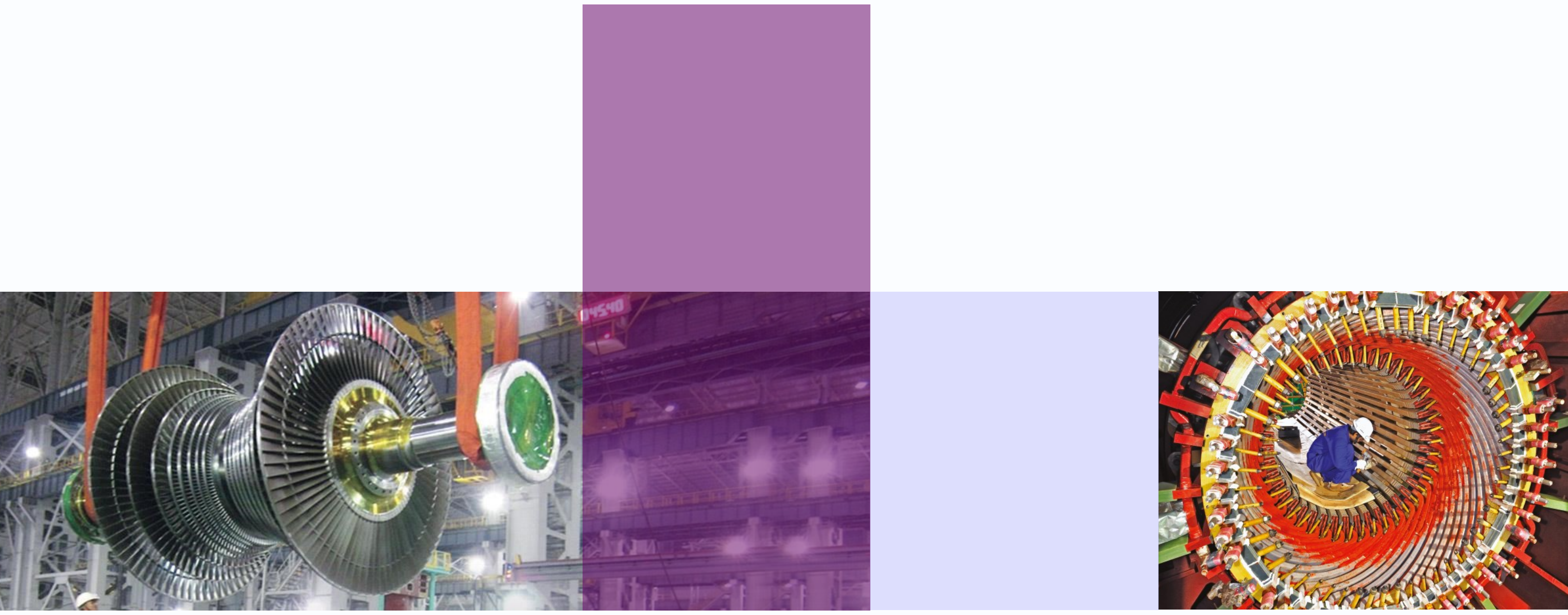
L&T-MHI Power Turbine Generators Pvt. Ltd.



Annual Report: 2020 - 21

L&T-MHI POWER TURBINE GENERATORS PVT. LTD.

MANAGEMENT POLICY

(Quality, Energy, Environment, Occupational Health and Safety)

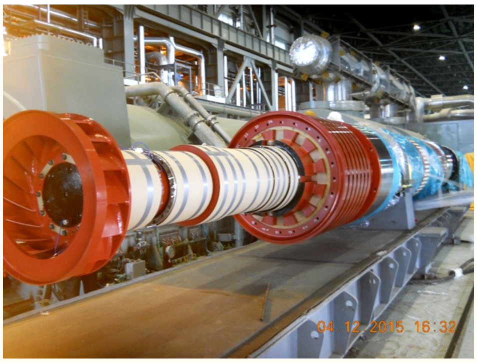
We dedicate ourselves to achieve progressive excellence in performance of the integrated management system, encompassing all activities related to manufacture and supply of Steam Turbines & Generators of contemporary global Quality standards to enhance Customer satisfaction.

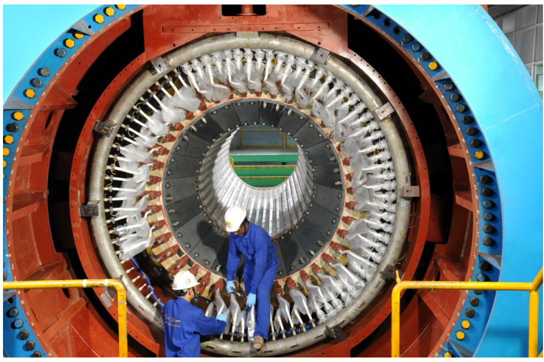
We aim to demonstrate our corporate citizenship by exercising judicious balance and control in the area of Quality, Energy Performance, Environmental aspects, identified hazards affecting Occupational Health and Safety of all present at our workplace, in compliance with applicable legal & other requirements.

Starting from Design, Procurement, Manufacturing, Supply of our products and services, we shall be committed to Quality, timely Delivery, Cost, Improve Energy performance, prevention of Pollution, prevention of Injuries and Ill health.

We are fully committed to make appropriate provision of resources to deploy our policy for continual improvement.

CONTENTS





BUSINESS OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

COMPANY OVERVIEW

L&T-MHI Power Turbine Generators Private Limited (Formerly known as L&T-MHPS Turbine Generators Private Limited) ("LMTG") is a joint venture Company between Larsen & Toubro Limited, India, Mitsubishi Power, Ltd., Japan & Mitsubishi Electric Corporation, Japan. The Company is in the business of design, manufacture, supply, project management, operational spares & life cycle services of supercritical & ultra-supercritical steam Turbines & Generators with ratings ranging from 500 MW to 1,000 MW and steam Turbines of 150 MW to 300 MW for combined cycle power plants.

The Company has established a state of the art facility to manufacture 4,000 MW of Turbines and Generators per year, strategically located on the banks of Tapi River 300 kms north of Mumbai and 21 kms off Surat, in Hazira, India's largest industrial hub. The manufacturing facility is located at L&T Hazira Manufacturing Complex, one of the world's largest and most advanced hubs for manufacturing of the complete range of equipment for supercritical power plants of L&T Power.

LMTG is the only fully integrated factory, where large size Turbine and Generators are manufactured, assembled and tested under single roof. The facility includes fabrication, rotor manufacturing, assembly facility, 1000 MW Generator test bed, high speed balancing facility, high speed blade manufacturing and stator & rotor coil manufacturing facility.

The fully operational LMTG facility incorporates best-in-class systems, processes, technologies and manufacturing capabilities. It offers end-to-end manufacturing solutions and life-cycle support combining engineering excellence with the latest Ultra Supercritical Turbine and Generator technology to domestic and overseas customers.

"POWER PACKED PARTNERSHIP TO SERVE THE NATION"

COMPANY INFORMATION

Board of Directors

Mr. Derek Michael Shah
Chairman

Mr. Tetsuya Suzuki
Director

Mr. Shekhar Sharda
Director

Mr. Ajit Samal
Director

Mr. Katsutoshi Mori
Director

Mr. Toru Yoshioka
Director

Mr. Aloke Sarkar
Whole Time Director

Mr. Norio Sugimaru
Whole Time Director

Mr. Shekar Viswanathan
Independent Director

Mrs. Vijaya Sampath
Independent Director

Registered Office

L&T House, N.M. Marg, Ballard Estate

Mumbai - 400 001

Auditors

B. K. Khare & Co.

706/708, Sharda Chambers,

New Marines Lines,

Mumbai - 400 020

DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

The Directors are pleased to present the report on the business and operations of the Company together with the Audited Statements of Accounts and the Auditors' Report for the year ended 31st March 2021.

Financials & Performance of the Company

₹ crore

Particulars	2020-21	2019-20
Revenue (Net)	724.8	802.2
Operating Margin	125.2	181.4
Less: Depreciation	52.6	54.8
Less: Finance Cost	36.7	77.5
Profit/ (Loss) Before Tax	35.9	49.1
Provision for Deferred Tax	–	0.0
Profit After Tax	35.9	49.1
Balance Carried Forward	(344.7)	(380.7)

The financial year 2020-21 has been an unprecedented & challenging year for the Company. The impact of COVID19 across the world and the delayed economic recovery has resulted in deferment of most of bids/ projects envisaged for the year in thermal power market. The absence of new orders and the low order book position at the beginning of the year has led to reduction in revenue by 9.6%. In-spite of these adverse challenges, the Management has constantly focused on project execution, manufacturing process improvements and better utilization of in-house capacity along with implementation of various cost reduction initiatives to remain competitive and maintain the profitability of the Organization. The Company is hopeful of bagging few domestic and export projects in the coming year. The Management's continuous focus on product up-gradation, diversification to other products relating to renewable/green energy, enhancing the quality standards, and reducing manufacturing lead-time will enhance the Company's capabilities to meet the stakeholder's expectations in the years to come.

During the year, the Company has dispatched 1,070 MW Turbine to Japan in May 2020, despite it being the peak-time of a pandemic induced lockdown. This is a testimony to the resolve the Company shows when it comes to meeting customer deadlines.

The Company has bagged **'Golden Peacock Award for Energy Efficiency'** for the year 2020 in Power Equipment Sector. The Company has also awarded couple of Gold Trophy's in Annual Convention on Quality Concepts at Surat & Ankleshwar QCFI Chapter.

The Company has further enhanced the skill levels in Turbine & Generator manufacturing. As a part of constant up-gradation of the product, the Company is working on high performance Turbine equipment and the most advanced Ultra-Supercritical Steam Turbines.

Capital & Finance

The Total Equity Share Capital as on 31st March 2021, is ₹ 710.60 Crore. The Company has repaid foreign currency loans of JPY 1,975 Million (approx. ₹ 144 Crore) during the year under review on scheduled due dates.

Rating & Outlook

CRISIL has rated the Company's Long Term Ratings as "A" & outlook Stable and Short Term Ratings as "A1".

Capital Expenditure

As of March 31, 2021, the Gross property, plant and equipment, investment property and Other Intangible Assets including Leased Assets, stood at ₹ 1280.18 crore and the Net property, plant and equipment, investment property and Other Intangible Assets, including Leased Assets, at ₹ 584.03 crore. Capital Expenditure during the year amounted to ₹ 0.95 crore.

Deposits

During the year under review, the Company has not accepted any deposit from the Public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder. The Company does not have any unclaimed deposits as of date.

Change in Name

The shares held by Hitachi have been transferred to Mitsubishi Heavy Industries (MHI) and accordingly, Mitsubishi Hitachi Power Systems, Ltd. (MHPS), a part of MHI Group, has changed its corporate name to 'Mitsubishi Power, Ltd' with effect from 1st September 2020. Subsequently, Mitsubishi Power, Ltd has become a wholly owned subsidiary of the Mitsubishi Heavy Industries (MHI) Group.

Pursuant to the change in the name of the Joint Venture partner, the Ministry of Corporate Affairs have approved the change in the name of the Company from "L&T -MHPS Turbine Generators Private Limited" to "L&T-MHI Power Turbine Generators Private Limited" with effect from 13th October 2020.

Company Response to COVID-19

A major part of the period under review was impacted on account of the COVID-19 pandemic. This was mainly on account of a disruption in the supply chain, capacity under-utilization, logistics-related issues, substantial ramp up costs including additional costs required to ensure the health and safety of all employees in the Organization.

A cross-functional taskforce was set up to constantly review the rapidly changing situation to ensure that measures are continuously communicated & implemented to keep employees safe while also ensuring business continuity.

The Company implemented safety and hygiene protocols like wearing of face masks, social distancing norms, workplace sanitation and employee awareness programs. Special steps and actions are ensured to maintain social distance during entry & exit time at security gates. The protocols are regularly reviewed and updated based on revisions in guidelines received from authorities concerned from time to time.

Particulars of loans given, investments made, guarantees given or security provided by the Company

The Company has not given any loans, guarantees or security. The details of Investments made are provided in the Notes forming part of Accounts – Note 10 of the Annual Report.

Particulars of Contracts or Arrangements with related parties

The Board of Directors have approved the Related Party Transactions for the Financial Year 2020-21. All the related party transactions were in the ordinary course of business and at arm's length. A detailed summary is disclosed in Note No. 34.11 of notes forming part of Accounts.

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

Appropriations

There were no appropriations made during the financial year 2020-21.

Dividend

Considering the capital requirement, the Board of Directors has not recommended any dividend for the financial year under review. The Company has adopted Dividend Distribution Policy specifying the parameters for payment of Dividend.

Depository System

The Ministry vide its notification, requires certain Companies to facilitate dematerialization of all its existing securities and has mandated that the stake of promoters, directors and key managerial personnel should be held in demat form. As on March 31, 2021, 51% of the Company's total paid up capital representing 362,406,000 shares are in dematerialized form. Further, the Ministry has prohibited the physical transfer of securities. Hence, members holding shares in physical mode are advised to avail of the facility of dematerialization.

The Company submits the report on reconciliation of share capital audit from Practicing Company Secretary within the prescribed timelines.

Material changes and commitments affecting the financial position of the Company, between the end of the financial year and the date of the report

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

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo

A. Conservation of Energy

The operations of the Company are energy intensive & sensitive. The Company has taken various measures to procure energy efficient equipments and taken utmost care in building the energy efficient state-of-the-art manufacturing facility. The administrative building is accredited with Gold Category by Indian Green Building Council. The Company is in the process of introducing advance ultra-supercritical turbines which are environment friendly. As an on-going manufacturing facility, the Company continuously adopts new technologies and techniques to make infrastructure more energy efficient.

During the year, the Company is Awarded with "Golden Peacock Award for Energy Efficiency" – Power equipment Sector by Institute of Directors in FY 2019-20

a) Energy Conservation measures taken

1. Improving energy effectiveness / efficiency of equipment and systems

- Implementation of "SMART GRID" for voltage monitoring through wireless to provide real time voltage readings for Controlling voltage as per IS 12360:1988 guidelines has resulted in energy savings of 1% of consumption without compromising the performance of machines.
- 100% LED light fixtures replacement completed in three phases has resulted in reduction of connected load of lighting from earlier 700 Kw to 190 Kw.
- The factory building designed to use natural light during the day. This includes use of Sky pipe lights on a pilot basis in Stator Coil Shop with great success.
- Arresting leakages in compressed air system by replacing with premium quality Connectors.
- Reduction in Energy consumption in Blade shop by controlling the Air cooler's operation sequentially and by providing alternative arrangement having targeted & calibrated air flow.
- Reduction of Fixed load by removing Stabilizers as well as UIT on selected CNC machines, since the power quality had increased significantly.

