# L&T NETWORK SERVICES PRIVATE LIMITED
## BOARD'S REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their 2nd Report and Audited Accounts for the period ended 31st March 2024.

## 1. Financial Results / Financial Highlights:

| Particulars | 2023-2024 | 07-12-2022 to 31-03-2023 |
|---|---|---|
| | (In Rs.) | (In Rs.) |
| Profit / (Loss) Before Depreciation, exceptional items & Tax | 41,03,717.13 | (18,47,597.00) |
| Less: Depreciation, amortization, impairment, and obsolescence | (9,39,213.81) | - |
| Profit / (Loss) before exceptional items and tax | 31,64,503.31 | (18,47,597.00) |
| Add: Exceptional Items | - | - |
| Profit / (Loss) before tax | 31,64,503.31 | (18,47,597.00) |
| Less: Provision for Deferred Tax | (66154) | 5,32,996.00 |
| Less :- Provision for Current Tax | (6,00,120.00) | -67,956.00 |
| Less :- Prior period Tax | (1,69,877.00) | |
| Profit for the period carried to the Balance Sheet | 23,28,352.31 | (13,82,557.00) |
| Add: Balance brought forward from previous year | (13,82,557.00) | **0** |
| Less: Dividend paid for the year | 0 | 0 |
| Less: Adjustments to opening reserve | 0 | 0 |
| **Balance available for disposal (which the Directors appropriate as follows)** | **0** | **0** |
| **Balance to be carried forward** | **9,45,795.31** | **(13,82,557.00)** |



*CIN: U64200MH2022PTC394767*
*A wholly owned subsidiary of Larsen & Toubro Limited*

**2. State of Company Affairs:**

The revenue from Business operation in NIL. Other income for the financial year under review were Rs. 0.56 crore as against Rs. 0.09 crore for the previous financial year primarily from Interest on ICD. The Profit before tax from continuing operations including extraordinary and exceptional items was Rs. 0.32 crore and the profit after tax from continuing operations including extraordinary and exceptional items was Rs. 0.23 crore for the financial year under review as against Rs. (0.18) crore and Rs. (0.14) crore respectively for the previous financial year.

**3. Capital & Finance:**

The Company has not allotted any additional equity shares during the period under review. The Total paid up equity share capital of the Company as on 31st March 2024 is Rs. 9,00,00,000/- (Nine Crore only).

**4. Capital Expenditure:**

The Company has incurred Rs 1.12 Cr capital expenditure (Network Assets) for the period ended 31st March 2024. Network equipment's purchased for Rs 0.53 Cr from L&T & Rs 0.59 Cr procured from others.

**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:**

For details, please refer Note no 24 Related party transaction of Financials.

The Company has given Bank guarantee of Rs 42 Lakh to DOT (Department of Telecommunication) and The Company has also made investment in interest bearing FD for Rs Rs.42 Lakhs in Axis bank which is kept as security for the BGs'.

**7. Particulars of Contracts or Arrangements with related parties:**

All the related party transactions for the period ended 31st March 2024 were in the ordinary course of business and at arm's length.

The Company has not entered into any material related party transactions except stated in point no 6 above for the period ended 31st March 2024.

**8. Amount to be carried to general reserve:**

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

**9. Dividend:**

The Directors do not recommend any dividend for the period ended 31st March 2024.

**10. 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 and commitments affecting the financial position of the Company, between the end of the financial year and the date of report.

**11. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

a. There are no specific initiatives for energy conservations. The operations of the Company are not highly energy intensive.

b. No technology has been developed and/or imported by way of foreign collaboration.

c. During the period ended 31st March 2024, the Company had no foreign exchange earnings.



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

The present Directors of the Company are Mr. R. Srinivasan and Mr. M. Vijayababu.

Mr. M. Vijayababu retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment.

The Company is not required to appoint any Key Managerial Personnel as per the provisions of Companies Act, 2013 and Rules made thereunder.

**13. Number of Meetings of the Board of Directors:**

The Meetings of the Board are held at regular intervals. During the year under review, four meetings were held on 26th April 2023, 4th August 2023, 29th November 2023 and 24th January 2024.

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

**14. 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 has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for that period;
c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the Annual Accounts on a going concern basis; and

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.

**15. 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.

**16. Protection of Women at Workplace:**

The parent company Larsen & Toubro Limited (L&T) has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which is applicable to all group companies located in India. This has been widely disseminated.

There were no cases of sexual harassment reported to the Company during period ended 31st March 2024.

**17. Employee:**

The company does not have any employee as on 31st March 2024.

**18. Auditors Report:**

The Auditors' report to the shareholders does not contain any qualification, observation or comment or adverse remark(s).

**19. Auditors:**

The Auditors, M/s Brahmayya & Co., (Firm registration number 000515S) were appointed as Statutory Auditors for a period of five continuous years from the conclusion of 1st Annual General Meeting till conclusion of the 6th Annual General Meeting of the Company.

**20. 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.

**21. 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, 2024 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.

**22. Designated person for furnishing information and extending co-operation to ROC in respect of beneficial interest in shares of the company:**

The Company has appointed Mr. Vijayababu Mudumbi, Director, as designated person, to ensure compliance with MCA notification on this matter.

**23. Other Disclosures**

- **Reporting of Frauds:** The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

- **Corporate Insolvency Resolution process initiated under the Insolvency and Bankruptcy Code, 2016 (IBC):** The Company has neither filed any application nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016, during FY 2024-25.

## 24. Acknowledgement:

Your Directors take this opportunity to thank the customers, supply chain partners, 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 behalf of the Board**

| | |
|---|---|
| **R Srinivasan** | **Vijayababu Mudumbi** |
| Director | Director |
| DIN: 09222455 | DIN: 09815582 |

Place: Chennai/Mumbai
Date: 30th April 2024

BRAHMAYYA & CO.,
CHARTERED ACCOUNTANTS

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# INDEPENDENT AUDITOR'S REPORT

**To the Members of L&T Network Services Private Limited**

**Report on the Audit of Financial Statements**

**Opinion**

1. We have audited the accompanying financial statements of M/**s. L&T Network Services Private Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended March 31, 2024, and a summary of the material accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements for the year ended March 31, 2024 give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2024, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion:**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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:**

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditor's report thereon. The Board's Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the financial statements does not cover the other information and we do not



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express any form of assurance conclusion thereon.

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

When we read the Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements:**

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 judgements 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 accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors are 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.

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

**Auditor's Responsibilities for the Audit of the Financial Statements:**

8. 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.

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

   (i) 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.

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

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

   (iv) 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.

   (v) 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.

10. 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.

11. 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.

12. 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

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where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements:**

13. With respect to the other matters to be included in the Auditor's Report under section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors/managers during the year.

