-
Balance as on 31-03-2022	619	619
Depreciation:		
Balance as on 01-04-2021	619	619
For the Year	-	-
On Deductions	-	-
Balance as on 31-03-2022	619	619
Net Block as at 31-03-2022	-	-

	As at 31-03-2022	<i>As at 31-03-2021</i>
	SGD	<i>SGD</i>
2 OTHER FINANCIAL ASSETS		
Security deposits	-	1,680
Fixed deposits *	-	-
Forward contract receivable	-	-
	<u>-</u>	<u>1,680</u>
3 CASH AND CASH EQUIVALENTS		
Balances with banks	464,197	316,088
	<u>464,197</u>	<u>316,088</u>
4 OTHER FINANCIAL ASSETS		
Advances to employees	-	3,000
Unbilled revenue	-	47,900
	<u>-</u>	<u>50,900</u>
5 OTHER CURRENT ASSETS		
Prepaid expenses	16,542	16,542
	<u>16,542</u>	<u>16,542</u>
6 EQUITY SHARE CAPITAL		
6.1 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	<u>60,501</u>	<u>60,501</u>

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31-03-2022	<i>As at 31-03-2021</i>
	SGD	<i>SGD</i>
7 OTHER EQUITY		
Retained earnings	33,919	<i>57,331</i>
Foreign currency translation reserve	-	<i>-</i>
	33,919	<i>57,331</i>
8 TRADE PAYABLE		
Due to related parties	349,210	<i>35,554</i>
Micro and small enterprises	-	<i>-</i>
Due to others	35,147	<i>-</i>
	384,357	<i>35,554</i>
9 OTHER FINANCIAL LIABILITIES		
Liability towards employee compensation	-	<i>-</i>
Other payables	60	<i>220,507</i>
Suppliers ledger - capital goods/services	-	<i>-</i>
	60	<i>220,507</i>
10 OTHER CURRENT LIABILITIES		
Statutory tax payable	105	<i>9,520</i>
Other payables	-	<i>-</i>
	105	<i>9,520</i>
11 CURRENT TAX LIABILITIES (NET)		
Provision for current tax	1,797	<i>1,797</i>
	1,797	<i>1,797</i>
	Period ended	<i>Period ended</i>
	31-03-2022	<i>31-03-2021</i>
	SGD	<i>SGD</i>
INCOME		
12 REVENUE FROM OPERATIONS		
Engineering and technology services	105,615	<i>612,693</i>
	105,615	<i>612,693</i>
EXPENSES		
13 EMPLOYEE BENEFIT EXPENSES		
Salaries including overseas staff expenses	99,549	<i>655,765</i>
	99,549	<i>655,765</i>

NOTES FORMING PART OF ACCOUNTS (Contd.)

	Period ended 31-03-2022	<i>Period ended 31-03-2021</i>
	SGD	<i>SGD</i>
	<hr/>	<hr/>
14 OTHER EXPENSES		
Travelling and conveyance	–	(6,378)
Rent and establishment expenses	8,430	6,750
Telephone, postage and other communication charges	10	22
Legal and professional charges	19,038	19,639
Advertisement and sales promotion expenses	–	–
Recruitment expenses	–	107
Insurance charges	1,524	–
Rates and taxes	–	330
Bad debts written off	–	–
Miscellaneous expenses	476	1,095
	<hr/>	<hr/>
	29,478	21,565
	<hr/> <hr/>	<hr/> <hr/>

BOARD REPORT

Dear Members,

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

1. FINANCIAL RESULTS:

Particulars	2021-22	2020-21
	MYR	MYR
Total Income	-	-
Total Expenditure	10,011	9,537
Operating Profit/(Loss)	(10,011)	(9,537)
Add: Interest Income	-	-
Less: Finance Costs	-	-
Profit/(Loss) before Tax	(10,011)	(9,537)
Less: Tax	-	-
Net Profit/(Loss) after Tax	(10,011)	(9,537)
Add: Balance b/f from previous year	(20,164)	(10,627)
Balance available for disposal which directors appropriate as follows:	(30,175)	(20,164)
Balance to be carried forward	(30,175)	(20,164)

2. CAPITAL & FINANCE:

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

3. CAPITAL EXPENDITURE:

As at March 31, 2022, 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 (10,011) and the (loss) after tax from continuing operations including extraordinary and exceptional items was MYR (10,011) for the financial year under review as against MYR (9,537) and MYR (9,537) respectively for the previous financial year, registering a decrease of 4.98% and 4.98% respectively.

6. AMOUNT TO BE CARRIED TO RESERVES:

As at March 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, Mr. Abhishek Sinha and Mr. Mohd Zuhaili Bin Zainal Abidin.

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review 2 meetings were held on July 12, 2021 and March 15, 2022.

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 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 in Malaysia after 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, 2022
Place: Mumbai, India

MR. ABHISHEK SINHA
Director

Date: April 18, 2022
Place: Bangalore, India

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	As at March 31, 2022 MYR	As at March 31, 2021 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		-	-
(i) Non current trade receivables		-	-
(ii) Other financial assets		-	-
(iii) Trade receivables		-	-
(f) Deferred tax assets (net)		-	-
(g) Other non current assets		-	-
Total non-current assets		-	-
II. Current assets			
(a) Financial assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	1	94,295	94,295
(iv) Other bank balances		-	-
(v) Loans		-	-
(vi) Other financial assets		-	-
(b) Current tax assets (net)		-	-
(c) Other current assets		-	-
Total current assets		94,295	94,295
TOTAL ASSETS		94,295	94,295
EQUITY AND LIABILITIES:			
I. Equity			
(a) Equity share capital	2	100,000	100,000
(b) Other equity	3	(30,175)	(20,164)
Total equity		69,825	79,836
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	4	24,470	14,459
(iii) Other financial liabilities		-	-
(b) Other current liabilities		-	-
(c) Provisions		-	-
(d) Current tax liabilities (net)		-	-
Total current liabilities		24,470	14,459
Total liabilities		24,470	14,459
TOTAL EQUITY AND LIABILITIES		94,295	94,295

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

MR. RAJEEV GUPTA
DirectorDate: April 18, 2022
Place: Mumbai, India

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022

Particulars	Note No.	Year ended March 31, 2022 MYR	Year ended March 31, 2021 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	10,011	9,537
(d) Finance costs		-	-
Total expenses		10,011	9,537
V. Profit before tax (III - IV)		(10,011)	(9,537)
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)		(10,011)	(9,537)
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		(10,011)	(9,537)
Profit for the period attributable to:			
- Owners of the Company		(10,011)	(9,537)
- 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		(10,011)	(9,537)
XI. - Non-controlling interest		-	-

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

MR. RAJEEV GUPTA
Director

Date: April 18, 2022
Place: Mumbai, India

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

Particulars	Period ended March 31, 2022 MYR	Period ended March 31, 2021 MYR
A. Cash flow from operating activities		
Profit before tax	(10,011)	(9,537)
Adjustments for:		
Depreciation and amortisation	-	-
Interest received	-	-
Interest paid	-	-
Operating profit before working capital changes	(10,011)	(9,537)
Changes in working capital		
(Increase)/decrease in trade and other receivables	-	2,076
(Increase)/decrease in other receivables	-	-
Increase/(decrease) in trade and other payables	10,011	467
(Increase)/decrease in working capital	10,011	2,543
Cash generated from operations	-	(6,994)
Direct taxes paid	-	-
Net cash (used in)/from operating activities	-	(6,994)
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	-	(6,994)
Cash and cash equivalents at beginning of period	94,295	101,289
Cash and cash equivalents at end of period	94,295	94,295

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

MR. RAJEEV GUPTA
Director

Date: April 18, 2022
Place: Mumbai, India

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

A. EQUITY SHARE CAPITAL

Particulars	MYR			
	01.04.21 to 31.03.22		01.04.20 to 31.03.21	
	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	(20,164)	-	(20,164)
Profit for the period (a)	(10,011)	-	(10,011)
Other comprehensive income (net of taxes) (b)	-	-	-
Closing Balance	(30,175)	-	(30,175)

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

MR. RAJEEV GUPTA

Director

Date: April 18, 2022

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, 2022, 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, 2022 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, 2022 MYR	As at March 31, 2021 MYR
1 CASH AND CASH EQUIVALENTS		
Balances with banks	94,295	94,295
	<u>94,295</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	(30,175)	(20,164)
Foreign currency translation reserve	-	-
	<u>(30,175)</u>	<u>(20,164)</u>
4 TRADE PAYABLE		
Due to related parties	9,528	
Micro and small enterprises	-	
Due to others	14,942	14,459
Liability for revenue goods	-	
Suppliers ledger - revenue goods/services		
	<u>24,470</u>	<u>14,459</u>
EXPENSES		
5 OTHER EXPENSES		
Legal and professional charges	9,761	9,485
Rates and taxes	250	
Miscellaneous expenses	-	52
	<u>10,011</u>	<u>9,537</u>

BOARD REPORT

Dear Members,

The Directors have pleasure in presenting their Fourth Board Report and Management Certified Accounts for the year ended December 31, 2021.

1. FINANCIAL RESULTS:

Particulars	2021	2020
	NTD	NTD
Total Income	12,604	(604,263)
Total Expenditure	242,833	3,148,224
Operating Profit/(Loss)	(230,229)	(3,752,487)
Add: Interest Income	1,170	4,309
Less: Finance Costs	-	-
Profit/(Loss) before Tax	(229,059)	(3,748,178)
Less: Tax	-	-
Net Profit/(Loss) after Tax	(229,059)	(3,748,178)
Add: Balance b/f from previous year	(3,815,056)	(3,748,178)
Balance available for disposal which directors appropriate as follows:	(4,044,115)	(3,815,056)
Balance to be carried forward	(4,044,115)	(3,815,056)

2. CAPITAL & FINANCE:

During the year under review, the Company has not issued any shares. There is no loan outstanding as on December 31, 2021.

3. CAPITAL EXPENDITURE:

As at December 31, 2021 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 13,774 as against NTD (599,954) for the previous financial year registering an increase of 102%. The (loss) before tax from continuing operations including extraordinary and exceptional items was NTD (229,049) and the (loss) after tax from continuing operations including extraordinary and exceptional items was NTD (229,049) for the financial year under review as against NTD (3,748,178) and NTD (3,748,178) respectively for the previous financial year, registering a decrease of 94% and 94% respectively.

6. AMOUNT TO BE CARRIED TO RESERVES:

As at December 31, 2021, 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. NUMBER OF MEETING OF THE BOARD OF DIRECTORS:

During the year under review 1 meeting was held on July 12, 2021.