- Reducing Distribution losses in Plant electrical system.
- Installation of 22 kWp Roof Top Grid connected solar plant in Administration building and 306 kWp Ground Mounted Grid Connected Solar Plant which is connected to the plant grid. The Company is able to harness 4% of renewable Energy out of total Consumption during the year.
- Installation of 1,000 Litres Capacity Solar Water heater (Flat Plate Collector) on Canteen.
- The installation of UVGI- Ultra Violet Germicidal Irradiation devices for Admin HVAC leads to Energy saving up to 10%, Improves air quality and reduce AHU maintenance Expenses.
- Installation of Total Descaler for Stator Coil Shop HVAC System, prevents scaling, rusting and algae formation thereby improving heat transfer and Saving Energy.
- Energy savings by installing real time clocks to control operation of centralized AC plant compressors.
- Descaling of Condenser and Installations of Auto-operations (Timer control) for Ventilation System & Air Conditioning plant at Admin Building.
- Close monitoring of AC plants-setting optimum temperatures, controlled usage, Running of HVAC on Fresh Air during winter in Administrative building, etc.
- Use of energy saving devices like time switches, zone controlled AC, auto hibernation for PCs, etc. to reduce energy consumption.
- Installation of energy efficient star rated ACs.
- Use of Variable Frequency Drive (VFD) for various applications such as welding positioner, EOT cranes, cooling water Pumps, etc. to improve the motor efficiency and enhance energy saving.
- Stopping air leakages, installing new air solenoid valves in airline to control air combustion, etc.
- Operating computers in Power saver mode.
- Installation of APFC (Automatic Power Factor Controller) panels in power circuit thus improving its power factor & enabling to claim rebate in energy bills.

- Installation of Passive Harmonic Filter – to reduce the Harmonics generated by HSB 6 MW Active Front End Drive also reduces the Diesel Consumption, Carbon Foot Print and Maintenance cost.

- Installation of lighting energy saver on Lighting Transformer-2.

- Use of timer in welding machine to avoid idle running.

2. Improving energy effectiveness / efficiency of Manufacturing Processes

- Stator Coil Shop - Process Optimization in VPI machine and Consolidation press machine to reduce the base load and thereby reduce overall Electricity consumption without affecting operations.

- Installation of energy efficient centralized Compressor (with VFD) - 720 CFM to cater the total air requirement of manufacturing shops and individual CNC machine Compressors are kept as stand by with air pressure grading.

- Optimization of the operation of high efficiency compressors and formation of Micro-grid by inter-connections of air compressors resulted in energy saving.

- Installation of Magnetic resonator – Double resonance type & Magnetic memory type improves efficiency of Natural gas fired furnace by improving Overall Combustion Efficiency and also extending life of burners with reduction in emissions.

- Use of Turbo ventilators to extract heat in the non-air-conditioned areas of factory buildings.

- Laying of new 33kV Power Cables resulted in reduced diesel consumption.

- Shifting the Blade Manufacturing Process from 5 Axis Machines to 4 Axis Machines.

- Process sequence change- Shifting of work center from high power consuming machines to Low Power Consuming Machines.

- Revising the Parameters and CNC Programme to reduce the Cycle time.

- Optimization of the operation of two compressors by connecting them with common header resulting in running one compressor instead of two.

- Reduction in idle time of CNC machines (in power ON mode to auto sleep mode) while not in use.

- Reducing the specific energy consumption (Million K.cal/Tonne) by improving the capacity utilization of Annealing Furnace.
- Optimization of HVAC running hours in Coil shop.
- Process improvements in Blade shop to reduce the specific energy consumption (kWh/Blade).
- Cycle time reduction in forged blades manufacturing by developing new cutting tool.
- Reduction in Energy consumption during HIP Rotor Balancing by changing the design of heating chamber.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

- Replacement of existing panel AC's of CNC machines with energy efficient e+ panel.
- Provision of dedicated Chiller for Gantry Plano miller X-Axis Hydrostatic Oil.
- Proposal to install centralized Chiller unit for providing chilled water to cool CNC machines hydraulic and hydrostatic oil.
- Optimized running of machine Auxiliaries - Chiller, Hydraulic system, coolant system and compressor.
- Installation of Sky pipe Lights in Manufacturing shops and Service center.
- Providing variable air volume (VAV) valves in Admin building.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

- The measures taken have resulted in savings in cost of production, power consumption, reduction in carbon dioxide emissions & processing time.

d) Total Energy Consumption and Energy Consumption per unit of production as per Form A in respect of industries Specified in the Schedule is not applicable.

B. Technology

The Company continues to implement new technologies to meet the market needs. Since the manufacturing of newer design products are in the initial stage, all the efforts are in absorbing the technology from the parent company. Most of the efforts pertain to material indigenization and special process development. There are no specific R&D activities during the year. No separate record of the expenditure incurred is maintained by the Company.

Technology Absorption, adaptation and innovation

1) Efforts made towards technology absorption, adaptation and innovation:

- Evaluated imported equipment designs / technologies and implemented the state-of-the-art technology through indigenous developments along with alternative materials/components. Large Steam Turbines having capacities upto 1,070 MW have been successfully manufactured for export project.

- During the year, the Performance Guarantee test was successfully conducted for India's first Ultra supercritical Turbine along with new efficient Generator design.

- Interaction with external agencies / internal customers /suppliers for exposure to the latest products / designs / imparting training and product knowledge to external/end customers.

- Participating in national / international conferences, seminars and exhibitions.

- Evaluation, adaptation and / or modification of imported innovative designs / technologies to suit indigenous requirements, alternative materials / components / processes for enhanced life at reduced costs.

- Use of state-of-the-art equipment, instrument, software and digital tools.

- Analyzing feedback from users to improve processes and services.

- Indigenously developed design of Control & Instrumentation system on various platforms depending on customer's requirement have been implemented.

2) Benefits derived as a result of the above efforts are not quantifiable.

3) Information regarding technology imported during the last 5 years.

Technology Imported	Year of Import	Status
Knowhow and technical information for design, engineering and manufacturing of Ultra-supercritical Turbine from MPW, Japan	July 2015 Onwards	Performance Guarantee Test completed for Unit-1.
New design of stationary (Hybrid) blades and extra flow guide arrangement introduced for improved Ultra supercritical turbines from MPW, Japan.		Implemented
Technology of slotted nuts introduced in place of existing design of box nuts for reduction in assembly and disassembly time of HP and IP module.		Implemented
New design for improving Hydrogen purity in highly efficient Generators introduced by MELCO, Japan.		In bidding stage

C. Foreign Exchange Earnings and Outgo

The Company is supplying Ultra Supercritical Steam Turbines and Generators to mega power plants which are classified as deemed exports.

₹ crore

Particulars	2020-21	2019-20
Foreign Exchange Earnings	516.55	611.76
Foreign Exchange saved/deemed exports	31.27	91.29
Foreign Exchange Outgo		
Capital Expenditure	Nil	Nil
Materials & Components	447.43	367.50
Others	146.51	153.16

Risk Management Policy

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

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) Committee presently comprises of Mr. Shekar Viswanathan, Mr. Shekhar Sharda, Mr. Aloke Sarkar and Mr. Norio Sugimaru as Members.

The Members elect one amongst themselves as the Chairman of the Meeting.

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

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

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

Details of Directors and Key Managerial Personnel appointed/resigned during the year

Mr. Derek Michael Shah, Mr. Tetsuya Suzuki, Mr. Shekhar Sharda, Mr. Ajit Samal, Mr. Toru Yoshioka, Mr. Norio Sugimaru, Mr. Aloke Sarkar, Mr. Katsutoshi Mori, Mrs. Vijaya Sampath and Mr. Shekar Viswanathan are the present Directors of the Company.

Mr. Derek Michael Shah has been appointed as the Chairman of the Board of the Company with effect from 8th July 2020.

Further, during the year under review, Mr. Aloke Sarkar has been appointed as the Whole-time Director nominated by Larsen & Toubro Ltd. with effect from July 17, 2020 upto January 1, 2022 and inducted Mr. Ajit Samal, nominated by Larsen & Toubro Limited, as a Director with effect from 8th July 2020.

Mr. Toru Yoshioka was appointed as Director nominated by Mitsubishi Power, Ltd. with effect from August 20, 2020 to fill up the casual vacancy caused by the cessation of Mr. Yusuke Kurogi as Director. The appointments of Mr. Aloke Sarkar, Mr. Samal and Mr. Yoshioka have been approved by the shareholders of the Company.

Subsequent to the year under review, Mr. Tetsuya Suzuki has resigned as the COO and Whole-time Director of the Company and has been nominated by Mitsubishi Power, Ltd. with effect from April 23, 2021 to fill up the casual vacancy caused by the cessation of Mr. Hisashi Fukuda.

Pursuant to the casual vacancy caused by the cessation of Mr. Tetsuya Suzuki as Whole-time Director of the Company, Mr. Norio Sugimaru has been appointed as the Whole-time Director nominated by Mitsubishi Power, Ltd. for a period of three years with effect from April 23, 2021.

Pursuant to the provisions of section 161(4) of the Companies Act, 2013, as amended, any Director appointed in casual vacancy shall be approved by the members in the immediate next general meeting. Accordingly, Mr. Suzuki and Mr. Sugimaru holds office upto the date of this Annual General Meeting and it has been proposed to appoint them as the Director and Whole-time Director of the Company, respectively.

During the year under review, Mr. Shailendra Roy and Mr. Yusuke Kurogi resigned from the Board on 8th July 2020 and 17th July 2020 respectively as the Directors of the Company. Subsequent to the year under review, Mr. Hisashi Fukuda has resigned from the Board of the Company. The Board of Directors place on record its appreciation for the contributions made by them during their tenure of directorship.

Mr. Shekhar Sharda and Mr. Katsutoshi Mori retires by rotation in the forthcoming Annual General Meeting and being eligible, has offered themselves for re-appointment.

Mr. Raju Iyer is the Company Secretary of the Company and Mr. A. R. Prasad is the Chief Financial Officer of the Company.

Number of Meetings of the Board of Directors

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. During the year under review, 4 meetings were held on April 23, 2020, July 17, 2020, October 16, 2020 and January 15, 2021.

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

Internal Audit

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

Vigil Mechanism

In accordance with the requirements of the Companies Act, 2013, the company has established a vigil mechanism framework for directors and employees to report genuine concerns. This policy provides for adequate safeguards against victimization of persons who complain under the mechanism. The Board of the Company oversees the functioning of the Vigil Mechanism framework.

Company Policy on Director Appointment and Remuneration

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013.

The Committee has formulated the Nomination and Remuneration policy on Director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes, and independence of a Director. The Independent Directors are paid remuneration by way of sitting fees and commission. The Nomination and Remuneration Policy is disclosed on the Company's website at www. Lmtg.in

During the year under review, the committee met twice on April 23, 2020 and July 17, 2020.

The Nomination and Remuneration Committee comprises of Mr. Shekar Viswanathan, Mrs. Vijaya Sampath, Mr. Derek Michael Shah and Mr. Tetsuya Suzuki. The Members elect one amongst themselves as the Chairman of the Committee.

Declaration of Independence

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 confirming that they are not disqualified from continuing as Independent Directors. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

The Independent Directors of the Company have registered themselves on the Independent Director's Databank maintained by Indian Institute of Corporate Affairs (IICA). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors of the Company are exempt from undertaking the online proficiency self-assessment test.

Directors Responsibility Statement

The Board of Directors of the Company confirms:

a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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

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

Internal Financial Controls

The Company has designed and implemented a process driven framework for

Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2021, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

Performance evaluation of the Board, its Committees and Directors

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

During the year under review, the Company has completed the performance evaluation of the Board, its Committee(s), Chairman and Directors and the summary of the evaluation has been shared with the members of the Nomination and Remuneration Committee and the Board.

Meeting of the Independent Director's

The Meeting of the Independent Director's was held on April 23, 2020, without the presence of Executive Directors and Management Personnel. They reviewed the performance of Non-independent Directors and the Board as a whole and accessed the quality, quantity and timeliness of the flow of information between Management and the Board.

Audit Report

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

Reporting of Frauds

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

Secretarial Audit Report

The Secretarial Audit Report issued by Ms. Naina Desai, Practicing Company Secretary is attached as Annexure 'A' to this Report.

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

Details of Significant and Material orders passed by the regulators or courts or tribunals

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

Auditors

As per the provisions of the Companies Act, 2013, M/s B. K. Khare & Co. (Registration No. 105102W) were eligible to be appointed for a period of five years and were appointed as Statutory Auditors from the conclusion of 11th AGM till the conclusion of 16th AGM.

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

Compliance with Secretarial Standards on Board Meetings and General Meetings

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

Protection of Women at Workplace

The parent company Larsen & Toubro Limited (L&T) has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group companies. This has been widely disseminated. There were no cases of sexual harassment received in the Company during the financial year 2020-21.

Awareness workshops/training programs are conducted across the Company to sensitize employees to uphold the dignity of their colleagues at workplace specially with respect to prevention of sexual harassment.

The Company has an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 consisting of 11 members across Hazira Manufacturing Complex.

Cost auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and as per Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors has approved the appointment of M/s R. Nanabhoy & Co, Cost Accountants as Cost Auditors of the Company for audit of cost accounting records for the financial year ended March 31, 2022 at a remuneration of ₹ 144,000/-. They have confirmed their independent status and that they are free from any disqualifications under section 141 of the Companies Act, 2013.

A proposal for ratification of remuneration payable to the Cost Auditor for the financial year 2021-22 is placed before the shareholders for consideration. The Report of the Cost Auditors for the financial year ended March 31, 2021 is under finalization and shall be filed with the Ministry of Corporate Affairs within the prescribed period.

As per the requirements of section 148 of the Companies Act, 2013 read with the Rules, the Company is required to maintain the cost records and accordingly, such accounts are made, and records have been maintained in respect of the applicable products for the year ended March 31, 2021.

Occupational Health, Safety & Environment

The Company is committed to conduct the activities in the utmost diligent manner and achieve the highest level of excellence in the field of Environment, Health & Safety (EHS). The importance is continually emphasized and extensively promoted as a part of our culture.

The implementation of the EHS Policy is ensured by institutionalizing a robust EHS management system, adequately supported by a well-defined organizational structure. The EHS policy governs and illustrated all the activities to ensure a safe and healthy workplace as well as a clean environment for both the employees and the community. We aim at the highest international standard in design, equipment selection, maintenance and operations. The EHS policy is our commitment to manufacturing of products in a safe and environment conscious manner.

During the year, there were no serious or willful violations in any of the EHS related statutory compliances, sustained no catastrophic injuries or fatalities and prevented significant releases of hazardous substances to the environment. We have successfully completed the surveillance audit of IMS including ISO 45001:2018 (Occupational health and Safety Management System) and ISO 14001:2015 (Environment Management System) and achieved "Zero Lost Time Accident" during the year.