14. 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 "**Appendix – A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. 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 (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 books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of written representations received from the directors as on March 31, 2024 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2024 from being appointed as directors in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Appendix-B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) 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:

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i. The Company does not have any pending litigations on its financial position in its financial statements 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 required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

iv.

a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ('the 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; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared any dividend during the year. Accordingly, compliance with provisions of Sec 123 of Companies Act, 2013 is not applicable.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year or all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For Brahmayya & Co.,**
Chartered Accountants
ICAI Firm Registration No: 000515S

**G. Srinivas**
Partner
Membership No.: 086761
UDIN: 24086761BKCIZR7209

Place: Bengaluru
Date: April 30, 2024

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**Appendix – A to the Independent Auditors' Report**

The Appendix referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2024, we report that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets and accordingly reporting under this clause is not applicable.

(b) The Company has the program of conducting physical verification of Property, Plant and Equipment in a phased manner, which in our opinion, is reasonable having regard to size of the Company and nature of its assets. The Company purchased the Property, Plant and Equipment during the year and hence no verification is conducted during the year.

(c) The Company is not holding any immovable properties and accordingly reporting under this clause is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)

(a) The Company does not have inventory and accordingly reporting under clause (ii)(a) of the Order is not applicable.

(b) As per the information and explanations provided to us, the Company has not obtained any working capital loan during the year and accordingly reporting under this clause is not applicable.

(iii)

(a) The Company has provided loans, or advances in the nature of loans, or guarantee, or security to others as per the details given below:

**(Rs. in Thousands)**

| Particulars | Guarantees | Security | Loan |
|---|---|---|---|
| Aggregate amount granted during the year:<br>- Others* | - | - | 3,94,000.00 |
| Balance outstanding at the balance sheet date in respect of above cases:<br>- Others* | - | - | 60,000.00 |

*Given to Holding company

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(b) The Company has not made investments, provided guarantees, given security. However, the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the company's interest.

(c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.

(d) There is no amount overdue for more than ninety days in respect of the aforesaid loans.

(e) There is no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company has no loans, investments, guarantee and security which meets the requirements of section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted deposits and does not have any unclaimed deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.

(vi) According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act. However, the Company recorded Nil revenue from operations in the immediately preceding financial year. Accordingly, the provisions of the clause 3 (vi) of the Order are not applicable.

(vii) a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, customs duty, cess and other material statutory dues, as applicable, and there are no arrears of outstanding statutory dues as at March 31, 2024 for a period of more than six months form date they become payable.

b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, value added tax, goods and service tax, customs duty, excise duty, cess which have not been deposited on account of 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.

(ix) According to the information and explanations provided to us, the Company does not have any borrowings. Accordingly, the provisions of the clause (ix) are not applicable.

(x) (a) According to the information and explanations given by the management, the Company has



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not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence the reporting under clause 3 (x)(a) is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the period.

(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) According to the information and explanations given by the management, there are no 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) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, the Company is in compliance with Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. However, Section 177 of the Companies Act, 2013 is not applicable to the Company.

(xiv) According to the information and explanations given to us and on an overall examination of the books of account, the provisions of section 138 of Companies Act, 2013 are not applicable to the Company. Hence reporting under 3(xiv) of the Order is not applicable.

(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 as referred to in section 192 of companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.

(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. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) According to the information and explanation given by the Management, in the group (in accordance with Core Investment Companies (CICs) (Reserve Bank) Directions, 2016) there are two companies forming part of the promoter/promoter group of the Company which are CICs.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and an amount of Rs.1,847.60 thousands was incurred as cash losses in the immediately preceding financial year.



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(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) The Company is not required to spend any amount on Corporate Social Responsibility (CSR) during the year. Accordingly, clause (xx) (a) and (xx) (b) of the order are not applicable.

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For Brahmayya & Co.,**
Chartered Accountants
ICAI Firm Registration No: 000515S

**G. Srinivas**
Partner
Membership No.: 086761
UDIN: 24086761BKCIZR7209

Place: Bengaluru
Date: April 30, 2024

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Appendix - B to the Independent Auditors' Report

**Independent Auditor's 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 with reference to financial statements of M/s. **L&T Network Services Private Limited** ("the Company") as of March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 with reference to financial statements.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

**Meaning of Internal Financial Controls with reference to financial statements.**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that,

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to financial statements.**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Brahmayya & Co.,**
Chartered Accountants
ICAI Firm Registration No: 000515S

**G. Srinivas**
Partner
Membership No.: 086761
UDIN: 24086761BKCIZR7209

Place: Bengaluru
Date: April 30, 2024

BRAHMAYYA & CO. Chartered Accountants BENGALURU

**L&T NETWORK SERVICES PRIVATE LIMITED**
**CIN : U64200MH2022PTC394767**
**L&T House, N.M Marg Ballard Estate,Mumbai MH ,400001**
**(All amounts are Rupees in Thousands, unless otherwise stated)**
**Balance sheet as at March 31, 2024**

| Particulars | Note No | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **I.ASSETS** | | | |
| **Non-current assets** | | | |
| a.Property Plant & Equipment | **2** | 10,277.29 | - |
| b.Other Intaingable Assets | | - | - |
| c.Financial Assets | | | - |
| i.Investments | | - | - |
| ii.Other Financial Assets | **3** | 4,399.70 | - |
| d. Deferred tax assets (Net) | **4** | 466.84 | 533.00 |
| e.Other non-current assets | **5** | 7,548.39 | - |
| | | **22,692.23** | **533.00** |
| **Current assets** | | | |
| a.Inventories | | - | - |
| b.Financial Asset | | | |
| i.Investments | | - | - |
| ii.Other Receivables | | - | - |
| iii.Cash & Cash Equivalents | **6** | 2,098.07 | 88,141.75 |
| iv.Bank Balances other than (iii) above | | - | - |
| v.Loans | **7** | 60,000.00 | - |
| vi.Other Financial Assets | **8** | 21.16 | - |
| c. Current tax assets | **9** | 876.33 | 94.50 |
| d.Other current assets | **10** | 8,726.34 | 25.10 |
| | | **71,721.90** | **88,261.35** |
| **Total Assets** | | **94,414.13** | **88,794.35** |
| **II. Equity and Liabilities** | | | |
| **Shareholders Fund:** | | | |
| a.Equity Share Capital | **11** | 90,000.00 | 90,000.00 |
| b.Other Equity | **12** | 945.80 | (1,382.56) |
| | | **90,945.80** | **88,617.44** |
| **Non- Current liabilities** | | | |
| a.Deferred tax liability (Net) | | - | **-** |
| **Current liabilities** | | | |
| a.Financial Liabilities | | | |
| i.Borrowings | | - | - |
| ii.Trade payables | | | |
| Dues to micro and small enterprises | | | |
| Dues to Others | **13** | 440.69 | - |
| iii.Other Financial Liabilities | **14** | 1,397.44 | - |
| b.Other current liabilities | **15** | 940.08 | 23.45 |
| c.Provisions | **16** | 90.00 | 85.50 |
| d.Current Tax Liability | **17** | 600.12 | 67.96 |
| | | **3,468.34** | **176.91** |
| **Total Liabilities** | | **94,414.13** | **88,794.35** |
| **Summary of Material accounting policies** | **1** | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000515S