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 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 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 18, 2022
Place: Bangalore

Date: April 18, 2022
Place: Mumbai

BALANCE SHEET AS AT DECEMBER 31, 2021

Particulars	Note No.	NTD	
		As at 31-12-2021	As at 31-12-2020
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	102,456	-
Total non-current assets		102,456	-
II. Current assets			
(a) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	2	924,834	1,059,065
(iii) Cash and cash equivalents	3	1,925,334	1,924,804
(iv) Other bank balances		-	-
(v) Loans		-	-
(vi) Other financial assets	4	-	9,620
(b) Other current assets	5	20,896	56,446
Total current assets		2,871,064	3,049,935
TOTAL ASSETS		2,973,520	3,049,935
EQUITY AND LIABILITIES:			
I. Equity			
(a) Capital	6	5,000,000	5,000,000
(b) Other equity	7	(4,044,115)	(3,815,056)
Total equity		955,885	1,184,944
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	8	2,001,857	1,315,301
(iii) Other financial liabilities		-	-
(b) Other current liabilities	9	15,778	15,788
(c) Provisions		-	-
(d) Current tax liabilities (net)		-	533,902
Total current liabilities		2,017,635	1,864,991
Total liabilities		2,017,635	1,864,991
TOTAL EQUITY AND LIABILITIES		2,973,520	3,049,935

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

Rajeev Gupta
Director

Date: April 18, 2022

Place: Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2021

Particulars	Note No.	(NTD)	(NTD)
		Year ended 31-12-2021	Year ended 31-12-2020
I. Revenue from operations	10	12,604	(604,263)
II. Other income (net)	11	1,170	4,309
III. Total income		13,774	(599,954)
IV. Expenses:			
(a) Employee benefit expenses	12	25,979	2,531,451
(b) Depreciation and amortisation expenses		-	-
(c) Other expenses	13	216,854	616,773
(d) Finance costs		-	-
Total expenses		242,833	3,148,224
V. Profit before tax (III - IV)		(229,059)	(3,748,178)
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)		(229,059)	(3,748,178)
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		(229,059)	(3,748,178)

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

Rajeev Gupta
Director

Date: April 18, 2022
Place: Mumbai

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2021

Particulars	(NTD) Period ended 31-12-2021	(NTD) Period ended 31-12-2020
A. Cash flow from operating activities		
Profit before tax	(229,059)	(3,748,178)
Adjustments for:		
Depreciation and amortisation	-	-
Interest received	(1,170)	(4,164)
Interest paid	-	-
Operating profit before working capital changes	(230,229)	(3,752,342)
Changes in working capital		
(Increase)/decrease in trade and other receivables	134,231	(1,053,667)
(Increase)/decrease in other receivables	(57,286)	1,777,295
Increase/(decrease) in trade and other payables	686,546	157,226
(Increase)/decrease in working capital	763,491	880,854
Cash generated from operations	533,262	(2,871,488)
Direct taxes paid	(533,902)	(124,701)
Net cash (used in)/from operating activities	(640)	(2,996,189)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	-	-
Interest received	1,170	4,164
Net cash (used in)/from investing activities	1,170	4,164
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	530	(2,992,025)
Cash and cash equivalents at beginning of year	1,924,804	4,916,828
Cash and cash equivalents at end of year	1,925,334	1,924,803

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

Rajeev Gupta
Director

Date: April 18, 2022
Place: Mumbai

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2021

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	(NTD)		Total
	Reserves & Surplus	Items of other comprehensive income	
	Retained earnings	FCTR	
Opening Balance	(3,815,056)	—	(3,815,056)
Profit for the period	(229,059)		(229,059)
Other comprehensive income (net of taxes)	—	—	—
Closing Balance	(4,044,115)	—	(4,044,115)

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

Rajeev Gupta
Director

Date: April 18, 2022
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, 2021, 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 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) **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, 2021 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 31-12-2021	NTD As at 31-12-2020
1 OTHER NON-CURRENT ASSETS		
Income tax receivable (net)	102,456	-
	<u>102,456</u>	<u>-</u>
2 TRADE RECEIVABLES		
Trade receivables	-	-
Receivables from related parties	924,834	1,059,065
Less: Allowances for doubtful debts	-	-
	<u>924,834</u>	<u>1,059,065</u>
3 CASH AND CASH EQUIVALENTS		
Balances with banks	1,925,334	1,924,804
	<u>1,925,334</u>	<u>1,924,804</u>
4 OTHER FINANCIAL ASSETS		
Current		
TDS Recoverable - FY - 2020-21	-	9,620
	<u>-</u>	<u>9,620</u>
5 OTHER CURRENT ASSETS		
Prepaid expenses	20,896	-
	<u>20,896</u>	<u>-</u>
6 CAPITAL		
Capital	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
7 OTHER EQUITY		
Retained earnings	(4,044,115)	(3,815,056)
	<u>(4,044,115)</u>	<u>(3,815,056)</u>
8 TRADE PAYABLE		
Due to related parties	856,104	989,623
Due to others	1,118,419	210,178
Liability for revenue goods	27,334	115,500
	<u>2,001,857</u>	<u>1,315,301</u>
9 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 31-12-2021	NTD Year ended 31-12-2020
INCOME		
10 REVENUE FROM OPERATIONS		
Engineering and technology services	12,604	(604,263)
	<u>12,604</u>	<u>(604,263)</u>
11 OTHER INCOME		
Bank interest received	1,170	4,309
	<u>1,170</u>	<u>4,309</u>
EXPENSES		
12 EMPLOYEE BENEFIT EXPENSES		
Salaries including overseas staff expenses	25,979	2,531,451
	<u>25,979</u>	<u>2,531,451</u>
13 OTHER EXPENSES		
Rent and establishment expenses	54,000	98,058
Telephone, postage and other communication charges	-	720
Legal and professional charges	43,209	301,423
Advertisement and sales promotion expenses	-	300
Recruitment expenses	-	83,402
Insurance charges	119,139	139,084
Rates and taxes	163	-
Miscellaneous expenses	343	(6,214)
	<u>216,854</u>	<u>616,773</u>

BOARD REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting the 11th Board Report along with the Audited Financial Statements of the Company for the year ended March 31, 2022.

1. FINANCIAL RESULTS:

Particulars	2021-22	2020-21
	₹	₹
Profit/(Loss) Before depreciation, exceptional items and tax	(121,488)	(165,806)
Less: Depreciation, amortization, impairment and obsolescence	1,881	5,707
Profit/(Loss) before exceptional items and tax	(123,369)	(171,513)
Add: Exceptional Items	-	-
Profit/(Loss) before tax	(123,369)	(171,513)
Less: Provision for tax	-	-
Profit for the period carried to the Balance Sheet	(123,369)	(171,513)
Add: Other Comprehensive Income	-	-
Add: Balance brought forward from previous year	5,904,687	6,076,200
Balance available for disposal which the Directors appropriate as follows:	5,781,318	5,904,687
Debtore Redemption Reserve	-	-
Balance to be carried forward	5,781,318	5,904,687

2. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were ₹ (2,635) as against ₹ 8,709/- for the previous financial year registering a decrease of 130%. The (loss) before tax from continuing operations including extraordinary and exceptional items was ₹ (123,369) and the (loss) after tax from continuing operations including extraordinary and exceptional items was ₹ (123,369) for the financial year under review as against ₹ (171,513) and ₹ (171,513) respectively for the previous financial year registering a decrease of 28% and 28% respectively.

COVID-19 UPDATE

The Company implemented safety and hygiene protocols like wearing of face masks, social distancing norms, workplace sanitation and employee awareness programs at all its plants and establishments. The protocols are regularly reviewed and updated based on revisions in guidelines received from authorities concerned from time to time.

Post business transfer by the Company, there was no ongoing business operations. Hence the Company does not foresee any impact of Covid-19 during the year under review.

3. CAPITAL & FINANCE:

There has been no change in the share capital of the Company during the said financial year. As on March 31, 2022, 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, 2022 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 2021-22 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:

There are 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 six meetings were held on April 30, 2021, July 12, 2021, September 24, 2021, October 18, 2021, October 20, 2021 and January 17, 2022.

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

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, 2022, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

- 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 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 2021-22.

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. SHIFTING OF REGISTERED OFFICE FROM STATE OF KARNATAKA TO STATE OF MAHARASHTRA:

During the year under review, the Company has shifted its Registered Office from the State of Karnataka to the State of Maharashtra at Mumbai in accordance with the provisions of Sections 12, 13 and other applicable provisions of the Companies Act, 2013. The said shift in the Registered Office of the Company was in the best interests of the Company, its stakeholders and would provide administrative convenience.

Approval for shifting of Registered Office was granted by the Regional Director of Hyderabad on January 7, 2022. The registered office of the Company is now situated at L&T House, N.M. Marg, Ballard Estate, Mumbai, Maharashtra, India- 400001.

23. SCHEME OF AMALGAMATION:

During the year under review, the Board of Directors approved the scheme of amalgamation of the Company, Graphene Semiconductor Services Private Limited (Graphene), and Seastar Labs Private Limited (Seastar) 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.

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, 2022 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.

25. 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 20, 2022
Place: Mumbai

GIRI.K. K
Director
DIN: 07864395

Date: April 20, 2022
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, 2022, 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, 2022, 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.

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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 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 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 : 22023139AJELHB8885

Date:20-04-2022
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.
 - (b) No Proceeding have been initiated during the year or are pending against the Company as at March 31, 2022 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, 2022 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.