Our commitment to continuous improvement is demonstrated in our management system which is based on PDCA (Plan-Do-Check-Act) approach, that provides framework of policies, processes and procedures. It helps provide the structure of how the people, the information and the technology are integrated.

We continually motivate each employee to utilize the process of hazard evaluation in all our activities, whether personal or work-related. Approaching every task with self -awareness, deliberation and caution are elements of accident prevention that can provide all of us with safer and healthier lives.

We attain our EHS objectives through identification of hazards and risks involved, detailed risk assessment of associated risks throughout the life cycle, implementing all required safety measures at all the stages of lifecycle of product or process, a robust change management, effective and continuously evolving systems for work permits, reporting and investigation of incidents and near misses, management of personal protective equipment, standard operating procedures, work place safety, inspections and audits and a well-defined system for contractors' and visitors' safety that also encompasses training on basic plant safety and use PPEs.

The Company follows a collaborative approach towards EHS, which has become a part of our culture. We believe that "Safety is Everyone's Responsibility". All frontline Supervisors and Managers are committed to follow all the safety rules and requirements as core values of the organization. Safety communication is one of the important part of every meeting and daily toolbox talk on the shop floor. We provide safe and healthy workplace and environment to all and periodic monitoring has been carried out to sustain the same. Senior Management team members gives their contribution towards EHS by taking active participation in various EHS initiatives.

EHS Management System and its performance and results are an integral part of our overall Sustainability Program. Our goal is to provide transparency, results in compliance, prevention of pollution and reduction of injuries.

Extract of Annual Return

As per the provisions of section 92(3) of the Companies Act, 2013, the Annual Return of the Company for the financial year 2020-21 is available on our website www.Lmtg.in

Other Disclosures

- No disclosure is required under Section 67(3)(c) of the Companies Act, 2013, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable;
- **MSME**: The Company has been complying with the requirement of submitting a half yearly returns to the Ministry of Corporate Affairs within the prescribed timelines.

Acknowledgement

The Directors wish to thank the Customers, Vendors and business associates for their continued support and valuable co-operation during the year. The Directors also wish to place on record their appreciation of the contribution made by employees at all levels. Our progress and meeting challenges of project deliveries was made possible by their hard work, commitment, cooperation and support. The Directors thank the Reserve Bank of India, Financial Institutions, Japan Bank for International Co-operation, Banks, Central & State Governments authorities and the stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board of Directors

Derek Michael Shah	**Tetsuya Suzuki**
Chairman	**Director**
DIN: 06526950	**DIN: 08333217**
Place: Vadodara	**Place: Surat**

Date : 23rd April, 2021

MANAGEMENT DISCUSSION & ANALYSIS

Business Development & Outlook

The green field projects for the Coal fired Thermal Power is on its decline due to the push for renewables, world over. For India though, coal fired units continue to be the backbone of its power sector. But the decision of many State Governments of a "No New Coal Plant", reflects a clear trend emerging in the country and it is expected that other Governments also follow suit, sooner or later. Adding to the woes is the Covid19 related slowdown which has hampered the progress of both the current bids and projects.

However, Coal availability has shown a marked improvement gives a silver lining to the sagging sentiments of power sector. But water scarcity and growing environmental concerns for new projects is driving power producers and Governments towards brownfield projects. Brown field projects have ready coal allocations, water availability and environmental clearances. Hence more and more power producers are phasing out their old and low efficiency units and putting up high capacity supercritical and ultra-supercritical power plants known for their high efficiency and lower emissions. Hence the Company is dwelling on brown field projects for its prospects. Governments preferring ultra-supercritical technology, narrows down the competition to a very few high-technology firms which is a welcome development for the Company.

The trend of not putting up greenfield projects, has prompted many Governments to revamp their older fleet. This is an opportunity for the Company since it has already geared up for such renovation and modernization of equipment. With many international power equipment manufacturers having already declared their intention to quit the Coal-Fired power equipment business, customers are looking for alternatives. This has given a shot in the arm for the Spares & Services business.

The consolidation happening amongst the IPPs, wherein smaller players are selling off to bigger and established ones are giving stability and predictability to the business. Most of the private IPPs have foreign supplied equipment for which supplies of spares and services have been uncertain due to Covid19 related restrictions, deterioration of international relations and general slackness in getting support from the foreign OEMs. The Company has pooled their resources to meet this unexpected market opportunity which is developing as a revenue stream during these testing times. This resonates well with Prime Minister's Atmanirbhar initiative, to make India self-reliant.

The surge in renewables has brought a new challenge for the grid in terms of grid stability. The fluctuation in demand owing to high unpredictability of renewables has thrown up the challenge of flexibility to Coal-Fired plants. There are business opportunities wherein a large fleet of power plants need to be made flexible in operations which is known as flexibilization. Company has high hopes in catering to this market demand and the related revenue stream.

Coal-Fired units will remain as country's back bone due to the vast coal reserves in the country and the grid stability issues with renewables. Replacement of the huge fleet of Coal-Fired units with renewables will take many years even if it is technically viable. This gives a ray of hope to the company to remain as a supplier in this sector.

Company is following the footsteps of its illustrious parent companies when it comes to quality consciousness, cost reduction initiatives like indigenization, product innovations and effective utilization of shop floor. It also maintains high integrity and reputation of being a quality supplier meeting international standards.

Country is seeing Nuclear energy as a stable counterweight to the sagging coal sector. Company is one of the few entities in India who can manufacture such large capacity equipment for the Nuclear sector. This revenue stream is expected to grow in the near future.

Component manufacturing especially to the booming Hydro power sector is a fill up for the uncertainties in the main-stream business. Company has a steady inflow of such requirements which ensure a seamless revenue stream.

Company has withstood the pressures of the pandemic through sheer dedication and hard work. As the economy is limping back to normal, company is expecting the orders inflows to improve. The Company is hopeful that, the post-pandemic days will bring a new dawn in the business and its growth plans.

Strategic Initiatives

Company's foresight in making itself capable to cater to the Nuclear Turbines business is expected to reap good returns in the future, as country is gearing up for a huge capacity addition in the nuclear sector. Company's prowess in the Renovation and Modernization of old Turbines also would make a crucial difference as not many players are in the market to meet this growing demand.

For and on behalf of the Board of Directors

Derek Michael Shah
Chairman
DIN: 06526950
Place: Vadodara

Tetsuya Suzuki
Director
DIN: 08333217
Place: Surat

Date : 23rd April, 2021

Secretarial Audit Report

2020-21

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

L&T- MHI POWER TURBINE GENERATORS PRIVATE LIMITED
(Formerly known as L&T-MHPS TURBINE GENERATORS PRIVATE LIMITED)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by L&T-MHI POWER TURBINE GENERATORS PRIVATE LIMITED (formerly known as L&T MHPS TURBINE GENERATORS PRIVATE LIMITED) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

Office Address : 20, Sanjog, Phirozsha Road, Santacruz (W), Mumbai 400054
Mobile No. : 98201 30695 / 9820286264. e_mail : naina.desai@larsentoubro.com

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **as applicable**:-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **presently, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **presently the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations,2018;**

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **presently the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **presently the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;**

vi) Other specific business/industry related laws applicable to the company**-**

⇒ **Gas Cylinder Rules, 2016.**

⇒ **The Static and Mobile Pressure Vessels (Unfired) Rules, 2016.**

⇒ **Petroleum Act, 1934 and Petroleum Rules, 2002.**

I have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. **The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time** and the Listing Agreements entered into by the Company with Stock Exchange (s), if applicable. **This is not applicable.**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors or Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least **fifteen** days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that, based on review of the compliance mechanism established by the Company and the Compliance Certificates taken on record by the Board of

Office Address : 20, Sanjog, Phirozsha Road, Santacruz (W), Mumbai 400054
Mobile No. : 98201 30695 / 9820286264. e_mail : naina.desai@larsentoubro.com

Directors at their meetings, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the following events / actions have taken place, which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as mentioned below –

(i) Public/Right/Preferential issue of shares/debentures/sweat equity, etc. – **NIL.**

(ii) Redemption / buy-back of securities. - **NIL.**

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013 – **NIL.**

(iv) Merger / amalgamation / reconstruction, etc. – **NIL.**

(v) Foreign technical collaborations. – **NIL.**

(vi) Other events—The name of the company has been changed form L&T – MHPS Turbine Generators Private Limited to L&T – MHI Power Turbine Generators Private Limited w.e.f. October 13, 2020 and consequently the Memorandum of Association and Articles of Association of the company were amended.

NAINA R DESAI
Practising Company Secretary
Membership No. F1351
Certificate of Practice No.13365
Peer Review Certificate No.590/2019
UDIN: **F001351C000118259**

Place: Mumbai
Date: April 17, 2021

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,

The Members

L&T- MHI POWER TURBINE GENERATORS PRIVATE LIMITED
(Formerly known as L&T-MHPS TURBINE GENERATORS PRIVATE LIMITED)

Our report of even date is to be read along with this letter.

1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

NAINA R DESAI
Practising Company Secretary
Membership No. F1351
Certificate of Practice No.13365
Peer Review Certificate No.590/2019
UDIN: **F001351C000118259**

Place: Mumbai
Date: April 17, 2021

Office Address : 20, Sanjog, Phirozsha Road, Santacruz (W), Mumbai 400054
Mobile No. : 98201 30695 / 9820286264. e_mail : naina.desai@larsentoubro.com

ANNEXURE B

CSR ACTIVITIES FOR 2020-21

1. **Brief outline on CSR Policy of the Company:**

The Company's CSR Policy framework details the mechanisms for undertaking various programmes in accordance with Section 135 of the Companies Act 2013 for the benefit of the community. The Company will primarily focus on the following verticals as a part of its CSR programmes viz.

Water & Sanitation - may include but not limited to support for programmes making clean drinking water available, building check dams, rain water harvesting, facilitating irrigation, conservation, purification of water and proper sanitation facilities.

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

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

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

Environmental Sustainability - may include but not limited to ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.

2. **Composition of the CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Aloke Sarkar*	Chief Executive and Whole-time Director	NA	NA
2.	Mr. Norio Sugimaru*	Chief Operating Officer and Whole-time Director	NA	NA
3.	Mr. Shekhar Sharda	Non – Executive Director	1	1
4.	Mr. Shekar Viswanathan	Independent Director	1	1

*Appointed at the Board Meeting held on 23rd April, 2021.

The Committee elects one amongst them as the Chairman.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
		Not Applicable	Not Applicable

6.	Average net profit of the company as per section 135(5).	₹ 51.63 Crore
7a.	Two percent of average net profit of the company as per section 135(5)	₹ 1.03 Crore
7b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Not Applicable
7c.	Amount required to be set off for the financial year, if any	Not Applicable
7d.	Total CSR Obligation for the financial year (7a+7b+7c)	₹ 1.03 Crore

8. **(a) CSR Amount spent or unspent for the financial year**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
45,556	10,279,870	-	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes /No)	Location of the project State District		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current F.Y. (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Skill Development Center / Hospital / Educational Institution at Buxar	Skill Development / Hospital / Educational Institution	No	Bihar	Buxar	01.04.2020 to 31.03.2022	1,03,25,426	45,556	1,02,79,870	Yes	NA	NA
	TOTAL						**1,03,25,426**	**45,556**	**1,02,79,870**			

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
	Not Applicable								

(d)	Amount spent in Administrative overheads	Nil
(e)	Amount spent on Impact Assessment, if applicable	Not Applicable
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	45,556
(g)	Excess amount for set off (if any)	Not Applicable

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,03,25,426
(ii)	Total amount spent for the Financial Year	45,556
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not Applicable

9. (a) Details of Unspent CSR amount for the preceding three F.Y.'s: **Not Applicable**

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

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

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed/ Ongoing
1	NA	Skill Development Center / Hospital / Educational Institution at Buxar	2019-20	01.04.2019 to 31.03.2021	83,50,183	78,02,821	83,50,183	Completed
	TOTAL				**83,50,183**	**78,02,821**	**83,50,183**	

10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)	Not Applicable
10a	Date of creation or acquisition of the capital asset(s)	
10b	Amount of CSR spent for creation or acquisition of capital asset	
10c	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	
10d	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

For the year 2020-21, the total budget of the Company for the CSR activities was ₹ 1.03 crores. The Company spends amount on CSR projects keeping in mind sustainability, impact on the desired recipients, and efficacy of implementing agencies. During the year under review, the Company has identified projects worth ₹ 1.03 crores.

These projects were envisaged to start in Q1 FY 2020-21. However, due to the Covid pandemic, the approval process got delayed and the projects finally commenced around late Q4 FY 2020-21. Hence the Company would spend only to the tune of ₹ 45,556. These projects have been classified as ongoing projects and shall be completed within the approved timeframes.

Aloke Sarkar
Whole-Time Director
DIN: 08778906

Shekhar Sharda
Chairman - CSR Committee
DIN: 00348214

Auditors' Report

2020-21

B. K. Khare & Co.
Chartered Accountants

706/708, Sharda Chambers, New Marine Lines, Mumbai – 400 020, India

INDEPENDENT AUDITORS' REPORT

To the Members of L&T-MHI Power Turbine Generators Private Limited [Formerly L&T-MHPS Turbine Generators Private Limited]

Report on the audit of the Financial statements

Opinion

We have audited the accompanying Financial Statements of **L&T-MHI Power Turbine Generators Private Limited [Formerly L&T-MHPS Turbine Generators Private Limited]** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' 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 ("the 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

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

Revenue recognition on construction contracts	
The Company is engaged in the business of design, engineering, manufacturing, selling, maintenance and servicing of Supercritical and Ultra critical Turbines and Generators and related products. Revenue from long-term construction contracts is recognised in accordance with Ind AS 115, Revenue from Contracts with Customers, generally based on the extent of progress towards completion. Recognition of the Company's revenue is complex as its core business activity of construction contracts requires management to make assessments that significantly determine the quantum of revenue and margins recognised during a financial year.	The audit procedures included: Our audit approach was a combination of test of internal controls and substantive procedures which included the following: We tested the relevant internal controls to ensure completeness, accuracy and timing of revenue recognised, including controls over the degree of completion of turnkey and contracts at year-end. We selected sample of contracts to assess whether the revenue recognition methodology was relevant and consistent with accounting standards, and had been applied consistently. For the contracts selected, we inspected original signed contracts and agreed the revenue recognised to the underlying accounting records. For the contracts selected, we performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verified whether