For and on behalf of the board of directors of
**L&T Network Services Private Limited**

**G Srinivas**
Partner
Membership No. 086761

Place: Bengaluru
Date: April 30, 2024

**Vijaya Babu**
**Director**
DIN: 09815582

Place: Mumbai
Date: April 30, 2024

**R. Srinivasan**
Director
DIN: 09222455

Place: Mumbai
Date: April 30, 2024

**L&T NETWORK SERVICES PRIVATE LIMITED**
**CIN : U64200MH2022PTC394767**
**L&T House, N.M Marg Ballard Estate,Mumbai MH ,400001**
**(All amounts are Rupees in Thousands, unless otherwise stated)**
**Statement of profit and loss for the year ended March 31, 2024**

| Particulars | Note No | For the year ended March 31, 2024 | For the period from December 07, 2022 to March 31, 2023 |
|---|---|---|---|
| **I.Income** | | | |
| Revenue from operations | | - | - |
| Other income | **18** | 5,663.32 | 944.98 |
| **Total Income** | | **5,663.32** | **944.98** |
| | | | |
| **II.Expenses:** | | | |
| Finance Cost | **19** | 11.99 | - |
| Depreciation | **20** | 939.21 | - |
| Sales, administration and other expenses | **21** | 1,547.61 | 2,792.58 |
| **Total expenses** | | **2,498.81** | **2,792.58** |
| | | | |
| **III.Profit/ (loss) before tax (I-II)** | | **3,164.50** | **(1,847.60)** |
| | | | |
| **IV.Tax expenses:** | | | |
| a. Current Tax | **25** | 600.12 | 67.96 |
| b. Tax in respect of earlier years | | 169.88 | - |
| c. Deferred tax | **4** | 66.15 | (533.00) |
| **Total Tax Expenses** | | **836.15** | **(465.04)** |
| | | | |
| **V. Profit/(Loss) after tax** | | **2,328.35** | **(1,382.56)** |
| | | | |
| **VI.Other comprehensive income** | | | |
| (a)Items that will not be reclassified to profit or loss | | **-** | **-** |
| (b)Items that will be reclassified to profit or loss | | **-** | **-** |
| **Total other comprehensive income** | | **-** | **-** |
| | | | |
| **VII. Total comprehensive income/ (loss)** | | **2,328.35** | **(1,382.56)** |
| | | | |
| **VIII. Earnings per equity share** (nominal value of share Rs. 10 each): (in rupees) | **23** | | |
| Basic and diluted (in Rs.) | | **0.26** | **(0.15)** |
| | | | |
| **Summary of Material accounting policies** | **1** | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000515S

For and on behalf of the board of directors of
**L&T Network Services Private Limited**

**G Srinivas**
Partner
Membership No. 086761

Place: Bengaluru
Date: April 30, 2024

**Vijaya Babu**
Director
DIN: 09815582

Place: Mumbai
Date: April 30, 2024

**R. Srinivasan**
Director
DIN: 09222455

Place: Mumbai
Date: April 30, 2024

**L&T NETWORK SERVICES PRIVATE LIMITED**
**CIN : U64200MH2022PTC394767**
**L&T House, N.M Marg Ballard Estate,Mumbai MH ,400001**
**(All amounts are Rupees in Thousands, unless otherwise stated)**
**Statement of Changes in Equity for the year ended March 31, 2024**

**(A) Equity share capital**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Balance at the beginning of the Period | 90,000.00 | - |
| Add: Shares issued during the year | - | 90,000.00 |
| Less: Buy-back of shares during the year | - | - |
| **Issued, Subscribed and fully paid up equity shares outstanding at the end of the year** | 90,000.00 | 90,000.00 |

**(B) Other Equity**

**For the year ended March 31, 2024**

| Particulars | Reserves & Surplus | | Total |
|---|---|---|---|
| | Securities Premium | Retained earnings | |
| **Opening Balance** | **-** | **(1,382.56)** | **(1,382.56)** |
| Profit/(Loss) for the year | - | 2,328.35 | **2,328.35** |
| Other Comprehensive Income | - | - | **-** |
| **Total Comprehensive Income for the year** | **-** | **2,328.35** | **2,328.35** |
| **Balance as at March 31, 2024** | **-** | **945.80** | **945.80** |

**For the year ended March 31, 2023**

| Particulars | Reserves & Surplus | | Total |
|---|---|---|---|
| | Securities Premium | Retained earnings | |
| **Opening Balance** | **-** | **-** | **-** |
| Profit/(Loss) for the year | - | (1,382.56) | **(1,382.56)** |
| Other Comprehensive Income | - | - | **-** |
| **Total Comprehensive Income for the year** | **-** | **(1,382.56)** | **(1,382.56)** |
| **Balance as at March 31, 2023** | **-** | **(1,382.56)** | **(1,382.56)** |

The accompanying notes are an integral part of these Financial Statements.

As per our report attached of even date.

**For Brahmayya & Co.,**
Chartered Accountants
ICAI Firm's Registration No. 000515S

For and on behalf of the board of directors of
**L&T Network Services Private Limited**

**G.Srinivas**
Partner
Membership No. 086761

Place: Bengaluru
Date: April 30, 2024

**Vijaya Babu**
Director
DIN: 09815582

Place: Mumbai
Date: April 30, 2024

**R. Srinivasan**
Director
DIN: 09222455

Place: Mumbai
Date: April 30, 2024

**L&T NETWORK SERVICES PRIVATE LIMITED**
**CIN : U64200MH2022PTC394767**
**L&T House, N.M Marg Ballard Estate,Mumbai MH ,400001**
**(All amounts are Rupees in Thousands, unless otherwise stated)**
**Cash flow statement for the year ended March 31, 2024**