- 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 ₹ 123,369 out of this cash loss is ₹ 121,488 during the financial year covered by our audit and the Company has incurred loss of ₹ 171,513 out of this cash loss is ₹ 165,806 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 : 22023139AJELHB8885

Date:20-04-2022
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, 2022 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, 2022, 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 : 22023139AJELHB8885

Date: 20-04-2022
Place: Bengaluru

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	As at 31-03-2022	As at 31-03-2021
		₹	₹
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	–	4,516
(b) Other intangible assets	4	–	–
(c) Financial assets	5	–	–
(d) Deferred tax assets (net)	6	60,498	60,498
(e) Other non current assets	7	–	–
Total non-current assets		60,498	65,014
II. Current assets			
(a) Financial assets			
(i) Investments	8	–	–
(ii) Trade receivables	9	–	–
(iii) Cash and cash equivalents	10	3,027,775	3,140,795
(iv) Other bank balances	11	–	–
(v) Other financial assets	12	–	32,650
(b) Other current assets	13	2,863,105	2,918,108
(c) Current Tax Assets (net)		–	–
Total current assets		5,890,880	6,091,553
TOTAL ASSETS		5,951,378	6,156,567
EQUITY AND LIABILITIES			
I. Equity			
(a) Equity share capital	14	100,000	100,000
(b) Other equity		5,781,318	5,904,687
Total equity		5,881,318	6,004,687
II. Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings	15	–	–
(ii) Trade payables	16	70,060	139,730
(iii) Other financial liabilities	17	–	–
(b) Other current liabilities	18	–	12,150
(c) Provisions	19	–	–
(d) Current tax liabilities (net)		–	–
Total current liabilities		70,060	151,880
TOTAL EQUITY AND LIABILITIES		5,951,378	6,156,567
Notes forming part of the financial statements	1-36		

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 Pvt Ltd

A.R. PAI
Proprietor
Membership no. 23139

RAJEEV GUPTA
Director
DIN: 06782710

GIRI.K. K
Director
DIN: 07864395

Place: Bengaluru
Date: April 20 2022

Place: Mumbai
Date: April 20 2022

Place: Bengaluru
Date: April 20 2022

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON MARCH 31, 2022

Particulars	Note No.	Year Ended	Year ended
		31-03-2022	31-03-2021
		₹	₹
I. Revenue from operations	20	-	-
II. Other income	21	(2,635)	8,790
III. TOTAL REVENUE		(2,635)	8,790
IV. Expenses:			
(a) Employee benefit expenses	22	-	-
(b) Depreciation and amortisation expenses		1,881	5,707
(c) Other expenses	23	118,853	174,596
(d) Finance costs	24	-	-
TOTAL EXPENSES		120,734	180,303
V. PROFIT BEFORE TAX (III - IV)		(123,369)	(171,513)
VI. Tax expense :			
(a) Current tax		-	-
MAT credit		-	-
(b) Deferred tax		-	-
TOTAL TAX EXPENSE	25	-	-
VII. PROFIT FOR THE YEAR (V - VI)		(123,369)	(171,513)
IX. TOTAL COMPREHENSIVE INCOME, NET OF TAXES		(123,369)	(171,513)
X. EARNING PER EQUITY SHARE	26		
Basic - Rupee		(1.23)	(1.72)
Diluted - Rupee		(1.23)	(1.72)
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

For and on behalf of the Board of Directors of
 Esencia Technologies India Pvt Ltd

A.R. PAI
 Proprietor
 Membership no. 23139

RAJEEV GUPTA
 Director
 DIN: 06782710

GIRI.K. K
 Director
 DIN: 07864395

Place: Bengaluru
 Date: April 20 2022

Place: Mumbai
 Date: April 20 2022

Place: Bengaluru
 Date: April 20 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2022

Particulars	Year Ended	Year ended
	31-03-2022	31-03-2021
	₹	₹
A. Cash flow from operating activities:		
Profit before tax	(123,369)	(171,513)
Adjustments for:		
Depreciation and amortisation	1,881	5,707
Interest received	-	(8,790)
Interest paid	-	-
(Profit)/Loss on sale of fixed assets	-	-
Dividends received from current investments	-	-
Unrealized gain/(loss)	-	-
Operating profit before working capital changes	(121,488)	(174,596)
Changes in working capital		
(Increase)/decrease in trade receivables	-	-
(Increase)/decrease in other receivables	87,653	113,629
Increase/(decrease) in trade & other payables	(81,820)	84,377
(Increase)/decrease in working capital	5,833	198,006
Cash generated from operations	(115,655)	23,410
Direct taxes paid	-	-
Net cash used in/from operating activities	(115,655)	23,410
B. Cash flow from investing activities		
Purchase of fixed assets (net)	2,635	-
(Purchase)/sale of current investments (net)	-	-
Dividends received from current investments	-	-
Interest received	-	8,790
Net cash used in/from investing activities	2,635	8,790
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	(113,020)	32,200
Cash and cash equivalents at beginning of year	3,140,795	3,108,595
Cash and cash equivalents at end of year	3,027,775	3,140,795
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	3,027,775	3,140,795
Other bank balances disclosed under current assets	-	-
Other bank balances disclosed under non-current assets	-	-
	3,027,775	3,140,795

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 20 2022

For and on behalf of the Board of Directors of
Esencia Technologies India Pvt Ltd

RAJEEV GUPTA
Director
DIN: 06782710

Place: Mumbai
Date: April 20 2022

GIRI.K. K
Director
DIN: 07864395

Place: Bengaluru
Date: April 20 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(₹)

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 01-04-2020	100,000	6,076,200	6,176,200
Profit for the year	–	(171,513)	(171,513)
Other comprehensive income	–	–	–
Balance as at 31-03-2021	100,000	5,904,687	6,004,687
Balance as at 01-04-2021	100,000	5,904,687	6,004,687
Profit for the year	–	(123,369)	(123,369)
Balance as at 31-03-2022	100,000	5,781,318	5,881,318

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 20 2022

For and on behalf of the Board of Directors of
 Esencia Technologies India Pvt Ltd

RAJEEV GUPTA
 Director
 DIN: 06782710

Place: Mumbai
 Date: April 20 2022

GIRI.K. K
 Director
 DIN: 07864395

Place: Bengaluru
 Date: April 20 2022

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. 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, 2022, 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, 2022 were approved for issue by the Board of Directors on April 20, 2022.

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 (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 standard required 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 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.

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, amortisation 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.

NOTES FORMING PART OF ACCOUNTS (CONTD.)

	As at 31-03-2022	As at 31-03-2021
	₹	₹
8 INVESTMENTS		
Current investment		
Investment in mutual funds		
Quoted		
L&T Liquid Fund - Regular - Daily Dividend Reinvestment	-	-
	-	-
	-	-
	-	-
9 TRADE RECEIVABLES		
Current		
Unsecured, Considered good	-	-
Less: Allowance for doubtful debt	-	-
	-	-
	-	-
	-	-
10 CASH AND CASH EQUIVALENTS		
Balances with banks	3,027,775	3,140,795
Cheque on hand	-	-
Remittance in transit	-	-
Deposits with maturity less than three months		
Cash on hand	-	-
	3,027,775	3,140,795
	-	-
11 OTHER BANK BALANCES		
Fixed deposits with banks	-	-
	-	-
	-	-
	-	-
Trade Receivables ageing schedule	Not Applicable	
12 OTHER FINANCIAL ASSETS		
Receivable from Related Party	-	-
	-	-
Security deposits	-	1,000
Other receivables	-	31,650
	-	32,650
	-	-
13 OTHER CURRENT ASSETS		
Unbilled revenue	-	-
Less: ECL on unbilled revenue	-	-
	-	-
Prepaid expenses	-	68,107
GST receivable	2,863,105	2,850,001
GST/Service tax recoverable	-	-
	2,863,105	2,918,108
	2,863,105	2,918,108

NOTES FORMING PART OF ACCOUNTS (CONTD.)

	As at 31-03-2022	As at 31-03-2021
	₹	₹
14 SHARE CAPITAL		
14.1 Authorised:		
10,000 Equity shares of ₹ 10 each	100,000	100,000
	100,000	100,000
14.2 Issued, subscribed and paid up		
10,000 Equity shares of ₹ 10 each	100,000	100,000
Total issued, subscribed and paid up capital	100,000	100,000
14.3 In the period of five years immediately preceding March 31, 2022:		
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 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.		
14.5 Shares of the company held by holding company		
Equity shares	As at 31-03-2022	As at 31-03-2021
	No. of shares	No. of shares
	% Holding	% Holding
L&T Technology Services Limited	9,999	9,999
Mr. P. Ramakrishnan jointly with L&T Technology Services Limited	1	1
	10,000	10,000
14.6 Shareholders holding more than 5% of equity shares as at the end of the year		
Equity shares	As at 31-03-2022	As at 31-03-2021
	No. of shares	No. of shares
	% Holding	% Holding
L&T Technology Services Limited	9,999	9,999
	99.99%	99.99%
	As at 31-03-2022	As at 31-03-2021
	₹	₹
15 SHORT-TERM BORROWINGS		
Unsecured:		
ICB from Parent Company	-	-
	-	-
16 TRADE PAYABLES		
Due to Related Parties	20,060	-
Micro and small enterprises	-	-
Due to Others:		
Liability for revenue goods/services	50,000	111,000
Supplier ledger - Revenue goods/Services	-	28,730
	70,060	139,730

NOTES FORMING PART OF ACCOUNTS (CONTD.)

	Year ended 31-03-2022	Year ended 31-03-2021
	₹	₹
23 OTHER OPERATING EXPENSES		
Travelling and conveyance	-	-
Rent and establishment expenses	-	(53)
Telephone, postage and other communication charges	-	-
Legal and professional charges	85,377	159,712
Advertisement & sales promotion expenses	-	-
Rates & taxes	20,650	12,577
Miscellaneous expenses	12,826	2,360
	<u>118,853</u>	<u>174,596</u>
24 FINANCE COST		
Interest paid		
Bank interest paid	-	-
	<u>-</u>	<u>-</u>
25 PROVISION FOR TAXATION		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
26 BASIC AND DILUTED EARNING PER EQUITY SHARE (EPS)		
Basic and diluted EPS		
Profit after tax	(123,369)	(171,513)
Less: Dividend on preference shares	-	-
Less: Tax on dividend	-	-
Profit attributable to equity shareholders	(123,369)	(171,513)
Weighted average no. of equity shares outstanding	100,000	100,000
Basic EPS - Rupees	(1.23)	(1.72)
Diluted		
Profit after tax	(123,369)	(171,513)
Less: Dividend on preference shares	-	-
Less: Tax on dividend	-	-
Profit attributable to equity shareholders	(123,369)	(171,513)
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	(1.23)	(1.72)
27 DETAILS OF PAYMENT TO AUDITORS		
Payment to auditors		
As auditor:		
Audit fee	50,000	50,000
Tax Audit Fees	-	-
	<u>50,000</u>	<u>50,000</u>

NOTES FORMING PART OF ACCOUNTS (CONTD.)**28 FAIR VALUE MEASUREMENTS****Financial instrument by category**

(₹)

	As at 31-03-2022			As at 31-03-2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Bank fixed deposits	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	3,027,775	-	-	3,140,795
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	-	-	-	-	-	32,650
Total financial assets	-	-	3,027,775	-	-	3,173,445
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	70,060	-	-	139,730
Other financial liabilities	-	-	-	-	-	-
Total financial liabilities	-	-	70,060	-	-	139,730

(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 31-03-2022			
	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 financial assets and financial liabilities are considered to be the same as their fair values due to their short term nature.