These assessments include assessing completion of contractually determined obligations, estimating total costs to complete the contract and identification of any possible delays and consequential penalties that may affect the revenue recognised. Revenues, total contract costs and profits could deviate from earlier estimates over the contract tenure depending on several factors.	those variations have been considered in estimating the remaining efforts to complete the contract. Reviewed sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which might require changes to the estimated efforts to complete the remaining performance obligations. Assessment of accounting for contract amendments. Performed analytical procedures and test of details for reasonableness of costs estimated and the billable revenues and cost of sales recognised in the Statement of Profit and Loss considering the extent of progress towards completion. We performed inquiries of management teams to understand reasons for cost variations and to understand management's assessment of potential contract risks.
Potential impact relating to the COVID-19 Pandemic on significant accounting estimates and management judgements	
During the last financial year 2019-2020 (from December 2019), COVID - 19, had spread globally, including India. This event has significantly affected economic activity globally and in India as a result, could impact the operations and financial results of the Company. Considering the uncertainty, the actual results on the various key estimates made by the management in preparing	The audit procedures included: Assessed the Company's evaluation of the impact of Covid-19 pandemic on the significant management estimates. Evaluated the management's estimation in the current situation effected by Covid-19. Assessed the controls over the preparation of these accounting estimates and supporting data for the evaluation.

these Financial Statements, could be materially different. The impact can also be pervasive across the Financial Statements. Considering the probable impact, the disruption could cause and the complexities involved in making the various estimates and judgements, the potential impact of COVID 19 has been identified as a Key Audit Matter.	Assessed the sources of data and factors that management used in forming the assumptions, and consider whether such data and factors are relevant and complete. Evaluated the appropriateness of the assumptions used by the management. Assessed whether the result of the previously estimated accounting estimates significantly differs as result of Covid-19 disruption.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

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

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

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

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

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

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. 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) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph (xi) of Annexure B to the Independent Auditors' Report.

h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Notes 19 and 25 to the Financial Statements; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 21045668AAAAEB6592
Place: Mumbai
Date: April 23, 2021

Annexure A to the Independent Auditors' Report

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

Report on the Internal Financial Controls with reference to financial statements 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 **L&T-MHI Power Turbine Generators Private Limited [Formerly L&T-MHPS Turbine Generators Private Limited]** ("the Company") as of March 31, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control 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 control 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the criteria for internal financial control with reference to financial statements 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 **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 21045668AAAAEB6592
Place: Mumbai
Date: April 23, 2021

Annexure B to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

ii) According to the information and explanations given to us, the inventory comprising of raw materials, components and stores and spare parts has been physically verified at reasonable intervals by the management during the year. In our opinion, coverage and procedure of such verification is appropriate and no material discrepancies for each class of inventory were noticed on such verification between the physical inventory and the book records.

iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the reporting under Clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.

iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act for the products of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax as at March 31, 2021, which have not been deposited with the appropriate authorities on account of any dispute.

viii) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has neither taken any loans or borrowings from financial institutions and Government nor issued any debentures.

ix) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the reporting under Clause 3(ix) of the Order is not applicable to the Company.

x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

xi) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 2(g) of Independent Auditors' Report.

xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the company.

xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the reporting under Clause 3(xiv) of the Order is not applicable to the Company.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 21045668AAAAEB6592
Place: Mumbai
Date: April 23, 2021

Financial Statements

2020-21

BALANCE SHEET AS AT MARCH 31, 2021

₹ crore

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	2	549.69	599.51
(b) Other Intangible Assets	3	1.18	2.71
(c) Right-of-Use Asset	4	33.16	33.53
(d) Financial Assets			
(i) Trade Receivables	5	78.95	-
(ii) Loans	6	1.19	1.00
(iii) Other Financial Assets	7	5.02	-
(e) Other Non Current Assets	8	4.26	6.29
Total Non Current Assets		**673.45**	**643.04**
(2) Current Assets			
(a) Inventories	9	33.29	48.26
(b) Financial Assets			
(i) Investments	10	305.13	528.93
(ii) Trade Receivables	11	91.30	188.66
(iii) Cash & Cash Equivalents	12	9.17	6.12
(iv) Other Bank Balances	13	-	0.32
(v) Other Financial Assets	14	9.53	53.74
(c) Other Current Assets	15	863.34	1,068.34
Total Current Assets		**1,311.76**	**1,894.37**
TOTAL ASSETS		**1,985.21**	**2,537.41**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	16	710.60	710.60
(b) Other Equity	17	(350.50)	(377.63)
Total Equity		**360.10**	**332.97**
(2) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	241.26	636.89
(ii) Other Financial Liabilities	19	11.41	-
(b) Provisions	20	73.23	105.84
Total Non Current Liabilities		**325.90**	**742.73**
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	131.06	199.99
(ii) Current Maturities of Long Term Borrowings	22	365.74	129.95
(iii) Trade Payables	23		
- Due to micro enterprises and small enterprises		5.25	3.44
- Due to others		154.28	136.66
(iv) Other Financial Liabilities	24	147.18	195.24
(b) Other Current Liabilities	25	493.37	792.97
(c) Provisions	26	2.33	3.46
Total Current Liabilities		**1,299.21**	**1,461.71**
TOTAL EQUITY AND LIABILITIES		**1,985.21**	**2,537.41**
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 TO 34		

As per our report attached of even date
B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

For and on behalf of the Board of Directors of
L&T-MHI Power Turbine Generators Private Limited

Himanshu Goradia
Partner
Membership no. 045668

Aloke Sarkar
Chief Executive &
Whole-Time Director
DIN: 08778906
Place : Surat

Tetsuya Suzuki
Director
DIN: 08333217
Place : Surat

Derek Michael Shah
Chairman
DIN: 06526950
Place : Vadodara

A R Prasad
Chief Financial Officer
Place : Surat

Raju Iyer
Company Secretary
Place : Chennai

Place : Mumbai
Date : 23rd April 2021

Date : 23rd April 2021

₹ crore

Particulars	Note No.	FY 2020-21	FY 2019-20
REVENUE			
Revenue from Operations	**27**	724.85	802.02
Other Income	**28**	37.11	39.10
TOTAL REVENUE		**761.96**	**841.12**
EXPENSES			
Cost of Materials Consumed	**29 (i)**	535.82	468.40
Other Manufacturing and Operating expenses	**29 (ii)**	59.36	64.15
Employee Benefits Expense	**30**	69.32	71.00
Other Expenses	**31**	(27.71)	56.17
Finance Costs	**32**	36.68	77.54
Depreciation and Amortisation	**33**	52.64	54.73
TOTAL EXPENSES		**726.11**	**791.99**
Profit Before Tax		35.85	49.13
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
PROFIT AFTER TAX FOR THE YEAR		**35.85**	**49.13**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit/loss - Gain/(loss) on remeasurements of the defined benefits plan		**0.15**	(0.07)
Items that will be reclassified subsequently to profit/loss - Effective portion of gains/(losses) on hedging instruments in cash flow hedge		**(8.87)**	(3.78)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**27.13**	**45.28**
Earnings per Equity Share (Basic & Diluted) (₹)	34.13	0.50	0.69
Face value per Equity share (₹)		10.00	10.00
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 TO 34**		

As per our report attached of even date
B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

For and on behalf of the Board of Directors of
L&T-MHI Power Turbine Generators Private Limited

Himanshu Goradia
Partner
Membership no. 045668

Aloke Sarkar
Chief Executive &
Whole-Time Director
DIN: 08778906
Place : Surat

Tetsuya Suzuki
Director
DIN: 08333217
Place : Surat

Derek Michael Shah
Chairman
DIN: 06526950
Place : Vadodara

A R Prasad
Chief Financial Officer
Place : Surat

Raju Iyer
Company Secretary
Place : Chennai

Place : Mumbai
Date : 23rd April 2021

Date : 23rd April 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

₹ crore

Particulars	Equity share capital	Retained earning	Hedge reserve - fair value	Equity component - financial instruments	Total other equity
Balance as at 1st April 2019	**710.60**	**(429.79)**	**(7.09)**	**13.32**	**(423.56)**
Profit for the year	-	49.13	-	-	49.13
Other comprehensive income (loss) for the year					
- Remeasurement gains (loss) on defined benefit plans	-	(0.07)	-	-	(0.07)
- Change in fair value of hedging instruments	-	-	(3.78)	-	(3.78)
- Equity component of financial instruments	-	-	-	0.65	0.65
Balance as at 31st March 2020	**710.60**	**(380.73)**	**(10.87)**	**13.97**	**(377.63)**

₹ crore

Particulars	Equity share capital	Retained earning	Hedge reserve - fair value	Equity component - financial instruments	Total other equity
Balance as at 1st April 2020	**710.60**	**(380.73)**	**(10.87)**	**13.97**	**(377.63)**
Profit for the year	-	35.85	-	-	35.85
Other comprehensive income (loss) for the year					
- Remeasurement gains (loss) on defined benefit plans	-	0.15	-	-	0.15
- Change in fair value of hedging instruments	-	-	(8.87)	-	(8.87)
- Equity component of financial instruments	-	-	-	-	-
Balance as at 31st March 2021	**710.60**	**(344.73)**	**(19.74)**	**13.97**	**(350.50)**

As per our report attached of even date
B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

For and on behalf of the Board of Directors of
L&T-MHI Power Turbine Generators Private Limited

Himanshu Goradia
Partner
Membership no. 045668

Aloke Sarkar
Chief Executive &
Whole-Time Director
DIN: 08778906
Place : Surat

Tetsuya Suzuki
Director
DIN: 08333217
Place : Surat

Derek Michael Shah
Chairman
DIN: 06526950
Place : Vadodara

A R Prasad
Chief Financial Officer
Place : Surat

Raju Iyer
Company Secretary
Place : Chennai

Place : Mumbai
Date : 23rd April 2021

Date : 23rd April 2021

₹ crore

	Particulars	FY 2020-21	FY 2019-20
A.	**Cash Flow from Operating Activities**		
	Profit before tax	**35.85**	**49.13**
	Adjustment for :		
	Depreciation and Amortisation	52.64	54.73
	Profit on Sale of Current Investments (Net) and (Gain)/Loss on Fair Valuation of Investments	(12.86)	(32.55)
	Profit on Sale of Property, Plant and Equipment	(0.02)	(0.01)
	Interest Expenses and Other Borrowing Costs	36.68	77.54
	Operating Profit before working capital changes	**112.29**	**148.84**
	Adjustments For Changes in Assets and Liabilities :		
	Decrease/(Increase) in Trade and Other Receivables	255.73	(249.77)
	Decrease/(Increase) in Inventories	14.97	(13.75)
	(Decrease)/Increase in Trade Payables and Customer Advances	(369.33)	350.66
	Cash generated from operations	**13.66**	**235.98**
	Direct taxes paid (net of refund)	-	-
	Net Cash from Operating Activities (A)	**13.66**	**235.98**
B.	**Cash Flow from Investing Activities :**		
	Purchase of Property, Plant and Equipment and Intangible Assets	(0.95)	(1.13)
	Proceeds from Sale of Property, Plant and Equipment	0.04	0.03
	Sale/(Purchase) of Current Investments (Net)	236.66	(69.08)
	Net Cash from/(used in) Investing Activities (B)	**235.75**	**(70.18)**
C.	**Cash Flow from Financing Activities :**		
	Proceeds from Long Term Borrowings (Term Loan from Bank)	-	117.02
	Repayment of Long Term Borrowings (Term Loan from Bank)	(138.73)	(253.79)
	Settlement of derivative contracts related to borrowings	(14.50)	42.83
	Repayment of Other Short Term Borrowings (Net)	(68.93)	(40.98)
	Interest paid on Borrowings	(24.52)	(24.76)
	Net cash used in Financing Activities (C)	**(246.68)**	**(159.68)**
	Net increase in cash and cash equivalents (A+B+C)	**2.73**	**6.12**
	Cash and Cash equivalents as at the beginning of the year	6.44	0.32
	Cash and Cash equivalents as at the end of the year	9.17	6.44
	Net Increase in Cash and Cash Equivalents	**2.73**	**6.12**

NOTES

1. Cash flow statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard (Ind AS) 7 statement of Cash flows.
2. Cash and cash equivalents included in the Statement of Cash Flows comprise the following :

	FY 2020-21	FY 2019-20
Cash and cash equivalents disclosed under current assets [Note 12]	9.17	6.12
Other bank balances disclosed under current assets [Note 13]	-	0.32
Total Cash and cash equivalents as per Statement of Cash Flows	**9.17**	**6.44**

As per our report attached of even date
B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

For and on behalf of the Board of Directors of
L&T-MHI Power Turbine Generators Private Limited

Himanshu Goradia
Partner
Membership no. 045668

Aloke Sarkar
Chief Executive &
Whole-Time Director
DIN: 08778906
Place : Surat

Tetsuya Suzuki
Director
DIN: 08333217
Place : Surat

Derek Michael Shah
Chairman
DIN: 06526950
Place : Vadodara

A R Prasad
Chief Financial Officer
Place : Surat

Raju Iyer
Company Secretary
Place : Chennai

Place : Mumbai
Date : 23rd April 2021

Date : 23rd April 2021

1. SIGNIFICANT ACCOUNTING POLICIES

1.01 Company Overview

L&T-MHI Power Turbine Generators Private Limited (formerly known as L&T-MHPS Turbine Generators Private Limited) is a joint venture Company between Larsen & Toubro Limited, Mitsubishi Power Ltd., Japan & Mitsubishi Electric Corporation, Japan. The Company is in the business of design, manufacture, supply, project management, operational spares & life cycle services of supercritical & ultra-supercritical steam Turbines & Generators with ratings ranging from 500 MW to 1,000 MW and steam turbines of 150 MW and 300 MW for combined cycle power plants.

1.02 Statement of Compliance

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

1.03 Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except carrying value of property, plant and equipment considered at deemed cost on the date of transition to Ind AS and certain financial instruments that are measured at fair values in accordance with Ind AS.

1.04 Preparation of Financial Statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards. Amounts in the financial statements are presented in Indian Rupees in crore [1 crore = 10 million] rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

1.05 Operating Cycle for Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets/liabilities and all other liabilities are classified as non-current.

1.06 Revenue recognition

i) Contract revenue from Project related activity is recognized by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost of complete. Foreseeable losses, if any, on the contract is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of contract.
While determining the amount of foreseeable loss, all elements of cost and related incidental income not included in contract revenue is taken into consideration.

Contract is reflected at cost that are expected to be recoverable till such time the outcome of the contract cannot be ascertained reliably and at realizable value thereafter. Claims are accounted as income in the year of acceptance by customer.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

ii) Revenue from rendering of services is recognized over time as and when the customer receives the benefit of the company's performance and the company has an enforceable right to payment for services transferred.

iii) Revenue from sale of goods is recognized, when all significant risks and rewards are transferred to the buyer, as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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

v) 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.

1.07 Exceptional Items

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

1.08 Property, Plant and Equipment (PPE)

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation, and cumulative impairment, if any. All directly attributable costs related to the acquisition of PPE and borrowing costs in case of qualifying assets are capitalized in accordance with the Company's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that economic future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognized using straight-line method to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life is also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately, and such asset component is depreciated over its separate useful life.

Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use.