| | Particulars | For the year ended March 31, 2024 | For the period from December 07, 2022 to March 31, 2023 |
|---|---|---|---|
| A | **Cash flow from operating activities** | | |
| | Profit/(Loss) before tax | 3,164.50 | (1,847.60) |
| | **Adjustments for:** | | |
| | Depreciation, amortisation and obsolescence | 939.21 | - |
| | Interest income | (5,663.32) | (944.98) |
| | Interest expenses | 11.99 | - |
| | **Operating profit before working capital changes** | **(1,547.61)** | **(2,792.58)** |
| | **Adjustments for working capital changes:** | | |
| | (Increase)/decrease in inventories | - | - |
| | (Increase)/decrease in Other Non-Current Assets | (7,548.39) | - |
| | (Increase)/decrease in Other Non-Current financial assets | (199.70) | - |
| | (Increase)/decrease in Other current assets | (8,701.24) | (25.10) |
| | Increase / (decrease) in Other Financial Liabilities | 1,397.44 | - |
| | Increase / (decrease) in Provisions | 4.50 | 85.50 |
| | Increase / (decrease) in Trade Payables | 440.69 | - |
| | Increase / (decrease) in Other Current Liabilities | 916.64 | 23.45 |
| | **Cash generated from operations** | **(15,237.68)** | **(2,708.74)** |
| | Direct taxes refunded/(paid) | (1,019.67) | (94.50) |
| | **Net cash from operating activities** | **(16,257.35)** | **(2,803.24)** |
| B | **Cash flow from investing activities** | | |
| | Interest Income | 5,642.16 | 944.98 |
| | Investment in ICD | (60,000.00) | - |
| | Investment in Bank Deposits | (4,200.00) | - |
| | Purchase of Equipment | (11,216.50) | - |
| | **Net cash from investing activities** | (69,774.34) | **944.98** |
| C | **Cash flow from financing activities** | | |
| | Proceeds from issure of shares | - | 90,000.00 |
| | Interest Paid | (11.99) | - |
| | **Net cash from financing activities** | **(11.99)** | **90,000.00** |
| | **Net increase/(decrease) in cash and cash equivalents(A+B+C)** | (86,043.67) | 88,141.75 |
| | Cash and cash equivalents at the beginning of the year | 88,141.75 | - |
| | **Cash and cash equivalents at the end of the year** | **2,098.07** | **88,141.75** |

1. Cash flow statement has been prepared under indirect method as set out by Indian Accounting Standard(Ind AS)-7 " Cash flow statements".
2. Cash and Cash Equivalents includes bank balance
3. Previous year's figures have been regrouped wherever applicable.

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000515S

For and on behalf of the board of directors of
**L&T Network Services Private Limited**

**G Srinivas**
Partner
Membership No. 086761

Place: Bengaluru
Date: April 30, 2024

**Vijaya Babu**
Director
DIN: 09815582

Place: Mumbai
Date: April 30, 2024

**R. Srinivasan**
Director
DIN: 09222455

Place: Mumbai
Date: April 30, 2024

Notes forming part of financial Statements for the year ended March 31, 2024

Note 1:

**A. Corporate Information:**

L&T Network Services Private Limited got incorporated on December 07, 2022 and commenced its business effectively from October 06, 2023. The company is a wholly owned subsidiary of Larsen & Toubro Limited.

The Company is in the business of Internet Service Provider (ISP), telecommunications services under Unified License (UL) / Virtual Network Operator (VNO) / Multiple Virtual Network Operator (MVNO) license and related communication services including satellite and broadband based communication services including but not limited to highspeed internet, digital transmission, virtual private network services, internet telephony, infrastructure based services and other related data services, wide area communication network, value added services on the network, lease or other transfers of network, software, peripherals and related products and services; to provide infrastructure services such as Dark fibre and / or right of way fibre, either by way of lease or on rent, providing/creating infrastructure such as dark fibre, lighted fibre, network towers and putting up such infra on rent or lease or sell etc., to become provider / operator of Multi system and cable tv system MSO (Multi Service Operator) etc.

To carry on in India or anywhere in the world the business of providing network / integrated connectivity services such as Data Centre Interconnect, Cloud direct connect, Dark Fibre Connectivity and Managed Wave length Services with Metro (intra-city), Long Haul (inter-city) and Sub-Sea connectivity (international), by planning, designing, engineering, developing, operating and maintaining optical Fibre infrastructure lit up with optical transmission equipment across identified cities and inter-city routes and to develop greenfield optical Fibre routes across newly developed transport corridors by subcontracting underground Fibre laying to credible subcontractors; Orchestrating network acquisition of Utility Fibre assets and integrate them with underground Fibre assets and address connectivity requirements of customers and to build / co-build multiple submarine cables for end-to-end one-stop-solution from Data Centres in India to Data Centres overseas.

**B. Statement of compliance with Indian Accounting Standards (Ind ASs):**

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 (the Act) and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs (MCA) in respect of section 133 of the Act.

These financial statements include the balance sheet, the statement of profit and loss, the statement of changes in equity and the statement of cash flows and notes,

comprising a summary of significant accounting policies and other explanatory information-and comparative information in respect of the preceding period.

The financial statements were approved for issue on April 30, 2024 and board of directors of the Company gave the approval.

**C. Basis of accounting:**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

**D. Presentation of financial statements:**

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the lnd AS compliant Schedule III to 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 the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity, as prescribed in the Ind AS compliant and Schedule III to the Act, are presented by way of notes accompanying the financial statements along with the other notes required to be disclosed under the notified Ind ASs.
The amounts in the financial statements are presented in Thousands. Per share data are presented in Thousands.

**E. Operating cycle for current and non-current classification:**

The Company presents assets and liabilities in the Balance Sheet based on current and non-current classification in accordance with the criteria specified in Ind AS compliant Schedule III to the Act. Deferred tax assets and liabilities are classified as non-current asset and liabilities.

Operating cycle for the business activities of the Company covers the duration of the specific project/ contract/ product line/ service and extends up to the realisation of receivables in cash or cash equivalents within the agreed credit period normally applicable to the respective lines of business or twelve months, wherever applicable.

**Material accounting policies:**

**F. Revenue**

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the

Company expects to be entitled in exchange for transferring goods or services to a customer.

i) **Revenue from operations:**

a. Revenue from sale of traded goods including contracts for supply of equipment is recognised as follows:

Sales of equipment's are accounted as separate performance obligations if they are distinct, and its related revenues are recognised at a point in time when the control is passed on to the customer.

b. Revenue from Network centric services includes Data network services. Network services primarily include revenue from connectivity services, ISP services and to a lesser extent, revenues from the setup and installation of connectivity links. In addition, there would be periodic rental charges for IP addresses to be provided to customers on demand and sale of burstable bandwidth as per agreed rate and quantity / measure as agreed. The Company provides connectivity of a fixed quantity for a given period of contracted time at a fixed rate regardless of usage till the contracted fixed quantity. Revenue from Network services are distinct services. Burstable bandwidth charged on usage basis at agreed rate and IP addresses are charged on monthly basis once allotted. The performance obligations are satisfied overtime. Service revenue is recognized when services are provided, based upon period of time. The setup and installation of connectivity links are deferred and recognized over the associated contract period.