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:

Particulars	2021-22	2020-21
Profit Before Income Taxes	(123,369)	(78,264)
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	-	-

(₹)

30 RELATED PARTY DISCLOSURE**30(i) List of related parties which can exercise control:**

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

30(ii) List of directors as on March 31, 2022:

Name	Designation
Rajeev Gupta	Director
Giri Kunnathur Krishnamaraj	Director

30(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.)**30(iv) Disclosure of related party transactions**

(₹)

Transaction	31-Mar-22	31-Mar-21
Sale of services :		
Holding Company	–	–
-Esencia Technologies Inc	–	–
Services availed by Company :		
Holding Company	–	–
-L&T Technology Services Limited	–	–
Ultimate Holding Company	20,060	26,000
-Larsen & Toubro Ltd.	20,060	26,000
Services rendered by the company :		
Holding Company	–	–
-L&T Technology Services Limited	–	–
Trade payable :		
Holding Company	20,060	–
-Larsen & Toubro Ltd.	20,060	–

31 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.

- 32** 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.
- 33** The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- 34** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2022.
- 35** Contingent Liability - ₹ Nil (PY ₹ Nil).
- 36** Previous year's figures have been regrouped/reclassified wherever necessary.
- 37** 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).
- 38** 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 ACCOUNTS (CONTD.)**39 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 the Company does not have any subsidiary.

3. Financial Ratios

Ratio / Measure*	Formula considered	For Year ended 31-03-2022	For Year ended 31-03-2021
Current ratio	Current assets/Current liabilities	84.08	40.11
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	(0.02)	(0.03)
Trade receivables turnover ratio	Revenue from operation/Average trade receivable	NA	NA
Trade payable turnover ratio	Adjusted expenses/Average trade payables	1.13	1.74
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	(0.02)	(0.03)
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:

- a. 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.
- b. 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

A.R. PAI
Proprietor
Membership no. 23139

Place: Bengaluru
Date: April 20 2022

For and on behalf of the Board of Directors of
Esencia Technologies India Pvt Ltd

RAJEEV GUPTA
Director
DIN: 06782710

Place: Mumbai
Date: April 20 2022

GIRI.K. K
Director
DIN: 07864395

Place: Bengaluru
Date: April 20 2022

BOARD REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their Seventh report and Audited Accounts for the year ended March 31, 2022.

1. FINANCIAL RESULTS:

Particulars	2021-22	2020-21
	₹	₹
Profit Before depreciation, exceptional and extra ordinary items and tax	(531,701)	4,468,165
Less: Depreciation, amortization, impairment and obsolescence	-	465,464
Profit before exceptional and extraordinary items and tax	(531,701)	4,002,701
Add: Exceptional Items	-	-
Profit/(Loss) before tax	(531,701)	4,002,701
Less: Provision for tax	-	-
Profit for the period carried to the Balance Sheet	(531,701)	4,002,701
Add: Balance brought forward from previous year	591,921	(3,410,780)
Balance available for disposal which the Directors appropriate as follows:	60,220	591,921
Debenture Redemption Reserve	-	-
Balance carried to Balance Sheet	60,220	591,921

2. STATE OF COMPANY AFFAIRS:

The gross sales and other income for the financial year under review were ₹ 56,048 as against ₹ 5,279,775 for the previous financial year, registering a decrease of 99%. The (loss) before tax from continuing operations including extraordinary and exceptional items was (₹ 531,701) and the (loss) after tax from continuing operations including extraordinary and exceptional items was (₹ 531,701) for the financial year under review as against ₹ 4,002,701 and ₹ 4,002,701 respectively for the previous financial year, registering a decrease of 113% and 113% respectively.

COVID-19 UPDATE

The Company implemented safety and hygiene protocols like wearing of face masks, social distancing norms, workplace sanitation and employee awareness programs at all its plants and establishments. The protocols are regularly reviewed and updated based on revisions in guidelines received from authorities concerned from time to time.

Post business transfer by the Company, there was no ongoing business operations. Hence the Company does not foresee any impact of Covid-19 during the year under review.

3. CAPITAL & FINANCE:

There has been no change in the share capital of the Company during the said financial year. As on March 31, 2022, 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, 2022 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 2021-22 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 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 6 meetings were held on April 30, 2021, July 12, 2021, September 24, 2021, October 18, 2021, October 20, 2021 and January 17, 2022.

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

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, 2022, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

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 FY 2021-22.

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 & Co., 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. SHIFTING OF REGISTERED OFFICE FROM STATE OF GUJARAT TO STATE OF MAHARASHTRA:

During the year under review, the Company has shifted its Registered Office from the State of Gujarat to the State of Maharashtra at Mumbai in accordance with the provisions of Sections 12, 13 and other applicable provisions of the Companies Act, 2013. The said shift in the Registered Office of the Company was in the best interests of the Company, its stakeholders and would provide administrative convenience.

Approval for shifting of Registered Office was granted by the Regional Director of Ahmedabad on December 16, 2021. The registered office of the Company is now situated at L&T House, N.M. Marg, Ballard Estate, Mumbai, Maharashtra, India- 400001.

23. SCHEME OF AMALGAMATION:

During the year under review, 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.

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, 2022 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.

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 2022 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

RAJEEV GUPTA

Director
(DIN: 06782710)

Place: Mumbai

Date: April 20, 2022

ABHISHEK SINHA

Director
(DIN: 07596644)

Place: Bengaluru

Date: April 20, 2022

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, 2022, 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, 2022, 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 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 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: 22176178AIYJTP5500

Date: April 20, 2022
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.
 - (b) No Proceeding have been initiated during the year or are pending against the Company as at March 31, 2022 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, 2022 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 provated 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. 5,31,701 during the financial year covered by our audit and no cash losses are incurred 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: 22176178AIYJTP5500

Date: April 20, 2022
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, 2022 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, 2022, 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: 22176178AIYJTP5500

Date: April 20, 2022
Place: Ahmedabad

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	As at 31-03-2022	As at 31-03-2021
₹			
ASSETS:			
I. Non-current assets			
(a) Property, plant and equipment	2	-	-
(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	3	14,729	14,729
(g) Deferred tax assets (net)		-	-
(h) Other non current assets	4	259,294	307,211
Total non-current assets		274,023	321,940
II. Current assets			
(a) Financial assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	5	954,699	905,494
(iv) Other bank balances		-	-
(v) Loans		-	-
(vi) Other financial assets	6	500,587	1,668,872
(b) Other current assets	7	318,531	242,820
Total current assets		1,773,817	2,817,186
TOTAL ASSETS		2,047,840	3,139,126
EQUITY AND LIABILITIES:			
I. Equity			
(a) Equity share capital	8	500,000	500,000
(b) Other equity	9	60,220	591,921
Total equity		560,220	1,091,921
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	10	1,485,829	2,042,894
(iii) Lease liability - current		-	-
(iv) Other financial liabilities		-	-
(b) Other current liabilities	11	1,791	4,311
(c) Provisions		-	-
(d) Current tax liabilities (net)		-	-
Total current liabilities		1,487,620	2,047,205
Total liabilities		1,487,620	2,047,205
TOTAL EQUITY AND LIABILITIES		2,047,840	3,139,126
Notes forming part of the financial statements	1-29		

As per our report attached
S K JHA & CO.
Chartered Accountants
Firm's registration No. 126173

For and on behalf of the Board of Directors of
Seastar Labs Private Limited

NIKHIL MAKHIJA
Partner
Membership No. 176178
UDIN : 22176178AIYJTP5500

RAJEEV GUPTA
Director
(DIN: 06782710)

ABHISHEK SINHA
Director
(DIN: 07596644)

Place: Ahmedabad
Date: April 20, 2022

Place: Mumbai
Date: April 20, 2022

Place: Bengaluru
Date: April 20, 2022

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022

Particulars	Note No.	Period ended 31-03-2022	Period ended 31-03-2021
I. Revenue from operations		-	-
II. Other income (net)	12	56,048	5,279,775
III. Total income		56,048	5,279,775
IV. Expenses:			
(a) Employee benefit expenses		-	-
(b) Depreciation and amortisation expenses		-	465,464
(c) Other expenses	13	587,749	478,698
(d) Finance costs	14	-	332,912
Total expenses		587,749	1,277,074
V. Profit before tax (III - IV)		(531,701)	4,002,701
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)		(531,701)	4,002,701
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)		(531,701)	4,002,701
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		(531,701)	4,002,701
XIV Earnings per equity share (for continuing operation)	15		
Equity share of face value of ₹ 10 each			
- Basic (₹)		(10.63)	80.05
- Diluted (₹)		(10.63)	80.05
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 (₹)		(10.63)	80.05
- Diluted (₹)		(10.63)	80.05
Profit for the period attributable to:			
- Owners of the Company		(531,701)	4,002,701
- 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		(531,701)	4,002,701
- Non-controlling interest		-	-
Notes forming part of the financial statements	1-29		

As per our report attached
S K JHA & CO.
Chartered Accountants
Firm's registration No. 126173

For and on behalf of the Board of Directors of
Seastar Labs Private Limited

NIKHIL MAKHIJA
Partner
Membership No. 176178
UDIN : 22176178AIYJTP5500

RAJEEV GUPTA
Director
(DIN: 06782710)

ABHISHEK SINHA
Director
(DIN: 07596644)

Place: Ahmedabad
Date: April 20, 2022

Place: Mumbai
Date: April 20, 2022

Place: Bengaluru
Date: April 20, 2022

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

Particulars	Period ended 31-03-2022	Period ended 31-03-2021
A. Cash flow from operating activities		
Profit before tax	(531,701)	4,002,701
Adjustments for:		
Depreciation and amortisation	-	465,464
Interest received	-	-
Interest paid	-	332,912
Operating profit before working capital changes	(531,701)	4,801,077
Changes in working capital		
(Increase)/decrease in trade and other receivables	-	-
(Increase)/decrease in other receivables	1,092,574	3,191,561
Increase/(decrease) in trade and other payables	587,324	(19,102,425)
(Increase)/decrease in working capital	532,989	(15,910,864)
Cash generated from operations	1,288	(11,109,787)
Direct taxes paid	47,917	530,020
Net cash (used in)/from operating activities	49,205	(10,579,767)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles - ROU Adj	-	12,169,570
Interest received	-	-
Net cash (used in)/from investing activities	-	12,169,570
C. Cash flow from financing activities		
Intercompany borrowings	-	(1,846,126)
Interest paid	-	(332,912)
Net cash (used in)/from financing activities	-	(2,179,038)
Net (decrease)/increase in cash and cash equivalents	49,205	(589,235)
Cash and cash equivalents at beginning of the period	905,494	1,494,729
Cash and cash equivalents at end of the period	954,699	905,494