PPE is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Based on technical evaluation, the management believes that the useful lives as given under, best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Category of Asset	Useful Life as per Company policy (in years)	As per Schedule II of Companies Act, 2013 (in years)
Air conditioning and refrigeration equipment's	12	15
Motor Cars	7	8

1.09 Leases

Leases are accounted as per Ind AS 116 which has become mandatory from April 1, 2019. Assets taken on lease are accounted as right-of-use assets. The determination of whether an arrangement is, or contains, a lease is based on substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

1.10 Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization, and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

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

Intangible assets are amortized on straight-line basis over their useful life as follows:

Intangible Asset	Useful Life
Specialized Software	6 Years
Engineering Fees & Lumpsum Fees for Technical Know-how	6 Years

The method of amortization and useful life are reviewed at the end of each financial year with the effect of any changes in the estimate being accounted for on a prospective basis. Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods to allocate the asset's revised carrying amount over its remaining useful life.

1.11 Impairment of Assets

As at the end of each accounting year, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, assets are tested for impairment to determine the impairment loss, if any.

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

i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the Company and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognized immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reversed, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

1.12 Employee Benefits

Short term employee benefit

Employee benefits such as salaries, wages, short-term compensated absences, cost of bonus, ex-gratia and performance linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service.

Post-employment benefits

i) **Defined contribution plans**:

Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii) **Defined benefit plans:**

The Employees' Group Gratuity-cum-Life Assurance Scheme with Life

Insurance Corporation of India, Provident Fund Scheme managed by Regional Provident Fund Commissioner (RPFC), and the Employee's Superannuation Scheme are the Company's defined benefit plans. Wherever applicable, the present value of obligation under such defined benefit plans are determined based on actuarial valuation. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognize the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Long-term employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred.

1.13 Financial instruments:

Financial assets and/or financial liabilities are recognized when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are 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 such financial assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Profit or Loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognized amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

i) Financial assets:

A. Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

B. Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

All recognized financial assets are subsequently measured in their entirety either at amortized cost or at fair value depending on the classification of the financial assets as follows:

1) Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or

recognized in other comprehensive income (i.e. fair value through other comprehensive income).

2) A financial asset that meets the following two conditions is measured at amortized cost (net of any written down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3) A Financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirement to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investment for which the entity has elected to present value change in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss.

C. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

1) The rights to receive cash flows from the asset have expired, or

2) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;
   i. The Company has transferred substantially all the risks and rewards of the asset, or
   ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognized in Profit or Loss.

D. Impairment of financial assets

The Company recognizes impairment loss on trade receivables using expected credit loss (ECL) model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109. Impairment loss on investments is recognized when the carrying amount exceeds its recoverable amount.

For all other financial assets, ECL are measured through a loss allowance at an amount equal to:

i. 12-months ECL (ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii. lifetime ECL (if the credit risk on the financial asset has increased significantly since initial recognition).

ii) Financial liabilities:

A. Initial recognition and measurement

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee Contracts are subsequently measured at the amount of impairment loss allowance or the amount recognized at inception net of cumulative amortization, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortized cost using Effective Interest Rate (EIR) method.

B. Derecognition

A financial liability is derecognized when the related obligation expires or is discharged or cancelled.

iii) Derivative financial instruments and hedge accounting:

The Company designates certain hedging instruments, which include derivatives, interest rate swaps, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

A. Fair value hedges:

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognized in Profit or Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to Profit or Loss from that date.

B. Cash flow hedges:

In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income and accumulated in equity as "Hedging reserve". The gain or loss relating to the ineffective portion is recognized immediately in Statement of Profit or Loss. Amounts previously recognized in Other Comprehensive Income and accumulated in equity relating to the effective portion, are reclassified to Statement of Profit or Loss in the periods when the hedged item affects Statement of Profit or Loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

In case of time period related hedges, the premium element and the spot element of a forward contract is separated and only the change in the value of the spot element of the forward contract is designated as the hedging instrument. Similarly, wherever applicable, the foreign currency basis spread is separated from the financial instrument and is excluded from the designation of that financial instrument as the hedging instrument in case of time period related hedges. The changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as "Cost of hedging reserve". The changes in the fair value of such premium element or foreign currency basis spread are reclassified to Statement of Profit or Loss as a reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in Statement of profit or loss.

1.14 Fair Value Measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuable techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuable techniques for which the lowest level input that is significant to the fair value measurement is unobservable

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristic and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.15 Inventories

Inventories are carried in the balance sheet as follows.

i	Raw Material, Packing Material, Construction Materials, stores & Spares	At weighted average cost basis
ii	Work In Progress & Finished Goods – Manufacturing	At cost of material, plus appropriate production overheads

The cost of the inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition.

Slow and non-moving material, obsolescence, defective inventories are duly provided for. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Material and supplies held for use in the production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

1.16 Cash and Bank Balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short-term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of Cash and cash equivalents.

1.17 Borrowing Costs

Borrowing costs include finance costs calculated using the effective interest method, finance charges in respect of assets acquired on lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to finance costs. In cases where hedging instruments are acquired for protection against exchange rate risk related to borrowings and are accounted as hedging a time-period related hedge item, the borrowing costs also include the amortization of premium element of the forward contract and foreign currency basis spread as applicable, over the period of the hedging instrument.

1.18 Foreign Currencies

i) The functional currency and presentation currency of the Company is Indian Rupee.

ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the closing spot rate.

iii) Exchange rate as of the date on which the non-monetary asset or non-monetary liability is recognized on payment or receipt of advance consideration is used for initial recognition of related asset, liability, expense, or income.

1.19 Accounting & reporting of information for Operating Segments

The Company's operations comprise a single business segment of "Designing, Engineering, Manufacturing and Commissioning of Super Critical Steam Turbine Generators" carried out primarily in India and is established based on those components of the Company that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance.

These have been identified considering nature of products and services, the differing risks and returns and the internal business reporting systems.

1.20 Taxes on income

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

Deferred tax is recognized 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 and quantified using the tax rates as per laws enacted or substantively enacted as at the Balance Sheet date.

Deferred tax liabilities are generally recognized for all taxable temporary differences except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognized for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered**.**

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains"/other temporary differences are recognized and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognized outside Statement of Profit or Loss, either in Other Comprehensive Income or in Equity, is recorded along with the tax as applicable.

The Company uses estimates and judgements based on the relevant rulings in the areas of allowances and disallowances which are exercised while determining the provision for Income Tax.

1.21 Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

i) the Company has a present obligation (legal or constructive) because of a past event.

ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of:

i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; and

i) a present obligation arising from past events when no reliable estimate is possible. Contingent assets are disclosed where an inflow of economic benefits is probable.

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

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognized and measured as a provision.

i	Warranty Provision	Provisions for warranty-related costs are recognized 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 reviewed annually.
ii	Liquidated Damages	Provision for Liquidated damages are recognized on contracts for which delivery dates are exceeded and computed in reasonable manner.
iii	Other Litigation Claims	Provision for litigation related obligation represents liabilities are expected to materialize in respect of matters in appeal.

1.22 Commitments

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

i) estimated amount of contract remaining to be executed on capital account and not provided for.

ii) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

1.23 Discontinued operations and Non-current assets held for sale:

Discontinued operation is a component of the Company that has been disposed of or classified as held for sale and represents a major line of business.

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount or fair value less costs to sell.

1.24 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing, and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature.

ii) non-cash items such as depreciation, provisions, unrealized foreign currency gains and losses; and

iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

1.25 Key Source of Estimation

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 made by management have been explained under respective policies and are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

1.26 Earnings per share (EPS)

Basic EPS are computed by dividing net profit or loss from continuing operations for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted EPS are computed after adjusting the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

2 : PROPERTY, PLANT AND EQUIPMENT

₹ crore

Class of Assets	Cost				Depreciation				Book Value	
	As at 01st Apr 2020	Additions	Deductions	As at 31st Mar 2021	As at 01st Apr 2020	For the year	Deductions	As at 31st Mar 2021	As at 31st Mar 2021	As at 31st Mar 2020
Buildings	173.64	-	-	173.64	32.55	6.23	-	38.78	134.85	141.09
Plant and equipment	732.65	0.01	0.02	732.64	277.72	42.94	0.02	320.64	411.99	454.92
Computers	2.19	0.67	0.21	2.65	1.46	0.29	0.21	1.54	1.11	0.73
Office equipment	0.38	0.16	0.11	0.43	0.25	0.05	0.11	0.19	0.24	0.13
Furniture and fixtures	7.82	-	-	7.82	5.68	1.01	-	6.69	1.13	2.14
Vehicles	0.73	-	0.09	0.64	0.23	0.11	0.07	0.27	0.37	0.50
TOTAL	**917.41**	**0.84**	**0.43**	**917.82**	**317.89**	**50.63**	**0.41**	**368.11**	**549.69**	**599.51**

₹ crore

Class of Assets	Cost				Depreciation				Book Value	
	As at 01st Apr 2019	Additions	Deductions	As at 31st Mar 2020	As at 01st Apr 2019	For the year	Deductions	As at 31st Mar 2020	As at 31st Mar 2020	As at 31st Mar 2019
Buildings	173.28	0.36	-	173.64	26.28	6.27	-	32.55	141.09	147.00
Plant and equipment	732.59	0.06	-	732.65	234.11	43.61	-	277.72	454.92	498.48
Computers	1.91	0.37	0.09	2.19	1.36	0.19	0.09	1.46	0.73	0.55
Office equipment	0.36	0.07	0.05	0.38	0.27	0.03	0.05	0.25	0.13	0.09
Furniture and fixtures	7.82	-	-	7.82	4.51	1.17	-	5.68	2.14	3.31
Vehicles	0.64	0.17	0.08	0.73	0.16	0.13	0.06	0.23	0.50	0.48
TOTAL	**916.60**	**1.03**	**0.22**	**917.41**	**266.69**	**51.40**	**0.20**	**317.89**	**599.51**	**649.91**

NOTES FORMING PART OF BALANCE SHEET

3 : OTHER INTANGIBLE ASSETS

₹ crore

Class of Assets	Cost				Amortisation				Book Value	
	As at 01st Apr 2020	Additions	Deductions	As at 31st Mar 2021	As at 01st Apr 2020	For the year	Deductions	As at 31st Mar 2021	As at 31st Mar 2021	As at 31st Mar 2020
Computer Software	2.84	0.11	-	2.95	2.63	0.06	-	2.69	0.26	0.21
Engineering and Technical Know-how Fees	40.14	-	-	40.14	37.64	1.58	-	39.22	0.92	2.50
TOTAL	**42.98**	**0.11**	**-**	**43.09**	**40.27**	**1.64**	**-**	**41.91**	**1.18**	**2.71**

₹ crore

Class of Assets	Cost				Amortisation				Book Value	
	As at 01st Apr 2019	Additions	Deductions	As at 31st Mar 2020	As at 01st Apr 2019	For the year	Deductions	As at 31st Mar 2020	As at 31st Mar 2020	As at 31st Mar 2019
Computer Software	2.74	0.10	-	2.84	2.58	0.05	-	2.63	0.21	0.16
Engineering and Technical Know-how Fees	40.14	-	-	40.14	34.73	2.91	-	37.64	2.50	5.41
TOTAL	**42.88**	**0.10**	**-**	**42.98**	**37.31**	**2.96**	**-**	**40.27**	**2.71**	**5.57**

4 : RIGHT - OF - USE ASSETS

₹ crore

Class of Assets	Cost/Valuation				Amortisation				Book Value	
	As at 01st Apr 2020	Additions	Deductions	As at 31st Mar 2021	As at 01st Apr 2020	For the year	Deductions	As at 31st Mar 2021	As at 31st Mar 2021	As at 31st Mar 2020
Leasehold Land	35.08	-	-	35.08	1.55	0.37	-	1.92	33.16	33.53
TOTAL	**35.08**	**-**	**-**	**35.08**	**1.55**	**0.37**	**-**	**1.92**	**33.16**	**33.53**

₹ crore

Class of Assets	Cost/Valuation				Amortisation				Book Value	
	As at 01st Apr 2019	Additions	Deductions	As at 31st Mar 2020	As at 01st Apr 2019	For the year	Deductions	As at 31st Mar 2020	As at 31st Mar 2020	As at 31st Mar 2019
Leasehold Land	35.08	-	-	35.08	1.18	0.37	-	1.55	33.53	33.90
TOTAL	**35.08**	**-**	**-**	**35.08**	**1.18**	**0.37**	**-**	**1.55**	**33.53**	**33.90**

5 : NON-CURRENT ASSETS - TRADE RECEIVABLES

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured		
Considered Good	109.65	-
Less : Allowance for expected credit loss	(30.70)	-
TOTAL	**78.95**	**-**

6 : NON-CURRENT ASSETS - FINANCIAL LOANS

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured Security Deposits, Considered Good:		
Deposits	0.08	0.08
Other loans, Considered Good:		
Advance to employees	1.11	0.92
TOTAL	**1.19**	**1.00**

7 : NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Other Financial Assets		
Forward Contract Receivable	5.02	-
TOTAL	**5.02**	**-**

8 : OTHER NON-CURRENT ASSETS

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Non-current assets for current tax		
TDS Receivables	4.03	5.42
Financial Guarantee Asset	0.23	0.87
TOTAL	**4.26**	**6.29**

9 : INVENTORIES

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Raw Material (includes goods-in-transit ₹ 0.02 crore, previous year ₹ 0.01 crore)	4.15	9.14
Components (includes goods-in-transit ₹ 0.20 crore, previous year ₹ 0.57 crore)	26.92	36.13
Stores-Tools, Jigs & Fixtures (includes goods-in-transit ₹ 0.07 crore, previous year ₹ 0.55 crore)	2.22	2.99
TOTAL	**33.29**	**48.26**

Note: During the year ₹ 2.50 crore (previous year: ₹ Nil) was recognised as expense towards write-down of inventories.