**Other operational revenues**

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

**Other Income**

a. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.
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.

**G. i) Property, plant and equipment (PPE)**

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost of acquisition less accumulated depreciation and accumulated impairment loss.

Freehold land is carried at cost. PPE acquired on hire purchase basis are stated at their cash values. The cost of an item of PPE comprises of its purchase price, including import duties and non-refundable purchase taxes net of tax/ duty credit availed, trade discounts and rebates. It includes all costs directly attributable to acquisition of PPE or to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by the management of the Company. For qualifying assets, cost includes borrowing costs capitalised in accordance with the Company's accounting policy.

Subsequent costs are recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliable. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

PPE not ready for the intended use on the reporting date is disclosed as "capital work-in-progress".

Depreciation is provided on straight-line method on the basis of the useful lives specified in Schedule II to the Act, except in respect of certain assets wherein the useful lives were determined by technical evaluation. The justification for adopting different useful lives compared to the useful lives of assets provided in Schedule II is based on the consumption pattern of the assets, past performance of similar assets and peer industry computation duly supported by technical assessment by internal technical team.

**ii) Intangible assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost of acquisition less accumulated depreciation and accumulated impairment loss.

a. Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired separately, having finite useful lives, are subsequently measured at cost less accumulated amortisation and accumulated impairment loss. Intangible assets acquired separately, having indefinite useful lives, are subsequently measured at cost less accumulated impairment losses.

b. Internally-generated intangible assets - Research and development expenditure. Expenditure on research activities is recognised as expense in the period in which it is incurred.

Expenditure on development of new products is recognised as an intangible asset, if all of the following criteria can be demonstrated:
I. The technical feasibility of completing the intangible asset so that it will be available for use or sale.
ii. The Company has intention to complete the intangible asset and use or sell it.
iii. The Company has ability to use or sell the intangible asset.
iv. The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets.
v. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
vi. The Company has ability to measure the expenditure attributable to the intangible asset during its development reliably.

Expenditure on development of new products that does not meet the criteria listed above is recognised as expense in the period in which it is incurred.

The internally-generated intangible asset is initially recognized at the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria as listed above. Subsequent to initial recognition, internally-generated intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in statement of profit or loss when the asset is derecognized.

Intangible assets not ready for the intended use on the reporting date are disclosed as "intangible assets under development".

Intangible assets with finite useful lives are amortised using straight-line method over their useful life as follows:
Specialised software: Three years;
Development expenditure of new products: Five years

Amortisation on impaired assets is provided by adjusting the amortisation charges in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

**H. Impairment of non-financial assets**

As at each reporting date, the Company assesses whether there is an indication that an asset may be impaired. Jf any such indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss when the carrying value of an asset exceeds its recoverable amount.

As at each reporting date, the Company also assesses whether there is an indication that an impairment loss recognized in previous periods for an asset may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of the asset and reverses the impairment loss recognized in previous period such that the increased carrying amount of the asset does not exceed the carrying amount that would have been determined (net of amortization and depreciation) had no impairment loss been recognized for the asset in previous periods.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost of disposal and its value in use.

**I. Earnings Per Share**

Basic earnings per share is calculated by dividing profit after tax as per statement of profit and loss before Other Comprehensive Income attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

**J. Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables and financial liabilities other than trade payable 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 of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, for trade receivables that do not contain a significant financing component are initially measured at transaction price

**Financial Assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.
Investments in debt Instruments that meet the following conditions are subsequently measured at amortised cost (unless the same are designated as fair value through profit or loss (FVTPL)):

•The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

•The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)
•The asset is held within a business model whose objective is achieved both by collecting contractual cashflows and selling financial assets; and

•The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at FVTPL is a residual category for debt instruments and all changes are recognised in profit or loss.

Interest income, dividend income and exchange difference (on debt instrument) on FVTOCI debt instruments is recognised in profit or loss and other changes in fair value are recognised in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However, in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

**Impairment of financial assets:**

The Company assesses and recognises a loss allowance for expected credit loss model on trade receivables.

For the purpose of measuring expected credit loss allowance for trade receivables, the Company uses a provision matrix/ model to determine the impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical credit risk characteristics such as default and delay rates over the expected life of the trade receivables and is adjusted for forward looking information considering the type of customers and a judgemental evaluation of the collectability of the receivables as permitted under Ind AS 109 'Financial Instruments'. The matrix has been developed based on the past data after considering the following:

Level of provisioning which has been carried in books against the age-wise profile of the trade receivables after they have become past due and;
ii The expected delays in the payment as is evident from the age-wise profile of trade receivables.
At every reporting date, the historical observed default and delay rates are updated and changes in the forward- looking estimates are reviewed.

**Financial Liabilities**

Financial liabilities are classified at initial recognition, as financial liabilities as fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
Loans and borrowings are subsequently measured at amortised costs using EIR.
Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value. Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. Trade and Other payables
The amounts represent liabilities for goods and services provided to the company prior to the end of financials year, which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables represented as current liabilities unless the payment is not due within 12 months after the reporting period

**K. Fair value measurement:**

Fair value measurements are arrived at by giving highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date. If quoted prices in active markets for identical assets and liabilities are not available, fair value measurements are based on a valuation technique that uses only data from observable markets. In the absence of quoted prices or data from observable markets, appropriate inputs, which are not observable, are used but are accorded lowest priority. All unquoted strategic investments made in group companies are carried at cost.

**L. Cash and cash equivalents.**

Cash and bank balances include cash on hand and fixed deposits with banks. Short term highly liquid investments that are not readily convertible into known amount of cash and which are not free from more than insignificant risk of changes in value, are not included as part of cash and cash equivalents. Bank overdrafts which are repayable on demand are included as part of cash and cash equivalents.

**M. Borrowing Costs**

Borrowing costs include interest expense calculated using the effective interest method.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/ inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**N. Foreign currency transactions**

The functional currency of the Company is Indian rupee.

Foreign currency transactions are recorded on initial recognition using the exchange rate, using the spot exchange rate between the functional currency and foreign currency at the date of the transaction.

At each reporting date, foreign currency monetary items are reported using the closing rate i.e., the spot exchange rate at the reporting date. Non-monetary items, carried at fair value that is denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each reporting date at the closing rate are recognised in the statement of profit or loss in the period in which they arise.

**O. Income Taxes**

**a. Current tax**

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

Current income tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

The management of the Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit
Deferred tax liabilities are recognized for all taxable temporary differences.
Deferred tax assets are recognized for all deductible temporary differences, the carry forward and unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised when there are sufficient taxable temporary differences relating to the same taxation authority, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

c. **Tax expense/ (income) for the year**

Tax expense (income) comprises of current tax expense (income) and deferred tax expense (income). Current and deferred tax are recognized in statement of profit or 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, as the case may be.