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. 126173

For and on behalf of the Board of Directors of
Seastar Labs Private Limited

NIKHIL MAKHIJA
Partner
Membership No. 176178
UDIN : 22176178AIYJTP5500

RAJEEV GUPTA
Director
(DIN: 06782710)

ABHISHEK SINHA
Director
(DIN: 07596644)

Place: Ahmedabad
Date: April 20, 2022

Place: Mumbai
Date: April 20, 2022

Place: Bengaluru
Date: April 20, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2022**A. EQUITY SHARE CAPITAL**

Particulars	01-04-2021 to 31-03-2022		01-04-2020 to 31-03-2021	
	Number of shares	₹	Number of shares	₹
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the period	50,000	500,000	50,000	500,000
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	50,000	500,000	50,000	500,000

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
500,000	0	500,000	0	500,000

(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
500,000	0	500,000	0	500,000

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2022**B. OTHER EQUITY**

₹

Particulars	As at 31-03-2022	
	Other Equity	
	Retained earnings	Total
Opening Balance	591,921	591,921
Profit for the period (a)	(531,701)	(531,701)
Closing Balance	60,220	60,220

Reconciliation of Other Equity**Other Equity****(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
591,921	0	591,921	(531,701)	60,220

(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
(3,410,780.00)	0	(3,410,780.00)	4,002,701	591,921

As per our report attached
S K JHA & CO.
 Chartered Accountants
 Firm's registration No. 126173

For and on behalf of the Board of Directors of
Seastar Labs Private Limited

NIKHIL MAKHIJA
 Partner
 Membership No. 176178
 UDIN : 22176178AIYJTP5500

RAJEEV GUPTA
 Director
 (DIN: 06782710)

ABHISHEK SINHA
 Director
 (DIN: 07596644)

Place: Ahmedabad
 Date: April 20, 2022

Place: Mumbai
 Date: April 20, 2022

Place: Bengaluru
 Date: April 20, 2022

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, 2022, 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 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. These financial statements have been approved for issue by the Board of Directors at their meeting held on April 20, 2022.

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.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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.

2 PROPERTY, PLANT AND EQUIPMENT

₹

Particulars	Gross block				Depreciation/amortisation				Net block as at		
	As at 01-04-2021	Additions	Disposals	As at 31-03-2022	As at 01-04-2021	For the period	Disposal	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021	
Right to use	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	

Additional Regulatory Information**1 Revaluation of asset**

Company does not have any asset as on the balance sheet date so disclosure is not applicable.

2 Title deeds of Immovable Properties not held in name of the Company

Company does not have any asset as on the balance sheet date so disclosure is not applicable.

3 Details of benami property

No proceedings has been initiated/pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

₹

3 OTHER FINANCIAL ASSETS

Security deposits

	<u>As at 31-03-2022</u>	<u>As at 31-03-2021</u>
	<u>14,729</u>	<u>14,729</u>
	<u>14,729</u>	<u>14,729</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2022	As at 31-03-2021
4 OTHER NON-CURRENT ASSETS		
Prepaid expenses	-	-
Income tax receivable (net)	259,294	307,211
	<u>259,294</u>	<u>307,211</u>
5 CASH AND CASH EQUIVALENTS		
Balances with banks	949,129	899,924
Cash on hand	5,570	5,570
	<u>954,699</u>	<u>905,494</u>
6 OTHER FINANCIAL ASSETS		
Current		
Loans and advances to related parties	500,587	1,668,872
	<u>500,587</u>	<u>1,668,872</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	500,587	100%
Directors	-	-
KMPs	-	-
Related Parties	-	-

	As at 31-03-2022	As at 31-03-2021
7 OTHER CURRENT ASSETS		
GST recoverable	318,531	242,820
	<u>318,531</u>	<u>242,820</u>
8 EQUITY SHARE CAPITAL		
8.1 Authorised:		
50,000 Equity Shares of ₹ 10/- each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
8.2 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	500,000	500,000
Total issued, subscribed and paid up capital	<u>500,000</u>	<u>500,000</u>

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

	As at 31-03-2022	
Name of the Person	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.

8.4 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2022	As at 31-03-2021
9 OTHER EQUITY		
Retained earnings	60,220	591,921
	<u>60,220</u>	<u>591,921</u>
10 TRADE PAYABLE		
Micro and small enterprises	-	-
Due to related parties	1,273,277	1,146,909
Due to others	-	636,308
Liability for revenue goods	212,552	259,677
	<u>1,485,829</u>	<u>2,042,894</u>

Trade payables ageing

	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	338,919.00	1,146,910.00	-	-	1,485,829.00

	As at 31-03-2022	As at 31-03-2021
11 OTHER CURRENT LIABILITIES		
Statutory tax payable	1,791	4,311
Other Payables	-	-
	<u>1,791</u>	<u>4,311</u>

	Period ended 31-03-2022	Period ended 31-03-2021
INCOME		
12 OTHER INCOME		
Profit/(loss) on sales of fixed asset	-	-
Miscellaneous income	56,048	5,279,775
Net gain/(loss) on sale of investment	-	-
	<u>56,048</u>	<u>5,279,775</u>

	Period ended 31-03-2022	Period ended 31-03-2021
EXPENSES		
13 OTHER EXPENSES		
Rent and establishment expenses	17,730	-
Telephone, postage and other communication charges	-	-
Legal and professional charges	181,110	156,086
Repairs to buildings & machineries	-	77,792
General repairs and maintenance	-	-
Power and fuel	162,941	63,798
Rates and taxes	23,889	3,190
Overheads charged by group companies	200,014	175,000
Miscellaneous expenses	2,065	2,832
	<u>587,749</u>	<u>478,698</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	Period ended 31-03-2022	Period ended 31-03-2021
14 FINANCE COSTS		
Bank interest paid	-	-
Interest paid/payable - others	-	80,797
Interest on lease liability	-	252,115
	-	332,912
DEPRECIATION		
Depreciation	-	465,464
	-	465,464
15 BASIC EARNING PER EQUITY SHARE		
Profit after tax	(531,701)	4,002,701
Less: Dividend on preference shares	-	-
Less: Tax on dividend	-	-
Profit attributable to equity shareholders	(531,701)	4,002,701
Weighted average no. of equity shares outstanding	50,000	50,000
Basic EPS	(10.63)	80.05
Profit after tax	(531,701)	4,002,701
Profit attributable to equity shareholders	(531,701)	4,002,701
Weighted average no. of equity shares outstanding	50,000	50,000
Diluted EPS	(10.63)	80.05
16 DETAILS OF PAYMENT TO AUDITORS		
Payment to auditors		
As auditor:		
Audit fee	25,000	25,000
Tax Audit Fees	-	-
Other taxation matters	-	-
Other services:	-	-
- Other services including certification work	-	-
	25,000	25,000
17 FAIR VALUE MEASUREMENTS		
Financial instrument by category		

(₹)

	As at 31-03-2022			As at 31-03-2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
- Bank fixed deposits	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	954,699	-	-	905,494
Other financial assets	-	-	500,587	-	-	1,668,872
Security deposits	-	-	14,729	-	-	14,729
Total financial assets	-	-	1,470,015	-	-	2,589,095
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	1,485,829	-	-	2,042,894
Other financial liabilities	-	-	-	-	-	-
Total financial liabilities	-	-	1,485,829	-	-	2,042,894

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

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at 31-03-2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investment at FVPL				
Mutual funds	-	-	-	-
Financial investment at FVOCI				
Foreign currency forward and options contracts	-	-	-	-
Total financials assets	-	-	-	-
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 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.

(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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**18 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	(₹)	
	2021-22	2020-21
Accounting Profit Before Income Tax	(532,701)	4,002,701
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	-	-

19 RELATED PARTY DISCLOSURE**19(i) List of related parties which can exercise control**

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

19(ii) Key management personnel

Name	Status
Mr. Abhishek Sinha	Director
Mr. Rajeev Gupta	Director

19(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

19(iv) Disclosure of related party transactions

Transaction	31-03-2022	31-03-2021
Services availed by the Company		
Ultimate Holding Company	217,014	201,000
- Larsen & Toubro Limited	217,014	201,000
Balance	31-03-2022	31-03-2021
Receivable		
Holding Company	500,587	1,668,872
- L&T Technology Services Limited	500,587	1,668,872
Fellow Subsidiary	-	-
- Graphene Semiconductor Services Private Limited	-	-
Payable		
Ultimate Holding Company	126,367	16,114
- Larsen & Toubro Limited	126,367	16,114
Fellow Subsidiary	1,146,909	1,146,909
- Graphene Semiconductor Services Private Limited	1,146,909	1,146,909

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**20 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.

21 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.

22 The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

23 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2022.

24 Contingent Liability - ₹ Nil (PY ₹ Nil).

25 Previous year's figures have been regrouped/reclassified wherever necessary.

26 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.

27 CORPORATE SOCIAL RESPONSIBILITY:

The company is not covered under section 135 of The Companies Act, 2013.

28 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY:

Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

29 ADDITIONAL REGULATORY INFORMATION:**I. Registration of charges:**

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

II. Compliance with number of layers of companies:

Not applicable to the Company since does not have any subsidiary.

III. Financial Ratios

Ratio/Measure*	Formula considered	For Year ended 31-03-2022	For Year ended 31-03-2021
Current ratio	Current assets/Current liabilities	1.19	1.38
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	(0.95)	3.67
Trade receivables turnover ratio	Revenue from operation/Average trade receivable	NA	NA
Trade payable turnover ratio	Adjusted expenses/Average trade payables	0.33	0.11
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	(0.95)	3.36
Return on investment	Interest income	NA	NA

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

IV. 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.

V. Wilful defaulter:

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

VI. 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.

VII. Utilisation of Borrowed funds and share premium:

- a. 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.
- b. 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. 126173

For and on behalf of the Board of Directors of
Seastar Labs Private Limited

NIKHIL MAKHIJA
Partner
Membership No. 176178
UDIN : 22176178AIYJTP5500

RAJEEV GUPTA
Director
(DIN: 06782710)

ABHISHEK SINHA
Director
(DIN: 07596644)

Place: Ahmedabad
Date: April 20, 2022

Place: Mumbai
Date: April 20, 2022

Place: Bengaluru
Date: April 20, 2022

BOARD REPORT

Dear Members,

The Directors have pleasure in presenting their Third Board report and Audited Accounts for the year ended December 31, 2021.