10 : CURRENT INVESTMENTS

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Mutual Funds	305.13	528.93
TOTAL	**305.13**	**528.93**

PARTICULARS OF INVESTMENT PURCHASED AND SOLD DURING THE YEAR

Particulars	Face Value	No of Units As at 31-03-2021	Value as at 31st March 2021 (₹ Crore)	Value as at 31st March 2020 (₹ Crore)
Mutual Funds:				
ICICI Prudential Short Term Fund- Regular	10	981,130	4.50	-
ICICI Prudential Money Market Fund- Regular	100	-	-	68.43
ICICI Prudential Liquid Fund- Direct	100	1,105,181	33.68	53.58
ICICI Prudential Liquid Fund- Regular	100	1,879,922	56.97	-
Nippon India Banking and PSU Debt Fund- Direct	10	-	-	77.01
HDFC Money Market Fund- Direct	1,000	-	-	115.48
HDFC Liquid Fund - Direct	1,000	248,021	100.34	-
Kotak Corporate Bond Fund- Regular	1,000	-	-	69.17
Kotak Corporate Bond Fund- Direct	1,000	-	-	94.93
Kotak Liquid Fund - Direct	1,000	263,633	109.64	-
Tata Short Term Bond Fund-Direct	10	-	-	50.33
TOTAL			**305.13**	**528.93**

11 : TRADE RECEIVABLES

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured		
Considered Good	91.74	220.02
Less : Allowance for expected credit loss	(0.44)	(31.36)
TOTAL	**91.30**	**188.66**

12 : CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Balance with Banks		
Balances with Scheduled Banks	9.17	6.11
Balances with Non Scheduled Banks	-	0.01
Cash on Hand	0.00	0.00
TOTAL	**9.17**	**6.12**

Note: Cash on Hand balance as on 31st March 2021 is ₹ 35,547 (Previous year: ₹ 24,047)

13 : OTHER BANK BALANCES

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Balance with Banks		
Fixed deposits with bank (maturity less than 12 months)	-	0.32
TOTAL	**-**	**0.32**

14 : CURRENT - OTHER FINANCIAL ASSETS

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Advance to Employees	0.54	0.60
Interest Receivable - Others	0.33	0.53
Forward Contract Receivable	8.36	49.46
Other Receivables	0.12	1.37
Security Deposits - Unsecured	0.18	1.78
TOTAL	**9.53**	**53.74**

15 : OTHER CURRENT ASSETS

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Unbilled Revenue (project related activity)		
Work-in-Progress at Cost	0.87	-
Work-in-Progress at Cost ICO	-	49.19
Work-in-Progress at Realisable Sales Value	342.15	772.35
Work-in-Progress at Realisable Sales Value ICO	304.76	0.08
	647.78	**821.62**
Contract Asset (Retention money)	136.47	203.66
Advance recoverable other than in cash		
Balance with Government Authorities	50.98	27.75
Advances to Suppliers	24.96	11.35
Gratuity Asset	0.85	1.89
Prepaid Expenses	1.66	1.14
Financial Gurantee Asset	0.64	0.93
	79.09	**43.06**
TOTAL	**863.34**	**1,068.34**

16 (i) : EQUITY SHARE CAPITAL

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. Of Shares	(₹ Crore)	No. Of Shares	(₹ Crore)
<u>Authorised:</u> Equity Shares of ₹ 10 each	720,000,000	720.00	720,000,000	720.00
<u>Issued, Subscribed and Fully Paid-up:</u> Equity Shares of ₹ 10 each	710,600,000	710.60	710,600,000	710.60
TOTAL	**710,600,000**	**710.60**	**710,600,000**	**710.60**

16 (ii) : RECONCILIATION OF THE NUMBER OF EQUITY SHARES AND SHARE CAPITAL

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. Of Shares	(₹ Crore)	No. Of Shares	(₹ Crore)
Issued, Subscribed and fully paid up equity shares outstanding at beginning of the year	710,600,000	710.60	710,600,000	710.60
Add: Shares issued during the year	-	-	-	-
Issued, Subscribed and fully paid up equity shares outstanding at the end of the year	**710,600,000**	**710.60**	**710,600,000**	**710.60**

16(iii) : SHAREHOLDER HOLDING MORE THAN 5% OF EQUITY SHARES AS AT THE END OF THE YEAR

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. Of Shares	Shareholding %	No. Of Shares	Shareholding %
Larsen & Toubro Ltd.	362,406,000	51	362,406,000	51
Mitsubishi Power, Ltd.	277,134,000	39	277,134,000	39
Mitsubishi Electric Corporation	71,060,000	10	71,060,000	10
TOTAL	**710,600,000**	**100**	**710,600,000**	**100**

Terms/ Rights attached to equity shares:

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholding.

Other disclosures:

For the period of five years immediately preceding the date at which the balance sheet is prepared:

- there are no shares alloted as fully paid pursuant to contract(s) without payment being received in cash.
- there are no shares alloted as fully paid up by way of bonus shares, and
- there are no shares bought back.

17 : OTHER EQUITY

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Equity component of financial instruments	13.97	13.97
Retained Earnings	(344.73)	(380.73)
Hedging Reserve Fund	(19.74)	(10.87)
TOTAL	**(350.50)**	**(377.63)**

18 : FINANCIAL LIABILITIES - LONG TERM BORROWINGS

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured		
Long Term Unsecured Loan from Banks	607.00	766.84
Less: Current Maturities of Long Term Borrowings (Included in Note: 22)	365.74	129.95
TOTAL	**241.26**	**636.89**

Note: For the above borrowings, corporate guarantee is given by Larsen & Toubro Ltd. for its 51% shares of any and all amounts that are due and payable by the borrower under this agreement, Mitsubishi Power, Ltd. for 49% share of any and all amounts that are due and payable by the borrower under this agreement.

18(i) : TERM LOAN FROM BANK (UNSECURED)-EXTERNAL COMMERCIAL BORROWING (ECBs)

Particulars	As at 31st March 2021 (₹ Crore)	As at 31st March 2020 (₹ Crore)	Rate of Interest	Terms of repayment of term loan outstanding as on 31st March 2021
External Commercial Borrowings from Sumitomo Mitsui Banking Corporation	130.42	274.25	JPY Libor + Spread	Repayable in 3 equal yearly installments commencing from 15/07/2019 and ending on 15/07/2021
	476.58	492.59	USD Libor + Spread	Repayable in 4 equal half yearly installments commencing from 15/09/2021 and ending on 15/03/2023
TOTAL	**607.00**	**766.84**		

Note: 1. Current maturities of long term borrowings are forming part of Note 22

2. ECB has been hedged through interest rate swap and currency forward as disclosed in Note 34.08

19 : NON-CURRENT LIABILITIES - OTHER FINANCIAL LIABILITIES

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Other Financial Liabilities		
Forward Contract Payables	11.41	-
TOTAL	**11.41**	**-**

20 : PROVISIONS - NON CURRENT

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Provisions For Employee Benefits		
Compensated Absences	8.85	6.20
Provisions for Product Warranties	64.38	99.64
TOTAL	**73.23**	**105.84**

21 : SHORT TERM BORROWINGS

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured (repayable on demand)		
Packing credit from Bank	130.26	199.99
Working Capital Demand Loan from Bank	0.80	-
TOTAL	**131.06**	**199.99**

22 : CURRENT MATURITIES OF LONG TERM BORROWINGS

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured		
Term loans from banks	365.74	129.95
TOTAL	**365.74**	129.95

23 : TRADE PAYABLES

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Due to Micro and Small Enterprises	5.25	3.44
Other Trade Payables	154.28	136.66
TOTAL	**159.53**	**140.10**

24 : CURRENT - OTHER FINANCIAL LIABILITIES

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Embedded Derivative Payables	21.72	0.01
Accrued Interest on Borrowing	0.29	0.58
Security Deposit Received	0.23	0.21
Other Payables	0.48	0.75
Tender Deposit Received	0.19	0.06
Performance Linked Rewards	3.60	3.70
Forward Contract Payable (Designated as Cash Flow Hedge)	25.13	50.15
Unbilled Costs - Contracts	72.01	76.48
Other Liabilities	23.53	63.30
TOTAL	**147.18**	**195.24**

Note: The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

25 : OTHER CURRENT LIABILITIES

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for foreseeable losses	27.42	27.42
Advances from Customers	462.77	760.67
Other Payables	3.18	4.88
TOTAL	**493.37**	**792.97**

26 : PROVISIONS - CURRENT

₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Provisions For Employee Benefits		
Compensated Absences	2.33	3.46
TOTAL	**2.33**	**3.46**

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

27 : REVENUE FROM OPERATIONS

₹ crore

Particulars	FY 2020-21	FY 2019-20
Revenue from Operations		
Manufacturing, Construction and Project Related Activity	684.21	755.52
Engineering and Service Fees	43.04	45.81
	727.25	**801.33**
Other Operating Revenue		
Non - Production Scrap Sale	0.12	0.09
Premium on Forward Contracts	(2.52)	0.60
	(2.40)	**0.69**
TOTAL	**724.85**	**802.02**

28 : OTHER INCOME

₹ crore

Particulars	FY 2020-21	FY 2019-20
Interest Income	10.83	1.71
Profit on Sale of Current Investments (Net)	12.81	38.24
(Loss)/Profit on Sale of Property, Plant and Equipment (Net)	0.02	0.01
Gain/(Loss) on Fair Valuation of Investments	0.05	(5.69)
Other Income	13.40	4.83
TOTAL	**37.11**	**39.10**

29 (i): COST OF MATERIALS CONSUMED

₹ crore

Particulars	FY 2020-21	FY 2019-20
Materials Consumed		
Raw Materials	31.38	23.68
Components	475.54	420.25
Freight Inward	3.72	3.54
	510.64	**447.47**
Less: Manufacturing Scrap Sales	(7.89)	(4.29)
Sub Contracting Charges	33.07	25.22
TOTAL	**535.82**	**468.40**

29 (ii): MANUFACTURING AND OPERATING EXPENSES

₹ crore

Particulars	FY 2020-21	FY 2019-20
Stores, Spares & Tools	32.33	28.99
Power and Fuel	10.89	11.28
Packing & Forwarding Charges	8.40	3.51
Hire charges - Plant Machinery and Others	0.75	0.47
Engineering, Technical and Consultancy Fees	1.56	14.93
Repairs and Maintanence	2.52	2.47
Other Manufacturing Expenses	2.91	2.50
TOTAL	**59.36**	**64.15**

30 : EMPLOYEE BENEFITS EXPENSE

₹ crore

Particulars	FY 2020-21	FY 2019-20
Salaries, Wages and Bonus	57.96	56.66
Contribution to and Provision for		
Provident Fund	1.86	1.85
Employee's Pension Scheme	1.25	1.24
Gratuity Fund	0.89	0.91
Leave Encashment	1.82	3.54
Employee Deposit Linked Insurance	0.04	0.04
Group Insurance	0.04	0.03
Employee Welfare Expenses	5.46	6.73
TOTAL	**69.32**	**71.00**

31 : OTHER EXPENSES

₹ crore

Particulars	FY 2020-21	FY 2019-20
Insurance	2.61	1.59
Rent	0.11	0.04
Rates and Taxes	1.42	0.03
Travelling and Conveyance	0.65	1.20
General Repairs and Maintenance	5.67	7.60
Audit Fees	0.08	0.09
Cost Audit Fees	0.01	0.01
Professional Fees	0.84	1.07
Directors' Fees	0.05	0.05
Telephone, Postage and Telegrams	0.27	0.26
Bank Charges	3.54	1.09
Security Charges	0.91	0.82
Cost of Software	1.38	1.40
Corporate Social Responsibility	1.81	0.05
Expected Credit Loss	(0.23)	30.83
Other Expenses	0.90	0.67
Foreign Exchange (Gain) / Loss (Net)	(12.47)	2.73
Provisions for warranties & Liquidated Damages	(35.26)	6.64
TOTAL	**(27.71)**	**56.17**

32 : FINANCE COSTS

₹ crore

Particulars	FY 2020-21	FY 2019-20
Interest Expenses		
Interest Paid on Term Loan from Banks	19.58	12.41
Interest Paid on Cash Credit	0.10	0.08
Interest Paid on Export Packing Credit	3.76	10.98
Other Borrowing Costs		
Premium on Forward Contracts	18.74	28.48
Other Interest Paid	1.08	1.29
Interest Accrued and due to Supplier UnderMSMED	0.03	0.04
Exchange (Gain)/Loss	(6.61)	24.26
TOTAL	**36.68**	**77.54**

33 : DEPRECIATION AND AMORTISATION

₹ crore

Particulars	FY 2020-21	FY 2019-20
Depreciation on property, plant and equipment	50.63	51.40
Amortisation of other intangible assets	1.64	2.96
Depreciation on Right-Of-Use Assets	0.37	0.37
TOTAL	**52.64**	**54.73**

34.01 Disclosures pursuant to Ind AS-115 "Revenue from contract with customers"

a) Disaggregation of Revenue:-

F.Y.2020-21 ₹ crore

Particulars	Revenue (As Per Ind AS-115)			Other Revenue	Total
	Domestic	Foreign	Total		
Revenue recognized based on performance obligaions satisfied					
(i) Over a period of time	270.26	380.30	650.56	-	650.56
(ii) At a point of time	71.45	2.84	74.29	37.11	111.40
Total (i+ii)	**341.71**	**383.14**	**724.85**	**37.11**	**761.96**

F.Y.2019-20 ₹ crore

Particulars	Revenue (As Per Ind AS-115)			Other Revenue	Total
	Domestic	Foreign	Total		
Revenue recognized based on performance obligaions satisfied					
(i) Over a period of time	116.97	621.02	737.99	-	737.99
(ii) At a point of time	65.54	(1.50)	64.03	39.10	103.13
Total (i+ii)	**182.50**	**619.52**	**802.02**	**39.10**	**841.12**

b) Movement in Expected Credit Loss (ECL) during the year:- ₹ crore

Particulars	Trade Receivables (Other then Covered under Ind AS-115)		Trade Receivables (Covered under Ind AS-115)		Contract Assets
	2020-21	2019-20	2020-21	2019-20	2020-21
Opening Balance	-	-	31.36	0.53	-
Ind AS-115 Transition impact	-	-	-	-	-
Change in Loss Allowances	-	-	-	-	-
Loss allowance based on ECL	-	-	-	-	-
Additional Provisions (Net)	-	-	(0.23)	30.83	-
Written off as Bad debts	-	-	-	-	-
Closing Balance	**-**	**-**	**31.13**	**31.36**	**-**

The Company has Receivables of ₹ 109 crore from its parent company in respect of turbine package executed for a customer through its parent company. During the year parent company continued it's discussion with the customer to collect the Receivables and has confirmed satisfactory progress. The Company expect to recover the dues beyond normal operating cycle and accordingly dues are classified as non-current in the current year with continuance of ECL provision of ₹ 30.70 crore.

c) Movement in Contract Assets & Contract Liabilities during the year:- ₹ crore

Particulars	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
	2020-21		2019-20	
Opening Balance	821.62	760.67	358.97	396.89
Add/(Less): Revenue recognised during the year	650.56	-	737.99	-
Add/(Less): Physical Billing during the year	(824.40)	-	(275.33)	-
Add/(Less): Progress Bills raised during the year	-	-	-	-
Add/(Less): Advance received during the year (Net of Adj.)	-	(297.90)	-	363.78
Add/(Less): Impairment of Contract Assets	-	-	-	-
Foreseeable Loss on Contract Assets (Net of Reversal)	-	-	-	-
ECL on Contract Assets (Net of Reversal)	-	-	-	-
Closing Balance	**647.78**	**462.77**	**821.62**	**760.67**

d) Reconciliation of Contract Price with Revenue during the year:-

₹ crore

Particulars	2020-21	2019-20
Opening Contracted Price of orders at the start of the year (incl. full value of partially executed contracts)	2,787.06	1,862.82
Changes during the year on account of:		
Add: Fresh Orders Received (incl. revaluation)	81.55	1,143.14
Add: Additional Claims / Bonus	-	-
Less: Orders Completed	(1,398.08)	(218.90)
Less: Penalty	-	-
Closing Contracted Price of orders at the end of the year (including full value of partially executed contracts)	**1,470.53**	**2,787.06**