**P. Provisions, contingent liabilities and contingent assets Provisions are recognised only when:**

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

The amounts recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the

risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Reimbursement expected in respect of expenditure required to settle a provision is recognised when it is virtually certain that the reimbursement will be received if the company settles the obligation.

Contingent liability is disclosed in case of

a. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b. a present obligation that arises from past events but is not recognized because:

i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are disclosed where an inflow of economic benefits is probable.
Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

**Q. Commitments:**

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

a. Estimated amount of contracts remaining to be executed on capital account and not provided for;

b. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management of the Company.

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

**R. Non-current assets held for sale**

The Company classifies non-current assets (and disposal groups) as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. The management of the Company must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The company treats sale of the asset or to be highly probable when:

a. The appropriate level of management of the company is committed to a plan to sell the asset (or disposal group),

b. An active programme to locate a buyer and complete the plan has been initiated (if applicable),

c. The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

e. Actions required to complete the plan indicate that it is unlikely that significant change to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

PPE and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

**S. Significant accounting judgements, estimates and assumptions.**

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which it affects.

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**Notes forming part of financial Statements for the year ended March 31, 2024**

**2 Property Plant & Equipment**

| Particulars | Network Assets | Specialised Sofwares | Total |
|---|---|---|---|
| **Gross Block** | | | |
| **As at April 01, 2022** | - | - | - |
| Additions | - | - | - |
| Disposals | - | - | - |
| **As at March 31, 2023** | - | - | - |
| Additions | 11,216.50 | - | 11,216.50 |
| Disposals | - | - | - |
| **As at March 31, 2024** | **11,216.50** | **-** | **11,216.50** |
| | | | |
| **Accumulated Depreciation** | | | |
| **As at April 01, 2022** | | | |
| Depreciation for the year | **-** | **-** | - |
| Disposals | - | - | - |
| **As at March 31, 2023** | **-** | **-** | - |
| Depreciation for the year | **939.21** | **-** | 939.21 |
| Disposals | - | - | - |
| **As at March 31, 2024** | **939.21** | **-** | 939.21 |
| | | | |
| **Net Block** | | | |
| **As at March 31, 2024** | **10,277.29** | **-** | **10,277.29** |
| **As at March 31, 2023** | **-** | **-** | **-** |

**Notes:**

i) The Company has reviewed the future cash flows on the basis of value in use of its Property, Plant and Equipment, Capital work-in-progress and other intangible assets and is satisfied that the recoverable amount is more than the carrying amount as per the books. Accordingly, no provision for impairment loss is required to be made in these financial statements.

ii) There are no restrictions on the title of property, plant and equipment and no plant and equipment have been pledged as security for the liabilities of the Company.

iii) During the year, the Company has not revalued any Property, Plant & Equipment

iv) The Company does not own any immovable properties as on March 31, 2024.

v) The Company does not have any benami property and no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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**Notes forming part of financial Statements for the year ended March 31, 2024**

| 3 | Other Financial Assets | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | Fixed Deposits (Held as margin money) | 4,200.00 | - |
| | Interest Accrued on the Fixed Deposits | 146.22 | - |
| | Other Receivables | 53.49 | - |
| | **Total** | **4,399.70** | **-** |

**Note : Bank Deposits held as Fixed Deposit were deposited at an Interest rate of 6.75% p.a.**

| 4 | Deferred Tax Asset / (Liability) (Net) | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | **Deferred tax Asset:** | | |
| | a.Preliminary Expenses | 533.00 | 533.00 |
| | **Deferred Tax Liability:** | | |
| | a.Property, Plant & Equipment | (66.15) | - |
| | **Deferred Tax Asset/(Liability)** | **466.84** | **533.00** |

| 5 | Other Non- Current Assets | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | Prepaid Expenses - Non Current | 7,547.55 | - |
| | Income Tax Refund Receivable | 0.84 | - |
| | **Total** | **7,548.39** | **-** |

| 6 | Cash and Cash Equivalents | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | Balance with Banks | | |
| | - in current accounts | 2,098.07 | 88,141.75 |
| | Cash on Hand | - | - |
| | **Total** | **2,098.07** | **88,141.75** |

| 7 | Loans | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | Inter Corporate Deposit | 60,000.00 | - |
| | **Total** | **60,000.00** | **-** |

**Note : The Loan has been given to Larsen & Toubro Limited (Holding Company) at an Interest rate of 7.15% p.a. payable on Maturity.**

| 8 | Other Current Financial Assets | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | Interest Accrued but not due on ICD | 21.16 | - |
| | **Total** | **21.16** | **-** |

| 9 | Current tax assets | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | TDS Receivable/ Advance Tax | 876.33 | 94.50 |
| | **Total** | **876.33** | **94.50** |

| 10 | Other Current Asset | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | GST Input receivable | 3,767.42 | 25.10 |
| | Other Prepaid | 4,958.92 | - |
| | **Total** | **8,726.34** | **25.10** |

| 11 | Share Capital | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | **(a) Authorized shares** | | |
| | 2,50,00,000 equity shares of Rs. 10/- each | 2,50,000.00 | 2,50,000.00 |
| | **(b) Issued, subscribed and fully paid-up shares** | | |
| | 90,00,000 equity shares of Rs.10/- each fully paid up | 90,000.00 | 90,000.00 |
| | **Total Issued, subscribed and fully paid-up share capital** | **90,000.00** | **90,000.00** |

**(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No.of shares ('000) | Amount | No.of shares ('000) | Amount |
| **Equity Shares** | | | | |
| At the beginning of the year | 9,000.00 | 90,000.00 | - | - |
| **Add:** Shares Allotted During the year | - | - | 9,000.00 | 90,000.00 |
| **Less:** Shares Bought back during the year | - | - | - | - |
| Outstanding at the end of the year | 9,000.00 | 90,000.00 | 9,000.00 | 90,000.00 |

**(ii) Terms/rights privileges attached to the equity shares:**

(a) The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity is entitled to one vote per share. The Company declares and pay dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in ensuing Annual General meeting.