1. FINANCIAL RESULTS:

Particulars	2021	2020
	CNY	CNY
Total Income	2,619,638	2,543,941
Total Expenditure	1,546,508	3,315,577
Operating Profit/(Loss)	1,073,130	(771,636)
Add: Other Income	6,860	–
Less: Finance Costs	31,911	–
Profit/(Loss) before Tax	1,048,079	(771,636)
Less: Tax	3,525	–
Net Profit/(Loss) after Tax	1,044,554	(771,636)
Add: Balance b/f from previous year	(907,071)	(135,435)
Balance available for disposal which directors appropriate as follows:	137,483	(907,071)
Dividend	–	–
Transfer to Reserves	13,748	–
Balance to be carried forward	123,735	(907,071)

2. CAPITAL & FINANCE:

During the year under review, the Company has not issued any shares. There is no loan outstanding as on December 31, 2021. The Company has a share capital of CNY 3,288,438.

3. CAPITAL EXPENDITURE:

As at December 31, 2021, 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.

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 for the financial year under review were CNY 2,619,638 as against CNY 2,543,941 for the previous financial year registering an increase of 3%. The profit before tax from continuing operations including extraordinary and exceptional items was CNY 1,048,079 and the (loss) after tax from continuing operations including extraordinary and exceptional items was CNY 1,044,554 for the financial year under review as against CNY (771,636) and CNY (771,636) respectively for the previous financial year, registering an increase of 236% and 235% respectively.

6. AMOUNT TO BE CARRIED TO RESERVES:

As at December 31, 2021, the Company has transferred CNY 13,748 to legal reserves as per local regulations.

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 Executive Director and General Manager is Mr. P. Ramakrishnan and Supervisor is Mr. Kamalapuram Prabhakaran.

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 PRABHHAKARAN
Director

Date: May 12, 2022
Place: Bengaluru

AUDITORS' REPORT FOR THE YEAR ENDED DECEMBER 31, 2021**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(2022)00000

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 as "The company") which comprise the balance sheet as of December 31, 2021, 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, 2021 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 identify during our audit.

Shanghai Zhongqin Wanxin CPAS Co., Ltd.

Shanghai, China

May. 12th, 2022

This auditor's report and the accompanying notes to the financial statements are English translation of the Chinese auditors' report. In case of doubt as to the presentation of these documents, In case of doubt as to the presentation of these documents, the Chinese version shall prevail.

BALANCE SHEET AS AT 31 DECEMBER 2021

(CURRENCY: CNY)			
Particulars	Note No.	2021.12.31	2020.12.31
CURRENT ASSETS			
Cash and Bank Deposits	6.1	4,462,913.39	3,172,831.55
Accounts Receivable	6.2	23,039.10	719,442.73
Advances to Suppliers		2,973.74	
Other Receivables	6.3	235,988.72	85,793.99
Inventory			
Prepaid expenses			
Other current assets			
TOTAL CURRENT ASSETS		4,724,914.95	3,978,068.27
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		4,724,914.95	3,978,068.27
LIABILITIES AND OWNER'S EQUITY			
CURRENT LIABILITIES			
Accounts Payable	6.4	72,218.83	351,337.73
Advances from customers			
Payroll and Welfare Payable			
Tax Payable		1,180.73	5,777.90
Other Payables	6.5	1,225,593.70	1,239,585.70
TOTAL CURRENT LIABILITIES		1,298,993.26	1,596,701.33
DEFERRED TAX			
Deferred tax credits		-	-
TOTAL LIABILITIES		1,298,993.26	1,596,701.33
OWNER'S EQUITY			
Paid-in capital	6.6	3,288,438.05	3,288,438.05
Surplus Reserve		13,748.36	
Undistributed profits	6.7	123,735.28	(907,071.11)
TOTAL OWNER'S EQUITY		3,425,921.69	2,381,366.94
TOTAL LIABILITIES AND OWNER'S EQUITY		4,724,914.95	3,978,068.27

The annexed Notes form an integral part of these Financial Statements.

Sd/-

Director

Sd/-

Financial controller

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Particulars	Note No.	(CURRENCY: CNY)	
		2021	2020
SALES	6.8	2,619,638.06	2,543,940.86
Less: Cost of Sales	6.8	1,033,767.21	888,022.06
Taxes and surcharge for main operations		4,413.30	4,740.56
Less: Operating expenses	6.9	227,227.36	243,535.54
General and administrative expenses	6.10	281,100.20	2,080,500.96
Financial expenses	6.11	31,910.51	98,777.83
Asset disposal incomes			
OPERATION INCOME		1,041,219.48	(771,636.09)
Add: Non-operating incomes		6,860.49	
Less: Non-operating expenses			
INCOME BEFORE TAX		1,048,079.97	(771,636.09)
Less: Income tax		3,525.22	
NET INCOME		1,044,554.75	(771,636.09)

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 2021

Particulars	(CURRENCY: CNY)	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from sales of goods or rendering of services	3,385,383.99	1,828,895.06
Cash received from return of taxation fee	91.15	
Other cash received relating to operating activities	13,885.55	1,251,068.59
Sub-total of cash inflows	3,399,360.69	3,079,963.65
Cash paid for goods and services	1,315,859.85	669,947.53
Cash paid to and on behalf of employees	216,195.36	350,468.47
Tax paid	81,877.99	3,359.59
Other cash paid relating to operating activities	459,646.95	2,064,084.28
Sub-total of cash outflows	2,073,580.15	3,087,859.87
Net Cash Flows from Operating Activities	1,325,780.54	(7,896.22)
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	(35,698.70)	(97,995.26)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,290,081.84	(105,891.48)

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 2021

(CURRENCY: CNY)

	Paid in Capital	Surplus Reserve	Accumulated Profits	Total
Balance at 1 January 2020				
-- as originally stated	3,288,438.05	-	(135,435.02)	3,153,003.03
-- adjustment on adoption of Accounting Standard	-	-	-	-
-- as restated	3,288,438.05	-	(135,435.02)	3,153,003.03
Increase and Decrease for The Year				
-- Net profit for the year	-	-	(771,636.09)	(771,636.09)
-- Profit distributed	-	-	-	-
Statutory surplus reserve	-	-	-	-
Extract for employee bonus and welfare fund	-	-	-	-
Dividend payable	-	-	-	-
Balance at 31 December 2020	3,288,438.05	-	(907,071.11)	2,381,366.94
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	3,288,438.05	-	(907,071.11)	2,381,366.94
Increase and Decrease for The Year				
-- Net profit for the year	-	-	1,044,554.75	1,044,554.75
-- Owner invest new capital	-	-	-	-
-- Profit distributed	-	-	-	-
Statutory surplus reserve	-	13,748.36	(13,748.36)	-
Extract for employee bonus and welfare fund	-	-	-	-
Dividend payable	-	-	-	-
Balance at 31 December 2021	3,288,438.05	13,748.36	123,735.28	3,425,921.69

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 1 January and ends on 31 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 yearend 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 based on the taxable revenue with the rate 13% & 6%, VAT out-put less the VAT inputs which approved to be deducted shall be paid.

5.2 Urban maintenance and construction tax

Based on actual payment of business tax, value added tax and consumption tax.

5.3 Enterprise Income Tax

EIT calculated based 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 2021	31 December 2020
Bank deposits	4,462,913.39	3,172,831.55

6.2 Accounts Receivables

Age	31 December 2021			31 December 2020		
	Amount	Rate	Bad debts	Amount	Rate	Bad debts
Within 1 year	23,039.10	100%	–	719,442.73	100%	–
Total	23,039.10	100%	–	719,442.73	100%	–

6.3 Other Receivables

Age	31 December 2021			31 December 2020		
	Amount	Rate	Bad debts	Amount	Rate	Bad debts
Within 1 year	150,194.73	63.64%	–	85,793.99	100%	–
1-2 years	85,793.99	36.30%	–	–	–	–
Total	235,988.72	100%	–	85,793.99	100%	–

Among which, main items:

Company	31 December 2021	Age
L&T Information Technology Services (Shanghai) Co., Ltd	140,494.73	within 1 year

6.4 Accounts Payable

Aging	31 December 2021	31 December 2020
Within 1 year	72,218.83	351,337.73

6.5 Other Payables

Aging	31 December 2021	31 December 2020
Within 1 year	1,225,593.70	1,239,585.70

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Amounts are expressed in CNY unless otherwise stated)

Among which, main items

Company	31 December 2021	Aging
L&T TECHNOLOGY SERVICES LTD	1,225,593.70	1-2 years

6.6 Paid in Capital

Investor	31 December 2021	
	USD	CNY equivalent
L&T TECHNOLOGY SERVICES LTD	469,985.00	3,288,438.05

6.7 Undistributed Profits

Item	Year Ended 31 December 2021	Year Ended 31 December 2020
Balance as at the beginning of the year	-907,071.11	-135,435.02
Add: Profit for current year	1,044,554.75	-771,636.09
Less: Legal reserve	13,748.36	-
Dividend paid	-	-
Balance as at the end of the year	123,735.28	-907,071.11

6.8 Sales and Cost of Sales

Item	Year Ended 31 December 2021		Year Ended 31 December 2020	
	Sales	Cost of Sales	Sales	Cost of Sales
Main business	2,619,638.06	1,033,767.21	2,543,940.86	888,022.06

6.9 Taxes and surcharge for main operations

Item	Year Ended 31 December 2021	Year Ended 31 December 2020
Taxes and surcharge for main operations	4,413.30	4,740.56

6.10 Operating Expenses

Item	Year Ended 31 December 2021	Year Ended 31 December 2020
Operating Expenses	227,227.36	243,535.54
Among which, main items:		
Salaries	159,369.08	200,283.24

6.11 General and Administrative Expenses

	Year Ended 31 December 2021	Year Ended 31 December 2020
General and Administrative Expenses	281,100.20	2,080,500.96
Among which, main items:		
Management fee	-	1,225,593.70
Consultation fee	221,541.80	216,980.73
Technical service fee	-	187,885.70

6.12 Financial expenses

Item	Year Ended 31 December 2021	Year Ended 31 December 2020
Interest income	7,063.70	3,939.69
Exchange gains or losses	35,646.19	97,995.16
Others	3,328.02	4,722.36
Total	31,910.51	98,777.83

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**6.13 Non-operating incomes**

Item	Year Ended 31 December 2021	<i>Year Ended 31 December 2020</i>
Tax return	91.15	—
Subsidy of vat-in	6,769.04	—
Others	0.30	—
Total	6,860.49	—

6.14 Income tax

Item	Year Ended 31 December 2021	<i>Year Ended 31 December 2020</i>
Income tax	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, 2021

(CURRENCY: CNY)

Items	Amount
Accounting income for the year	1,048,079.97
Less: Received the receipt of expenses for last year	22,530.00
Taxable income for the year	1,025,549.97

The adjustment of taxable income is the point of view of CPA who conducted the audit.

The ultimate taxable income is subject to the verification of local tax bureau.