₹ crore

Particulars	2020-21	2019-20
Revenue recognised during the year		
Out of Orders completed during the year	17.98	70.77
Out of Continuing Orders at the end of the year (I)	632.54	667.21
Revenue recognised upto P.Y. towards Continuing Orders at the end of the year (II)	278.38	992.72
Balance Revenue to be recognised in Future years (III)	559.61	1,127.12
Closing contracted price of orders on hand at the end of the year (including full value of partially executed contracts) (I+II+III)	**1,470.53**	**2,787.06**

e) Remaining Performance Obligations:-

₹ crore

Particulars	Total	Likely conversion in revenue			
		Upto Year1	From 1 to 2 Years	From 2 to 3 Years	Beyond 3 years
Transaction price allocated to the remaining performance obligation	559.61	440.30	119.31	-	-
Total	**559.61**	**440.30**	**119.31**	**-**	**-**

34.02 Auditor's Remuneration and Expenses Charged to Accounts

₹ crore

Particulars	2020-21	2019-20
Audit fees	0.03	0.03
Tax audit fees	0.01	0.01
Other Services	0.04	0.05
Total	**0.08**	**0.09**

34.03 Micro, Small and Medium Enterprises

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at March 31, 2021. The disclosure pursuant to the said Act is as under

₹ crore

Particulars	2020-21	2019-20
Principal Amount due to suppliers under MSMED Act	5.23	3.43
Interest accrued, due to suppliers under MSMED Act	0.01	0.00
Payment made to suppliers (other than interest) beyond the appointed day during the year	4.98	8.93
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	0.02	0.04
Interest due and payable towards suppliers under MSMED Act for payment already made	0.00	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.01	0.00

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

34.04 Disclosure as required by Indian Accounting Standard (IND AS) 12 Income Taxes

a) The major components of tax expense for the year ended March 31, 2021

₹ crore

Sr. No.	Particulars	2020-21	2019-20
	Statement of Profit and Loss:		
(a)	(i) Profit and Loss section		
1	**Current income tax :**		
	Current income tax charge	-	-
	Effect of prior period adjustments	-	0.00
2	**Deferred tax:**		
	Relating to origination and reversal of temporary differences	-	-
	Income tax expense reported in the statement of profit or loss	**-**	**0.00**
(b)	**Other comprehensive income (OCI) section:**		
	Current income tax :		
	Net loss/ (gain) on remeasurement of defined benefit plans	-	-
	Deferred Tax:	**-**	**-**
	Net gain / (loss) on cash flow hedges	-	-
	Unrealised gain / (loss) on debt securities (FVTOCI)	-	-
	Income tax expense reported in the OCI section	**-**	**-**

b) Reconciliation of Deferred tax expense for the year ended March 31, 2021

₹ crore

Sr. No.	Particulars	2020-21	2019-20
1	**Profit before tax**	**35.85**	**49.13**
2	Applicable tax rate	25.17%	25.17%
3	PBT * applicable tax rate (1*2)	**9.02**	**12.37**
4	**Items forming part of deferred tax expense:**		
(a)	Set off of previously unadjusted tax losses	(9.02)	(12.37)
(b)	Difference in book and Income tax depreciation	-	-
(c)	Provision for compensated absences disallowed u/s 43B	-	-
(d)	Reversal of Deferred tax assets	-	-
(e)	Others	-	-
	Tax expense recognised during the year (Total 3 to 4)	**-**	**-**

c) Components of deferred tax assets and liabilities recognised in the balance sheet and statement of profit & loss

₹ crore

Sr. No.	Particulars	Balance Sheet		Statement of Profit & Loss	
		31-Mar-21	31-Mar-20	2020-21	2019-20
1	Provision for compensated absences disallowed u/s 43B	-	-	-	-
2	Difference in book and income tax depreciation	-	-	-	-
3	Business loss available for offsetting against future taxable income	-	-	-	-
4	Statutory liability claimed on payment basis	-	-	-	-
	Net deferred tax (assets) / liabilities	**-**	**-**	**-**	**-**

d) Reconciliation of deferred tax (assets) / liabilities net: ₹ crore

Sr. No.	Particulars	2020-21	2019-20
1	Opening balance	-	-
2	Tax income / (expense) during the period recognised in statement of profit and loss	-	-
	Closing balance	**-**	**-**

As per Ind AS-12, DTA is to be created only when there is a "Convincing evidence" that sufficient taxable profit will be available against which the unused tax losses or Unused tax credits can be utilised by the company. This meets the requirement of Para 35 of Ind AS 12. As on today there is no sufficient evidence to create DTA.

(e) Unused tax losses for which no deferred tax asset (DTA) is recognised in Balance sheet ₹ crore

Sr No.	Particulars	As on 31-03-2021			As on 31-03-2020		
		Base Amount	Deferred Tax	Expiry Date	Base Amount	Deferred Tax	Expiry Date
1	Business Loss and unabsorbed Depreciation						
	Amount of losses having expiry	-	-	NA	-	-	NA
	Amount of losses having no expiry	342.23	86.13	NA	342.69	86.25	NA
2	Capital Loss						
	Total	**342.23**	**86.13**		**342.69**	**86.25**	

34.05 Investor Education and Protection Fund

There were no amounts which were required to be transferred to the investor education and protection fund by the Company.

34.06 Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities, Contingent Assets and Commitments

Movement in provisions: product warranties ₹ crore

Particulars	2020-21	2019-20
Opening balance	99.64	90.70
Add:- Additional provision during the year	8.92	8.95
Less:- Provision used/reversed during the year	(44.18)	-
Closing balance	**64.38**	**99.64**

The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at period end represents the amount of the expected cost of meeting such obligations of rectification/replacement.

Contingent liabilities and Commitments (to the extent not provided for) ₹ crore

Nature of liability	31-Mar-21	31-Mar-20
Sales tax liability on outcome of assessment dues is challenged in first appeal	-	-

Appellate authority has issued order for FY13 in the favour of the Company on 26.02.2020 and demand no longer exist. For the appeal filed with Deputy Commissioner for similar issue of FY12, Company believes that the appellate authority will issue order in favour of the Company and no demand will exist. Hence, there is no contingent liability.

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 0.25 Cr. (previous year ₹ 0.54 Cr.)

34.07 (a) Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits

Employee benefits – provision for / contributions to retirement benefit schemes are made in accordance with Ind AS - 19 Employee Benefits as follows –

i. Defined Contribution Plan - Company has contributed ₹ 1.25 Cr. towards Employee's Pension Scheme (previous year : 1.24 Cr.) and ₹ 1.86 Cr. towards Provident fund (Previous Year ₹ 1.85 Cr.) , which is recognised as an expense in the Statement of Profit and Loss.

ii. Defined Benefit Plan :

General Description Gratuity Plans

The Company makes contributions to the Employees Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to employees at the time of retirement, death while in employment or termination of employment, of an amount equivalent to 15 days salary for every completed year of service or part thereof in excess of six months, provided the employee has completed five years in service, subject to a maximum of ₹ 20 Lakh.

Table 1 : Amount recognized in Balance Sheet - Gratuity

₹ crore

Particulars	Gratuity plan	
	31-Mar-21	31-Mar-20
Present value of funded defined benefit obligation	8.52	6.89
Less : Fair value of plan assets	(9.37)	(8.86)
Add : Present value of unfunded defined benefit obligation	-	-
Add : Amount not recognized due to asset limit	-	0.08
Net defined benefit liability / (asset) recognized in balance sheet	**(0.85)**	**(1.89)**
Net defined benefit liability / (asset) is bifurcated as follows:		
Current	-	-
Non-current	**(0.85)**	**(1.89)**

Table 2 - Current Year Expense Charged to Statement of Profit & Loss

₹ crore

Particulars	Gratuity plan	
	31-Mar-21	31-Mar-20
Current service cost	1.03	0.98
Interest on defined benefit obligation liability / (asset)	(0.14)	(0.07)
Past service cost	-	-
Administration Expenses	-	-
(Gain)/Loss on settlement	-	-
Expense charged to Statement of Profit & Loss	**0.89**	**0.91**

Table 3 - Current Year Expense Recognised in Other Comprehensive Income ("OCI")

₹ crore

Particular	Gratuity plan	
	31-Mar-21	31-Mar-20
Opening amount recognised in OCI outside Statement of profit & Loss	0.55	0.62
Remeasurements during the period due to :		
Changes in financial assumptions	0.15	(0.75)
Changes in demographic assumptions	-	-
Experience adjustments	0.13	0.66
Actual return of plan assets less interest on plan assets	(0.04)	(0.07)
Adjustment to recognize the effect of asset ceiling	(0.08)	0.08
Closing amount recognized in OCI outside Statement of Profit & Loss	**0.71**	**0.55**

Table 4 - Reconciliation of opening and closing balance of present value of defined benefit obligations

₹ crore

Particulars	Gratuity plan	
	31-Mar-21	31-Mar-20
Opening balance of present value of defined benefit obligations	6.89	5.73
Add: Current service cost	1.03	0.98
Add: Interest cost	0.43	0.41
i) Employer		
ii) Employee		
Add/(Less): Actuarial losses/(gains) arising from -		
Changes in financial assumptions	0.15	(0.75)
Changes in demographic assumptions	-	-
Experience adjustments	0.13	0.66
Less: Benefits paid	(0.11)	(0.15)
Add: Past service cost	-	-
Add: Liabilities assumed on transfer of employees	-	-
Closing balance of present value of defined benefit obligations	**8.52**	**6.89**

Table 5 - Reconciliation of Plan Assets

₹ crore

Particulars	Gratuity plan	
	31-Mar-21	31-Mar-20
Opening fair value of plan assets	8.86	6.46
Add: Interest income on plan assets	0.57	0.48
Add: Actual return on plan assets less interest income	0.04	0.07
Add: Contributions by employer	-	2.01
Add: Assets acquired / (settled)*	-	-
Less: Benefits paid	(0.11)	(0.15)
Less: Assets distributed on settlements	-	-
Closing Balance of plan assets	**9.36**	**8.86**

* On account of business combination or inter group transfer

Table 6 - The major categories of plan assets as a percentage of total plan assets

Particulars	Gratuity plan
Govt. of India securities State Govt. securities Corporate bonds Public Sector bonds Special deposit scheme	**Scheme with Life Insurance Corporation of India**

Table 7: Principal Actuarial Assumptions of gratuity

Particulars	31-Mar-21	31-Mar-20
Discount rate (p.a.)	6.40%	6.60%
Salary escalation rate (p.a.)	5.00%	5.00%

Estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Table 8 : Sensitivity Analysis - impact of increase/decrease in actuarial assumptions in gratuity

Particulars	Gratuity plan	
	31-Mar-21	31-Mar-20
Discount rate		
Impact of increase in 100 bps on defined benefit obligations	-8.37%	-8.22%
Impact of decrease in 100 bps on defined benefit obligations	9.83%	9.66%
Salary escalation rate		
Impact of increase in 100 bps on defined benefit obligations	9.87%	9.71%
Impact of decrease in 100 bps on defined benefit obligations	-8.54%	-8.41%

The Provident Fund is managed by Regional Provident Fund Corporation (RPFC).

34.08 Fair Value Measurements

The following methods of assumptions were used to estimate the fair values:

1. Fair value of the cash, short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amount largely due to short term maturities of these instruments.

2. Fixed and variable interest rates are revalued by the company based on the parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluations allowance are taken to account for the expected loss on these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

Level 3: Unobservable inputs for the asset or liability

Financial assets by category:

₹ crore

Sr. No.	Particulars	31-Mar-21	31-Mar-20
1	**Measured at Fair value through" Profit & Loss (FVTPL)**		
(a)	Mutual funds	305.13	528.92
(b)	Derivative Instruments	13.38	49.46
2	**Measured at amortised cost**		
(a)	Trade Receivables	306.72	392.32
(b)	Advances recoverable in cash or kind	1.77	2.88
(c)	Cash and cash equivalents	9.17	6.12
(d)	Other bank balances	-	0.32
(e)	Security deposits	0.26	1.85
3	**Measured at Fair value through" OCI (FVTOCI)**		
(a)	Embedded derivative	-	-
(b)	Derivative Instruments	-	-
	Total Financial Assets	**636.43**	**981.88**

Financial liabilities by category:

₹ crore

Sr. No.	Particulars	31-Mar-21	31-Mar-20
1	**Measured at Fair value through" Profit & Loss (FVTPL)**		
(a)	Embedded derivatives	21.72	0.01
(b)	Derivative Instruments	36.54	50.15
2	**Measured at amortised cost**		
(a)	Borrowings	738.06	966.83
(b)	Trade payables	159.53	140.10
(c)	Other financial liabilities	4.79	5.30
3	**Financial liabilities at fair value through OCI**		
(a)	Embedded derivatives	-	-
(b)	Derivative Instruments	-	-
	Total Financial Liabilities	**960.64**	**1,162.39**

Disclosures in Statement of Profit & Loss

₹ crore

Sr. No.	Particulars	2020-21	2019-20
1	**Net gain / (losses) on financial assets and financial liabilities**	12.76	(39.25)
(a)	Mandatorily measured at fair value through P&L		
	Gain/(Loss) on fair valuation or sale of investment in Mutual Fund	0.05	(5.69)
(b)	Designated as at fair value through P&L		
	(i) Gain/(Loss) on fair valuation or settlement of forward contract	11.48	(5.27)
	(ii) Gain/(Loss) on fair valuation or settlement of Embedded derivative contract	(5.33)	0.66
(c)	Financial assets measured at amortised cost		
	(i) Exchange Gain/(Loss) on revaluation or settlement of items denominated in foreign currency	(4.06)	11.73
	(ii) (Allowances)/reversal of expected credit loss during the year	0.23	(30.83)
(d)	Financial liabilities measured at amortised cost		
	Exchange Gain/(Loss) on revaluation or settlement of items denominated in foreign currency	10.39	(9.85)
(e)	Financial assets measured at FVTOCI:		
(i)	Gains recognized in OCI		
	(a) Gain/(Loss) on fair valuation of settlement of forward contracts	-	-
	(b) Gain/(Loss) on fair valuation of settlement of embedded derivatives contracts	-	-
(ii)	Gains reclassified to P&L from OCI upon de-recognition	-	-
	(a) on forwards contracts upon underlying hedged assets affecting the P&L account or related assets or liabilities.	-	-
	(b) on embedded derivative contracts upon underlying hedged assets affecting the P&L account or related assets or liabilities.	-	-
2	**Interest revenue**	-	-
	Financial assets measured at amortised cost	-	-
3	**Interest expense**	-	-
	Financial liabilities that are not measured at FVTPL	-	-