(b) In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Shares held by holding/intermediate holding company**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No.of shares ('000) | Amount | No.of shares ('000) | Amount |
| **Equity shares of Rs.10 each fully paid** | | | | |
| i) Larsen & Toubro Limited | 9,000.00 | 89,999.99 | 9,000.00 | 89,999.99 |
| | **9,000.00** | **89,999.99** | **9,000.00** | **89,999.99** |

**(iv) Details of shareholders holding more than 5% shares in the company**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No.of shares ('000) | % of Holding | No.of shares ('000) | % of Holding |
| **Equity shares of Rs.10 each fully paid** | | | | |
| i) Larsen & Toubro Limited | 9,000.00 | 100% | 9,000.00 | 100% |
| | **9,000.00** | **100%** | **9,000.00** | **100%** |

As per records of the Company, including its Register of Shareholders/ Members and other declaration received from Shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

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**Notes forming part of financial Statements for the year ended March 31, 2024**

| 12 | Other Equity | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | **a) Retained earnings** | | |
| | Opening Balance | (1,382.56) | - |
| | Additions during the year | 2,328.35 | (1,382.56) |
| | **Closing Balance** | **945.80** | **(1,382.56)** |
| | **Total Other Equity** | **945.80** | **(1,382.56)** |

| 13 | Trade Payables | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | Dues to micro and small enterprises | - | - |
| | Dues to Others | 440.69 | - |
| | (Refer Note- 30 for Ageing) | | |
| | **Total** | **440.69** | **-** |

| 14 | Other Financial Liabilities | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | Capital Creditors | 1,397.44 | - |
| | **Total** | **1,397.44** | **-** |

| 15 | Other Current Liabilities | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | Statutory liabilities | 940.08 | 23.45 |
| | **Total** | **940.08** | **23.45** |

| 16 | Provisions | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | Provision for Audit Fee | 90.00 | 85.50 |
| | **Total** | **90.00** | **85.50** |

| 17 | Current Tax liability | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| | Provision for Current Tax | 600.12 | 67.96 |
| | **Total** | **600.12** | **67.96** |

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**Notes forming part of the Financial Statements for the year ended March 31, 2024**

| | Revenue from operations | For the year ended March 31, 2024 | For the period from December 07, 2022 to March 31, 2023 |
|---|---|---|---|
| | **Sale and Service** | | |
| | Revenue from operation of Network Co | - | - |
| | **Total** | **-** | **-** |

| 18 | Other income | For the year ended March 31, 2024 | For the period from December 07, 2022 to March 31, 2023 |
|---|---|---|---|
| | Interest Income on ICD | 5,500.86 | 944.98 |
| | Interest Income on FD | 162.46 | - |
| | **Total** | **5,663.32** | **944.98** |

| 19 | Finance Cost | For the year ended March 31, 2024 | For the period from December 07, 2022 to March 31, 2023 |
|---|---|---|---|
| | Interest Others | 11.99 | - |
| | **Total** | **11.99** | **-** |

| 20 | Depreciation | For the year ended March 31, 2024 | For the period from December 07, 2022 to March 31, 2023 |
|---|---|---|---|
| | Depreciation on Property, Plant & Equipment | 939.21 | - |
| | **Total** | **939.21** | **-** |

| 21 | Sales, administration and other expenses | For the year ended March 31, 2024 | For the period from December 07, 2022 to March 31, 2023 |
|---|---|---|---|
| | Auditor's Fee (Refer Note-22) | 100.00 | 95.00 |
| | Sundry expenses | - | 0.60 |
| | ISP Application Fees | - | 50.00 |
| | Professional Fees | 221.15 | - |
| | Rates & Taxes | 9.11 | - |
| | Subscription Charges | 1,199.33 | - |
| | Bank Gurantee Charges | 18.03 | - |
| | Pre Incorporation Expenses | - | 2,646.98 |
| | **Total** | **1,547.61** | **2,792.58** |

| 22 | Payment to Auditors | For the year ended March 31, 2024 | For the period from December 07, 2022 to March 31, 2023 |
|---|---|---|---|
| | as Auditor | 100.00 | 50.00 |
| | for other services | - | 45.00 |
| | **Total** | **100.00** | **95.00** |

| 23 | Earnings Per Share | For the year ended March 31, 2024 | For the period from December 07, 2022 to March 31, 2023 |
|---|---|---|---|
| | Profit after tax | 2,328.35 | (1,382.56) |
| | Weighted average number of equity shares outstanding for basic and diluted | 9,000.00 | 9,000.00 |
| | **EPS** | | |
| | Basic and Diluted EPS | **0.26** | **(0.15)** |

## 24 Related Party Disclosure

| (i) Names of related parties and description of relationship: | |
|---|---|
| **Holding Company** | Larsen & Toubro Limited |
| **Key Managerial Personnel (KMP) / Directors** | Vijaya Babu<br>R. Srinivasan |

**ii) Related party transactions**

| Nature of transactions | For the year ended March 31, 2024 | For the period from December 07, 2022 to March 31, 2023 |
|---|---|---|
| **Larsen and Toubro Limited** | | |
| Share Capital | - | 90,000.00 |
| Reimbursement of Pre-Incorporation Expenses | - | 2,507.53 |
| Inter-Corporate Deposit given by Network Co | 3,94,000.00 | 86,500.00 |
| Inter-Corporate Deposit Received Back by Network Co | 3,34,000.00 | 86,500.00 |
| Purchase of Property, Plant and Equipment | 5,341.78 | - |
| Purchase of subscriptions | 9,247.40 | - |
| Interest Income | 5,500.86 | 944.98 |
| Rates & Taxes | 9.11 | - |
| Professional Fee | 12.50 | - |

**iii) The Details of Outstanding balances at the end of the year***

| Name of the Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Payable to Larsen & Toubro Limited** | | |
| Share Capital | 90,000.00 | 90,000.00 |
| For Purchase of Property, Plant and Equipment | 169.92 | - |
| For Rates & Taxes | 3.34 | - |
| For Professional Fee | 12.00 | - |
| **Receivable from Larsen & Toubro Limited** | | |
| Interest Income | 21.16 | - |
| Inter Corporate Deposit | 60,000.00 | - |
| Prepaid expenses on subscriptions | - | - |

* net of TDS

## 25 Income Tax

| Particulars | For the year ended March 31, 2024 | For the period from December 07, 2022 to March 31, 2023 |
|---|---|---|
| **Statement of profit and loss:** | | |
| Current income tax | 600.12 | 67.96 |
| Deferred tax | 66.15 | (533.00) |
| **Income tax expense / (credit) reported in the statement of profit or loss** | **666.27** | **(465.04)** |
| Adjustments relating to previous year | 169.88 | - |
| **Income tax expense / (credit) reported in the statement of profit or loss** | **836.15** | **(465.04)** |

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the reported periods**

| Particulars | For the year ended March 31, 2024 | For the period from December 07, 2022 to March 31, 2023 |
|---|---|---|
| **Profit/ (loss) before tax** | 3,164.50 | (1,847.60) |
| Tax at the applicable tax rate of 25.17% (March 31, 2023: 25.17%) | 796.51 | (465.04) |
| Adjustments : | | |
| Tax on Expenses disallowed in calculation of tax (incl Book Depreciation) | 239.42 | 533.00 |
| Tax on Expenses allowed in calculation of tax including 1/5th prelim expenses (Incl. IT Depreciation) | (435.80) | - |
| **Total tax expense reported in the statement of profit and loss** | **600.12** | **67.96** |