BOARD REPORT

Dear Members,

The Directors have pleasure in presenting their Second Board report and Management Certified Accounts for the year ended March 31, 2022.

1. FINANCIAL RESULTS:

Particulars	2021-22	2020-21
	CAD	CAD
Total Income	1,091,486	185,491
Total Expenditure	1,251,152	176,039
Operating Profit/(Loss)	(159,666)	9,452
Add: Interest Income	-	-
Less: Finance Costs	-	-
Profit/(Loss) before Tax	(159,666)	9,452
Less: Tax	-	2,552
Net Profit/(Loss) after Tax	(159,666)	6,900
Add: Balance b/f from previous year	6,900	-
Balance available for disposal which directors appropriate as follows:	(152,766)	6,900
Dividend	-	-
Transfer to Reserves	-	-
Balance to be carried forward	(152,766)	6,900

2. CAPITAL & FINANCE:

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

3. CAPITAL EXPENDITURE:

As at March 31, 2022, 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 1,091,486 as against CAD 185,491 for the previous financial year registering an increase of 488%. The (loss) before tax from continuing operations including extraordinary and exceptional items was CAD (159,666) and the (loss) after tax from continuing operations including extraordinary and exceptional items of CAD (159,666) for the financial year under review as against CAD 9,452 and CAD 6,900 respectively for the previous financial year, registering a decrease of 1,789 % and 2,414% respectively.

6. AMOUNT TO BE CARRIED TO RESERVES:

As at March 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. Amit Chadha, Dr. Keshab Panda & Mr. P. Ramakrishnan.

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 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 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 18, 2022

Place: United States of America

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	CAD	
		As at 31-03-2022	As at 31-03-2021
ASSETS:			
I. Non-current assets			
Property, plant and equipment		-	-
Capital work-in-progress		-	-
Right-of-Use Asset		-	-
Goodwill		-	-
Other intangible assets		-	-
Financial assets			
Investments		-	-
Loans		-	-
Other financial assets		-	-
Deferred tax assets (net)		-	-
Other non current assets		-	-
Total non-current assets		-	-
II. Current assets			
Financial assets			
Trade receivables	1	930,266	136,517
Cash and cash equivalents	2	193,174	3,336
Other financial assets		-	-
Current tax assets (net)		2,876	-
Other current assets	3	36,187	55,474
Total current assets		1,162,503	195,327
TOTAL ASSETS		1,162,503	195,327
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	6,612	6,612
Other equity		(152,766)	6,900
Total equity		(146,154)	13,512
I. Non-current liabilities			
Lease Liability		-	-
Other financial liabilities		-	-
Deferred tax liabilities (Net)		-	-
Total non-current liabilities		-	-
II. Current liabilities			
Financial liabilities			
Borrowings		-	-
Trade payables	5	1,201,730	173,103
Lease Liability		-	-
Other financial liabilities		-	-
Other current liabilities	6	106,927	6,500
Provisions		-	-
Current tax liabilities (net)		-	2,212
Total current liabilities		1,308,657	181,815
TOTAL EQUITY AND LIABILITIES		1,162,503	195,327

For and on behalf of L&T Technology Services (Canada) Limited

MR. AMIT CHADHA
Director

Date: April 18, 2022
Place: United States of America

STATEMENT OF PROFIT AND LOSS FOR PERIOD ENDED ON MARCH 31, 2022

Particulars	Note No.	CAD	
		Year ended 31-03-2022	Year ended 31-03-2021
I. Revenue from operations	7	1,091,913	185,491
II. Other income	8	(427)	–
III. TOTAL INCOME		1,091,486	185,491
IV. Expenses:			
Employee benefit expenses		–	–
Other operating expenses	9	1,251,152	176,039
Finance cost		–	–
Depreciation and amortisation expenses		–	–
TOTAL EXPENSES		1,251,152	176,039
V. PROFIT BEFORE TAX (III - IV)		(159,666)	9,452
VI. Tax expense:			
(a) Current tax		–	2,552
(b) Deferred tax		–	–
TOTAL TAX EXPENSE	10	–	2,552
VII. PROFIT FOR THE YEAR (V - VI)		(159,666)	6,900
VIII. Other comprehensive income (OCI), net of taxes		–	–
IX. TOTAL COMPREHENSIVE INCOME, NET OF TAXES		(159,666)	6,900
X. EARNING PER EQUITY SHARE			
Basic		(3.19)	0.14
Diluted		(3.19)	0.14

For and on behalf of **L&T Technology Services (Canada) Limited**

MR. AMIT CHADHA
Director

Date: April 18, 2022
Place: United States of America

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	CAD	
	Year ended 31-03-2022	Year ended 31-03-2021
A. Cash flow from operating activities		
Profit before tax	(159,666)	9,452
Adjustments for:		
Depreciation and amortisation	-	-
Interest received	-	-
Interest paid	-	-
(Profit)/Loss on sale of fixed assets	-	-
Employee stock option forming part of staff expenses	-	-
Dividends received from current investments	-	-
Unrealised foreign exchange loss/(gain)	-	-
Operating profit before working capital changes	(159,666)	9,452
Changes in working capital		
(Increase)/decrease in trade receivables	(793,749)	(136,517)
(Increase)/decrease in other receivables	16,411	(55,474)
Increase/(decrease) in trade & other payables	1,129,054	179,603
(Increase)/decrease in working capital	351,716	(12,388)
Cash generated from operations	192,050	(2,936)
Direct taxes paid	(2,212)	(340)
Net cash (used in)/from operating activities	189,838	(3,276)
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	-	6,612
Preference share capital redeemed	-	-
Proceeds from/(repayment of) borrowings	-	-
Interest paid	-	-
Net cash (used in)/from financing activities	-	6,612
Net (decrease)/increase in cash and cash equivalents	189,838	3,336
Cash and cash equivalents at beginning of year	3,336	-
Cash and cash equivalents at end of year	193,174	3,336

For and on behalf of **L&T Technology Services (Canada) Limited**

MR. AMIT CHADHA
Director

Date: April 18, 2022
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	
Balance as at 01-04-2021	6,612	6,900	–	6,900
Profit for the year		(159,666)	–	(159,666)
Addition/(deduction) during the period	–	–	–	–
Balance as at 31-03-2022	6,612	(152,766)	–	(152,766)

 For and on behalf of **L&T Technology Services (Canada) Limited**
MR. AMIT CHADHA
 Director

 Date: April 18, 2022
 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, 2022, 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 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, 2022 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 As at 31-03-2022	CAD As at 31-03-2021
1 TRADE RECEIVABLES		
Trade receivables	930,266	136,517
Receivables from related parties	-	-
Less: Allowances for doubtful debts	-	-
	<u>930,266</u>	<u>136,517</u>
2 CASH AND CASH EQUIVALENTS		
Balances with banks	193,174	3,336
	<u>193,174</u>	<u>3,336</u>
3 OTHER CURRENT ASSETS		
Unbilled revenue	-	55,474
Other receivables	36,187	-
	<u>36,187</u>	<u>55,474</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	1,201,818	32,607
Liability for revenue goods	(88)	140,496
Supplier ledger - revenue goods/services	-	-
	<u>1,201,730</u>	<u>173,103</u>
6 OTHER CURRENT LIABILITIES		
Unearned Revenue	-	-
Other payables	106,927	6,500
	<u>106,927</u>	<u>6,500</u>

NOTES FORMING PART OF ACCOUNTS

		CAD	
		Year ended 31-03-2022	Year ended 31-03-2021
7	REVENUE FROM OPERATIONS		
	Overseas	1,091,913	<i>185,491</i>
		1,091,913	<i>185,491</i>
8	OTHER INCOME		
	Foreign exchange gain/(loss)	(427)	–
		(427)	–
	EXPENSE		
9	OTHER OPERATING EXPENSES		
	Subcontracting and component charges	1,361,589	<i>32,267</i>
	Engineering, professional, technical and consultancy fees	(117,195)	<i>140,496</i>
	Miscellaneous expenses	6,758	<i>3,276</i>
		1,251,152	<i>176,039</i>
10	PROVISION FOR TAXATION		
	Current tax	–	<i>2,552</i>
	Deferred tax	–	–
		–	<i>2,552</i>

BOARD REPORT

Dear Members,

The Directors have pleasure in presenting their Second Board Report and Audited Accounts for the year ended March 31, 2022.

1. FINANCIAL RESULTS:

Particulars	2021-22	October 02, 2020 to March 31, 2021
	USD	USD
Total Income	22,399,615	8,519,024
Total Expenditure	21,035,587	6,949,069
Operating Profit/(Loss)	1,364,028	1,569,955
Add: Other Income	(2,426,473)	(1,711,751)
Less: Finance Costs	-	-
Profit/(Loss) before Tax	(1,062,445)	(141,796)
Less: Tax	(152,066)	(141,050)
Net Profit/(Loss) after Tax	(910,379)	(746)
Add: Balance b/f from previous year	(3,851,566)	(3,850,820)
Balance available for disposal which directors appropriate as follows:	(4,761,945)	(3,851,566)
Dividend	-	-
Transfer to Reserves	-	-
Balance to be carried forward	(4,761,945)	(3,851,566)

2. CAPITAL & FINANCE:

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

3. CAPITAL EXPENDITURE:

As at March 31, 2022, the gross fixed and intangible assets including leased assets, stood at USD 1,518 and the net fixed and intangible assets, including leased assets, at USD 1,098. Capital Expenditure during the year amounted to USD 868.

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 19,973,142 as against USD 6,807,273 for the previous financial year registering an increase of 193.41%. The (loss) before tax from continuing operations including extraordinary and exceptional items was USD (1,062,445) and the (loss) after tax from continuing operations including extraordinary and exceptional items was USD (910,379) for the financial year under review as against USD (141,796) and USD (746) respectively for the previous financial year (October 2, 2020 to March 31, 2021).

6. AMOUNT TO BE CARRIED TO RESERVES:

As at March 31, 2022, 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, 2022.

The Agenda of the Meeting is circulated to the Directors in advance.

13. FINANCIAL STATEMENTS:

The Financial statements does 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 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 the Board

MR. RAJEEV GUPTA

Director

Date: April 13, 2022

Place: Mumbai

MR. BHANU GOPALAM

Director

Date: April 13, 2022

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, 2022 and March 31, 2021, and the related statements of income, stockholder's equity, and cash flows for the year ended March 31, 2022, and for the period October 02, 2020 to March 31, 2021, 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, 2022 and March 31, 2021 and the results of its operations and its cash flows for the year ended March 31, 2022 and for the period October 02, 2020 to March 31, 2021 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.