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**26 Financial Ratios**

| S.No | Ratio | Numerator | Denominator | Current period | Previous period | % Variance | Reason for variance |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio | Current Assets | Current Liabilities | 20.68 | 498.92 | 2312.67% | During the year, the Company purchased Property plant & Equipment for which payment is outstanding, leading to increase in Current liabilities. |
| 2 | Debt-equity ratio | Total Debt | Shareholders's equity | NA | NA | NA | |
| 3 | Debt Service Coverage Ratio | Earnings available for debt service (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.) | Debt Service = Interest & Lease Payments + Principal Repayments | NA | NA | NA | |
| 4 | Return on Equity (ROE) | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 2.59% | -1.56% | -160.16% | During the year, the Company has given Inter Corporate deposit on which intrest income is accounted due to which profit has been increased compared to previous year |
| 5 | Inventory Turnover Ratio | Cost of goods sold OR sales | Average Inventory | NA | NA | NA | |
| 6 | Trade receivables turnover ratio | Net Credit Sales = Gross credit sales - Sales returns | Average Accounts Receivable | NA | NA | NA | |
| 7 | Trade payables turnover ratio | Net Credit Purchases | Average Trade Payables | NA | NA | NA | |
| 8 | Net capital turnover ratio | Net Sales = Total Sales - Sales returns | Working Capital | NA | NA | NA | |
| 9 | Net profit ratio | Net Profit | Net Sales = Total Sales - Sales returns | NA | NA | NA | |
| 10 | Return on capital employed (ROCE) | Earning before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred tax liability | 3.49% | -2.08% | -159.74% | During the year, the Company has given Inter Corporate deposit on which intrest income is accounted due to which profit has been increased compared to previous year |
| 11 | Return on investment (ROI) | Income generated from investments | Time weighted average investments | NA | NA | NA | |

**27 ISP License Application**

The Company has applied for ISP vide **APPLICATION FOR GRANT OF UNIFIED LICENSE** with application ID **UL20230211** and Received **ISP LICENSE** on October 06, 2023.

**28 Details of promoter shareholding**

| Name of promoter | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | No. of shares at the beginning of the year | Changes during the year | No. of shares at the end of the year | % of Total shares | % change during the year |
| Larsen & Toubro Limited | 89,99,999 | - | 89,99,999 | 100% | 0% |
| Prasad V. Shanbhag as nominee and Larsen & Toubro Limited | 1 | - | 1 | 0% | 0% |
| **Total** | **90,00,000** | **-** | **90,00,000** | **100%** | 0% |

| Name of promoter | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | No. of shares at the beginning of the year | Changes during the year | No. of shares at the end of the year | % of Total shares | % change during the year |
| Larsen & Toubro Limited | - | 89,99,999 | 89,99,999 | 100% | 100% |
| Prasad V. Shanbhag as nominee and Larsen & Toubro Limited | - | 1 | 1 | 0% | 0% |
| **Total** | **-** | **90,00,000** | **90,00,000** | **100%** | **100%** |

**29 Loan or advances to Directors, Promoters, KMPs and related parties- either repayble on demand or without any terms of repayment**

| Type of Borrower | As at March 31,2024 | | As at March 31,2023 | |
|---|---|---|---|---|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
| Promoters | 60,000.00 | 100% | - | - |
| Directors | - | - | - | - |
| KMPs | - | - | - | - |
| Related Parties | - | - | - | - |
| **Total** | **60,000.00** | **100%** | **-** | **0%** |

**30 Ageing schedule of trade payables**

| As at March 31, 2024 | Outstanding from the due date of payment | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro, small and medium | - | - | - | - | - |
| Others | 440.69 | - | - | - | 440.69 |
| Disputed dues – MSME | - | - | - | - | - |
| Disputed dues – Others | - | - | - | - | - |
| **Total** | **440.69** | **-** | **-** | **-** | **440.69** |

Trade Payables as on March 31, 2023 is Nil.

**31 Compliance with number of layers of companies**

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**32 Deferred Tax Asset (DTA)/ Deferred Tax Liability (DTL):**

The company has created Deferred tax assets as the Pre incorporation/Preliminary expenses paid by company, In accordance with the provisions of Sec. 35D of Income Tax Act, the deduction towards pre-incorporation expenses can be claimed in five equal installments starting from the year of commencement of business.

Deferred tax liability is created towards difference in depreciation rates for Companies act and Income Tax 1961 in line with the IND AS standard.

The Balance sheet as per companies act and as per Income Tax act has been evaluated to arrive at items which causes a timing difference. The item causing temporary timing difference is identified to be the carry forward loss as per companies act and as per Income tax act due to the presence of preliminary expenses and depreciation on fixed assets. Accordingly, the deferred tax asset/liability has been provided for such timing difference. The tax rate as enacted / substantially enacted as on the last date of the financial year is used to compute DTA/DTL.

**33 Contingent liability/ Capital and Other Commitments :**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| a) Capital Commitments | 37,045.10 | - |
| b) Any Other Commitments | - | - |
| | 37,045.10 | - |

**Note:**
1. The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.
2. As per the information available the company is not having any relationship with struck up companies during the year.
3. During the year the company has not entered into any merger/ amalgamations. Accordingly, compliance with approved mergers is not applicable for the company.
4. The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period ended March 31, 2024 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)
5. During the year the company has not traded/ invested in cryptocurrency/virtual currency.
6. The Company has neither incurred any expenditure nor received any income in Foreign Currency during the year.

**34 Disclosure under Micro, Small and Medium Enterprises Development Act (MSMED), 2006 :**

There are no dues to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

**35 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :**

(a) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

**The 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:**

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

**36 Segment reporting**

The Company is engaged only in the business of Internet Service Provider (ISP) and other network connectivity services which is considered as single reportable segment. Accordingly, segment reporting under Ind AS 108 is not applicable to the Company.

**37** The Previous years figures are regrouped and rearranged wherever necessary to confirm to the classification of the current year.

As per our report attached of even date.

**For Brahmayya & Co.,**
Chartered Accountants
ICAI Firm's Registration No. 000515S

For and on behalf of the board of directors of
**L&T Network Services Private Limited**

**G.Srinivas**
Partner
Membership No. 086761

Place: Bengaluru
Date: April 30, 2024

**Vijaya Babu**
Director
DIN: 09815582

Place: Mumbai
Date: April 30, 2024

**R. Srinivasan**
Director
DIN: 09222455

Place: Mumbai
Date: April 30, 2024