EMPHASIS OF MATTER

We draw attention to Note B (1.b) of the financial statements. These financial statements are not comparable with the previous year financial statements, which are for a period October 02, 2020 to March 31, 2021. Our opinion is not modified with respect to this matter.

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 audits.

Atlanta, Georgia
April 13, 2022

BALANCE SHEET*(All amounts are stated in United States Dollars, unless otherwise stated)*

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	696,512	630,936
Accounts receivable, net	1,459,347	1,295,736
Due from related parties	2,014,304	450,794
Unbilled revenue	4,370,755	2,701,420
Prepaid expenses	26,863	17,290
Total current assets	<u>8,567,781</u>	<u>5,096,176</u>
Computer & equipment, net	1,098	–
Deferred tax assets	2,113,552	1,789,341
Total assets	<u>10,682,431</u>	<u>6,885,517</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable	1,019,971	516,874
Due to related parties	474,450	–
Deferred revenue	82,622	69,118
Other current liabilities	2,959,066	1,670,582
Earn-out provision (Refer note K)	4,141,640	1,713,882
Total current liabilities	<u>8,677,749</u>	<u>3,970,456</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	(4,761,945)	(3,851,566)
Total stockholder's equity	<u>2,004,682</u>	<u>2,915,061</u>
Total liabilities and stockholder's equity	<u>10,682,431</u>	<u>6,885,517</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)*

	Year ended March 31, 2022	<i>For the period October 02, 2020 to March 31, 2021</i>
Service revenue	22,399,615	8,519,024
Less: cost of revenue	(15,671,836)	(5,353,601)
Gross profit	6,727,779	3,165,423
Selling, general and administrative expenses	5,363,367	1,595,468
Depreciation	384	-
Total expenses	5,363,751	1,595,468
Operating income	1,364,028	1,569,955
Other income	1,285	2,131
Earn- out expenses	(2,427,758)	(1,713,882)
Net loss before income tax	(1,062,445)	(141,796)
Deferred tax benefit	(324,210)	(277,293)
Current tax expense	172,144	136,243
Net loss	(910,379)	(746)

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

STATEMENT OF STOCKHOLDERS' EQUITY

For the year ended March 31, 2022 and for the period October 02, 2020 to March 31, 2021

(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 October 02, 2020	20,000,000	20,000	4,600,000	4,600	45,900	(3,850,820)	(3,800,320)
Additional capital contributed by the holding company	–	–	–	–	6,716,127	–	6,716,127
Net loss for the period	–	–	–	–	–	(746)	(746)
Balance as of March 31, 2021	20,000,000	20,000	4,600,000	4,600	6,762,027	(3,851,566)	2,915,061
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

(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)*

	Year ended March 31, 2022	<i>For the period October 02, 2020 to March 31, 2021</i>
Cash flows from operating activities		
Net loss	(910,379)	(746)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Deferred tax benefit	(324,210)	(277,293)
Allowance for doubtful debts	–	12,595
Depreciation	384	–
Changes in operating assets and liabilities		
Accounts receivable, net	(163,611)	(644,238)
Prepaid expenses and other current assets	(9,572)	81,800
Unbilled revenue	(1,669,335)	(1,407,551)
Accounts payable	503,097	38,249
Due to related parties	474,450	–
Due from related parties	(1,563,510)	–
Deferred revenue	13,504	(29,242)
Other current liabilities	1,288,482	(4,035,182)
Earn-out provision	2,427,758	1,713,882
Net cash provided by (used in) operating activities	67,058	(4,547,726)
Cash flow from investing activities		
Purchase of computer and equipment	(1,482)	–
Net cash used in investing activities	(1,482)	–
Cash flow from financing activities		
Repayment of term loan	–	(2,496,471)
Additional capital contributed by the holding company	–	6,716,127
Net cash provided by financing activities	–	4,219,656
Net increase (decrease) in cash and cash equivalents	65,576	(328,070)
Cash and cash equivalents at the beginning	630,936	959,006
Cash and cash equivalents at the end of the period	696,512	630,936
Supplemental cash flow information		
Income tax paid	13,915	–

(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 year ended March 31, 2022 and for the period October 02, 2020 to March 31, 2021. The numbers reported in the current year financial statements are not comparable with the previous year financial statements, which are for a period October 02, 2020 to March 31, 2021.
- c. All amounts are stated in United States Dollars, except as otherwise specified.

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. Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rent expenses on operating leases are charged to expense over the lease term.

9. 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 carryforwards. 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.

10. 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.

11. 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, 2022</u>	<u>As at March 31, 2021</u>
Bank balance	696,512	630,936
Total	<u>696,512</u>	<u>630,936</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, 2022</u>	<u>As at March 31, 2021</u>
Accounts receivable	1,471,942	1,308,331
Less: allowance for doubtful debts	(12,595)	(12,595)
Accounts receivable, net	<u>1,459,347</u>	<u>1,295,736</u>

The activity in allowance for doubtful debts is given below:

	<u>Year ended March 31, 2022</u>	<u>For the period October 02, 2020 to March 31, 2021</u>
Balance at beginning of the period	12,595	–
Add: Provision for the current year	–	12,595
Balance at the end of the year	<u>12,595</u>	<u>12,595</u>

NOTE E - OTHER CURRENT LIABILITIES

Other current liabilities comprise of:

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Accrued employee liabilities	1,000,666	704,716
Accrued expenses	1,665,607	831,552
Provision for income tax	292,793	134,314
Total	<u>2,959,066</u>	<u>1,670,582</u>

NOTE F - REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table presents revenue disaggregated by source of revenue:

	<u>Year ended March 31, 2022</u>	<u>For the period October 02, 2020 to March 31, 2021</u>
Services	19,439,615	8,519,024
Sale of product	2,960,000	–
Total	<u>22,399,615</u>	<u>8,519,024</u>

The following table presents revenue disaggregated by timing of recognition:

	<u>Year ended March 31, 2022</u>	<u>For the period October 02, 2020 to March 31, 2021</u>
Services transferred over time	19,439,615	8,519,024
Sale of licenses at a point in time	2,960,000	–
Total	<u>22,399,615</u>	<u>8,519,024</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

Contract balances

The following table provides information about contract assets and liability balances as follows:

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Unbilled receivables (contract assets)	4,370,755	2,701,420
Deferred revenue (contract liabilities)	(82,622)	(69,118)
Total	<u>4,288,133</u>	<u>2,632,302</u>

NOTE G - INCOME TAXES

For the year ended March 31, 2022, the Company will file 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:

	<u>Year ended March 31, 2022</u>	<u>For the period October 02, 2020 to March 31, 2021</u>
Current taxes		
Federal	130,414	133,687
State	41,730	2,556
Deferred taxes		
Federal	(349,229)	(188,844)
State	25,019	(88,449)
Provision for income taxes	<u>(152,066)</u>	<u>(141,050)</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, 2022</u>	<u>For the period October 02, 2020 to March 31, 2021</u>
Income tax at federal rate	(223,061)	(29,096)
Permanent difference	6,456	133
Return to provision	(681)	(1,408)
State taxes, net of federal effect	66,749	(85,894)
Change in net operating losses (NOL's)	(1,529)	(24,785)
Provision for income taxes	<u>(152,066)</u>	<u>(141,050)</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:

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Non-current deferred tax assets		
Accrued expenses	952,029	361,548
Net operating loss carryover	1,081,102	1,347,132
Credit carryforward	80,662	80,661
	<u>2,113,792</u>	<u>1,789,341</u>
Non-current deferred tax liabilities		
Computer and equipment, net	(240)	—
Net deferred taxes (non-current portion)	<u>2,113,552</u>	<u>1,789,341</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

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, 2022, and March 31, 2021, respectively. The net deferred tax assets recognized were \$2,113,552 and \$1,789,341 as at March 31, 2022 and March 31, 2021, respectively.

The Company has federal net operating loss carryforwards (subject to IRC 382 limitation) of \$5,011,833 and \$6,118,170 as on March 31, 2022 and March 31, 2021, respectively. The Company has state net operating loss carryforwards of \$539,099 & \$670,754 as on March 31, 2022 and March 31, 2021, 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, 2022 and as at March 31, 2021, respectively.

The tax years of 2018 through 2020 remain subject to examination by the taxing authorities.

NOTE H - 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

Particulars	March 31, 2022	<i>For the period October 02, 2020 to March 31, 2021</i>
Transactions for the year/period		
L&T Technology Services LLC		
Sub-contracting revenue billed by the Company	292,234	119,998
Expense paid by the Company on behalf of the holding company	–	40,000
Expenses paid on behalf of the Company	14,922	–
L&T Technology Services Limited		
Sub-contracting revenue billed by the Company	2,580,220	311,134
Expense paid by the ultimate holding company on Company's behalf	39,790	20,338
Sub-contracting expenses	17,792	–
Balances		
L&T Technology Services LLC		
Receivable as at	–	159,998
Payable as at	474,450	–
L&T Technology Services Limited		
Receivable as at	2,014,304	290,796

NOTE I - OPERATING LEASE

The Company leases office space under an operating lease agreement that is renewable on a periodic basis at the option of both the lessor and the lessee. Rental expense under operating lease was \$5,574 for the period ended March 31, 2022 and \$34,722 for the period October 02, 2020, to March 31, 2021.

Details of minimum lease payments are as follows:

	As at March 31, 2022	<i>As at March 31, 2021</i>
Not later than one year	–	10,553
Beyond one year	–	–

NOTE J - CONCENTRATION OF CREDIT RISK

The Company's service revenues are concentrated primarily with six customers which account for approximately 94% and 81% of total revenues for the year ended March 31, 2022, and period ended March 31, 2021, respectively. These customers accounted for 86% and 89% of the accounts receivable as at March 31, 2022 and March 31, 2021, 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.

Impact of COVID-19 Pandemic

The extent of the impact of coronavirus (COVID 19) outbreak on operations of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions, government actions, the impact on financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. While many countries have begun the process of vaccinating their residents against COVID-19, the large scale and challenging logistics of distributing the vaccines, as well as uncertainty over the efficacy of the vaccines against new variants of the virus, may contribute to delays in economic recovery. Overall, the full duration and total impact of COVID-19 remains uncertain, and it is difficult to predict how the recovery will unfold for the business, going forward.

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, 2022, the Company believes that certain conditions as mentioned in the plan will be met and has recorded an expense of \$2,427,758 for the year ended March 31, 2022, and \$1,713,882 for the period October 02, 2020, to March 31, 2021, respectively.

NOTE M - STOCKHOLDER'S EQUITY**Common stock issued**

Common stock issued as at March 31, 2022 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, 2022, up through April 13, 2022, 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 13, 2022, that would require recognition or disclosure.