Details of outstanding hedge instruments

Information as on 31 March 21

₹ crore

Particulars	Nominal Amount	Average Rate ₹	Timing	
			Up to 12 months	> 12 months
a. Currency exposure				
Cash flow hedge				
Foreign currency forward covers				
Payable hedges				
USD including USD pegged currency	170.22	82.53	-	170.22
EUR including EUR pegged currency	44.08	89.52	44.08	-
JPY	288.54	0.72	288.54	-
Receivable hedges				
USD	148.59	74.93	148.59	-
JPY	52.32	0.72	52.32	-
Currency Swaps				
USD	146.39	70.98	146.39	-
JPY	-	-	-	-
b. Interest rate exposure				
Cash flow hedge				
Foreign currency forward covers				
USD	-	-	-	-
JPY	-	-	-	-
Currency Swaps				
USD	0.78	71.00	0.78	-
JPY	-	-	-	-

Information as on 31 March 20

₹ crore

Particulars	Nominal Amount	Average Rate ₹	Timing	
			Up to 12 months	> 12 months
a. Currency exposure				
Cash flow hedge				
Foreign currency forward covers				
Payable hedges				
USD including USD pegged currency	170.22	82.53	-	170.22
EUR including EUR pegged currency	76.72	81.00	76.72	-
JPY	537.64	0.70	456.74	80.90
Receivable hedges				
USD	313.52	73.77	303.35	10.17
JPY	66.92	0.68	66.92	-
Currency Swaps				
USD	146.39	70.98	-	146.39
JPY	-	-	-	-
b. Interest rate exposure				
Cash flow hedge				
Foreign currency forward covers				
USD	-	-	-	-
JPY	-	-	-	-
Full Currency Swaps				
USD	1.24	71.06	1.24	-
JPY	-	-	-	-

₹ crore

Financial assets and liabilities measured recurring fair value measurements At 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Measured at Fair value through" Profit & Loss (FVTPL)				
Investments in Mutual funds	305.13	-	-	305.13
Embedded derivative	-	-	-	-
Derivative Instruments	-	13.38	-	13.38
Measured at amortised cost				
Trade Receivables	-	306.72	-	306.72
Advances recoverable in cash	-	1.77	-	1.77
Cash and cash equivalents	-	9.17	-	9.17
Other bank balances		-	-	-
Security deposits	-	0.26	-	0.26
Measured at Fair value through" OCI (FVTOCI)				
Embedded derivative	-	-	-	-
Derivative financial instruments designated as cash flow hedges		-	-	-
Total Financial Assets				**636.43**
Financial Liabilities				
Measured at Fair value through" Profit & Loss (FVTPL)				
Embedded derivatives	-	21.72	-	21.72
Derivative Instruments	-	36.54	-	36.54
Measured at amortised cost				
Borrowings	-	738.06	-	738.06
Trade payables	-	159.53	-	159.53
Other financial liabilities	-	4.79	-	4.79
Financial liabilities at fair value through OCI				
Embedded derivatives	-	-	-	-
Derivative Instruments	-	-	-	-
Total Financial Liabilities				**960.64**

34.09 Financial Risk Management

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

The Company's risk management policy (including financial risk) is recommended by the treasury committee and approved by the board of directors.

The Company's risk management committee is responsible for the implementation of the risk management policy.

a) Credit/counter-party risk

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

The Company makes adequate provision for non-collection of trade receivables. Further, the Company has not suffered significant payment defaults by its customers.

In addition, for delay in collection of receivables, the Company has made provision for expected credit loss ('ECL') based on ageing analysis of its trade receivables. The provision for ECL is based on external and internal credit risk factors such as the Company's historical experience for customers, type of customer e.g. public sector, private sectors etc.

Expected Credit Loss (ECL) reconciliation on Trade Receivable:

₹ crore

Particulars	2020-21	2019-20
ECL on Trade receivables		
Opening	31.36	0.53
Changes in loss allowance (Provision for doubtful debts):		
Add: Loss allowance based on Expected credit loss	-	30.83
Less: Write off as bad debts	-	-
Less: Reduction in provision due to actual receipt from customers	0.23	-
Closing	31.13	31.36

The percentage of revenue from its top two customers (i.e. Larsen & Toubro Ltd. and Mitsubishi Power, Ltd.) is 89% for 2020-21 (86% for 2019-20) . Accordingly, the Company's customer credit risk is low. The Company's average project execution cycle is around 24 to 36 months. General payment terms include advance, payments against dispatches with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. The Company has a detailed review mechanism of overdue customer receivables at various levels within the organisation to ensure proper attention and focus for realisation.

The counter-party risk that the Company is exposed to is principally for financial instruments taken to hedge its foreign currency risks (see below). The counter-parties are mainly banks and the Company has entered into contracts with the counterparties for all its hedge instruments and in addition, entered into suitable credit support agreements to cap counter-party risk where necessary.

The Company invests its surplus funds in bank deposits and liquid investments and mitigates the risk of counter-party failure by investing with institutions having good credit rating.

b) Liquidity Risk

The Company's treasury department monitors the cash flows of the Company and surplus funds are invested in non-speculative financial instruments that are usually highly liquid funds (see counter-party risk above).

The Company has project related borrowings as at 31 March 2021 and has credit facilities (both fund based and non-fund based) with banks that will help it to generate funds and other financial facilities for the business.

Maturity profile of Financial liabilities as on 31.03.2021 :

₹ crore

Sr. No.	Particulars	Up to 12 months	More than 12 months	31-Mar-21
1	Borrowings	496.80	241.26	738.06
2	Trade payables	158.78	0.75	159.53
3	Other financial liabilities	4.79	-	4.79

₹ crore

Sr. No.	Particulars	Up to 12 months	More than 12 months	31-Mar-20
1	Borrowings	329.94	636.89	966.83
2	Trade payables	138.86	1.24	140.10
3	Other financial liabilities	5.30	-	5.30

c) Market Risk

Market Risk is the risk of loss of future earnings, fair value, future cash flows that may result from change in price of financial instrument. The value of the financial instrument may change as a result of change in interest rate scenario and other market changes that affect the market risk sensitive instrument. Market risk is attributable to market risk sensitive instruments viz. investments in mutual funds.

The company has got a treasury team which manages cash resources, implementation of hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies. This team is guided by the treasury committee. Company manages the market risk through the treasury committee which evaluates and exercises independent control over the entire process of market risk management. The treasury committee recommends the policies & processes for investments. The committee is appraised the implementation of plan & policies on quarterly basis. Board of the Company is also appraised of the proceedings of the treasury committee on quarterly basis.

- Foreign Currency Risk

Foreign exchange risk is a significant financial risk for the Company.

The Company uses derivative financial instruments to mitigate foreign exchange related exposures. Specialist teams that have the appropriate skills and experience take decisions for risk management purposes.

The Company's operations have exposures in foreign currencies, with US dollars & Japanese Yen being the maximum contributors.

The board of directors has approved the Company's financial risk management policy covering management of foreign currency exposures. The Company's treasury department monitors the foreign currency exposures and takes appropriate forward covers to mitigate its risk. The Company hedges its exposure both on cash flow basis as well as on net basis (i.e. net expected outcome of the project).

In addition, the Company has embedded derivatives mainly for projects in India that are won on an international competitive bidding basis. These are quoted in foreign currency and match the exposure that the Company has as liabilities for the project. Since forward contracts taken for embedded derivative projects are considered ineffective, they are charged to the statement of profit and loss.

The Company has exposure to loans denominated in foreign currency in US dollars & Japanese Yen. The Company has mitigated the risk of foreign exchange fluctuation by a combination of forward contracts and swaps. The swap is a principal and interest rate swap (see below) in which, for the principal, the Company has fixed its liability in Indian Rupees.

The Company does not enter into hedge transactions for either trading or speculative purposes.

Contracts with maturity not later than twelve months include certain contracts that can be rolled over to subsequent periods in line with underlying exposures.

5% Increase or Decrease in foreign exchange rates will have following impact on profit before tax

₹ crore

Particulars	Impact on profit before tax Expense / (Income)	
	31-Mar-21	31-Mar-20
USD Sensitivity (USD and USD pegged currency)		
INR/USD -Increase by 5%*	12.79	9.46
INR/USD -Decrease by 5%*	(12.79)	(9.46)
JPY Sensitivity		
INR/JPY -Increase by 5%*	(0.72)	0.23
INR/JPY -Decrease by 5%*	0.72	(0.23)
EURO Sensitivity (EURO and EURO pegged currency)		
INR/EURO -Increase by 5%*	(1.40)	0.02
INR/EURO -Decrease by 5%*	1.40	(0.02)

* Holding all other variable constant

- Interest Rate Risk

The Company has obtained loan in US dollars & Japanese Yen, which has a floating rate of interest at LIBOR plus spread. The Company has swapped part of the interest rate liability and has a fixed exposure in INR.

0.25% Increase or Decrease in interest rates will have following impact on profit before tax

₹ crore

Particulars	Impact on profit before tax Expense / (Income) 31-Mar-21	31-Mar-20
USD		
Interest rates -increase by 0.25%*	0.00	0.00
Interest rates -decrease by 0.25%*	(0.00)	(0.00)
JPY		
Interest rates -increase by 0.25%*	0.00	0.00
Interest rates -decrease by 0.25%*	(0.00)	(0.00)

* Holding all other variable constant

- Price risk for mutual fund investments

₹ crore

Particulars	Impact on profit before tax Expense / (Income) 31-Mar-21	31-Mar-20
Liquid funds		
NAV -Increase by 1%*	(3.05)	(5.29)
NAV -Decrease by 1%*	3.05	5.29

* Holding all other variable constant

34.10 Disclosures as required by Indian Accounting Standard (Ind AS) 108 Segment Reporting

Primary / Secondary segment reporting format :

a) The company's risk-return profile is not affected by products as the company deals in single product.

b) In respect of secondary segment information, the Company has identified its geographical segments as
(i) domestic
(ii) overseas

The secondary segment information has been disclosed accordingly.

₹ crore

Particulars	Domestic		Overseas		Total	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue by location of customers	341.70	182.71	383.15	619.52	724.85	802.23
Trade Receivables*	306.72	392.31	-	-	306.72	392.31
Advances from Customers	130.87	129.87	331.90	630.80	462.77	760.67

* Refer Note No. 5, 11 & 15

34.11 Related party disclosure as required by Indian Accounting Standards (Ind AS) 24

a. List of related parties who exercise control:

Sr. No.	Name of the Related Party	Country of Incorporation	% Equity Interest As at 31-03-2021	% Equity Interest As at 31-03-2020
1	Larsen & Toubro Limited	India	51%	51%
2	Mitsubishi Power, Ltd.	Japan	39%	39%
3	Mitsubishi Electric Corporation Limited	Japan	10%	10%

b. Key Management Personnel (KMP):

List of Key Management Personnel and payment of salaries, commission and perquisites to KMP

Name	Designation
A R Prasad	Chief Financial Officer

₹ crore

Sr. No.	Particulars	2020-21	2019-20
	A R Prasad		
a	Short term employment benefits	0.50	0.52
b	Post employment benefits	0.01	0.01
	TOTAL	**0.51**	**0.54**

c. Payments made to Independent Directors

₹ crore

Particulars	2020-21		2019-20	
	Mr. Shekar Viswanathan	Mrs. Vijaya Sampath	Mr. Shekar Viswanathan	Mrs. Vijaya Sampath
Sitting Fees				
CSR Meeting	0.00	-	-	-
Board Meeting	0.02	0.02	0.02	0.02
Nomination & Remuneration	0.01	0.01	0.00	0.01
Total sitting fees	**0.03**	**0.03**	**0.02**	**0.03**
Commission	0.05	0.05	0.05	0.05
Total Payment made	**0.08**	**0.08**	**0.07**	**0.08**

d. List of related parties :

Sr. No.	Related Party	Relationship
1	Larsen & Toubro Limited	Joint Venture Partner
2	Mitsubishi Power, Ltd.	Joint Venture Partner
3	Mitsubishi Electric Corporation	Joint Venture Partner
4	L&T-MHI Power Boilers Private Limited	Member of same group
5	L&T Hydrocarbon Engineering Limited	Member of same group
6	L&T Special Steels & Heavy Forgings Private Limited	Member of same group
7	Nabha Power Limited	Member of same group
8	L&T - Sargent & Lundy Ltd.	Member of same group
9	L&T Valves Limited	Member of same group
10	L&T Infotech Limited	Member of same group

e. Commitment with related parties

₹ crore

Particulars	31-Mar-21	31-Mar-20
Purchase commitment:		
Larsen & Toubro Limited	8.96	0.03
Mitsubishi Power, Ltd.	2.88	3.70
L&T-MHI Power Boilers Private Limited	29.59	43.19
L&T Special Steels & Heavy Forgings Pvt. Ltd.	0.00	0.01
Mitsubishi Electric Corporation	6.18	9.08
Mitsubishi Heavy Industries	-	0.06
L&T - Sargent & Lundy Ltd.	0.06	-
L&T Valves Limited	1.64	-
L&T Infotech Limited	0.01	-
Total	**49.32**	**56.07**

f. Disclosure of related party transactions

₹ crore

Sr. No.	Particulars	2020-21	2019-20
1	**Purchase of goods & services:**	**22.65**	**36.02**
(i)	Mitsubishi Power, Ltd.	1.92	4.59
(ii)	Larsen & Toubro Limited	1.93	0.64
(iii)	L&T-MHI Power Boilers Private Limited	14.91	28.94
(iv)	L&T Special Steels & Heavy Forgings Pvt. Ltd.	-	0.00
(v)	Mitsubishi Electric Corporation	3.88	1.84
(vi)	L&T Infotech Limited	0.01	0.01

₹ crore

Sr. No.	Particulars	2020-21	2019-20
2	**Sale of goods & services:**	**879.93**	**223.90**
(i)	Larsen & Toubro Limited	14.83	31.51
(ii)	Mitsubishi Power, Ltd.	859.97	139.93
(iii)	Nabha Power Ltd.	4.54	51.92
(iv)	L&T-MHI Power Boilers Private Limited	0.00	-
(v)	Mitsubishi Electric Corporation	0.19	0.35
(vi)	L&T Special Steels & Heavy Forgings Pvt. Ltd.	0.40	0.19

₹ crore

Sr. No.	Particulars	2020-21	2019-20
3	**Other Transactions:**	**9.50**	**9.72**
	Recovery of Expenses from:		
(i)	Mitsubishi Power, Ltd.	0.03	-
(ii)	Mitsubishi Electric Corporation	-	0.03
(iii)	L&T-MHI Power Boilers Private Limited	0.01	0.05
(iv)	Larsen & Toubro Limited	0.62	-
	Payables towards expenses incurred by:		
(i)	L&T-MHI Power Boilers Private Limited	0.08	-
(ii)	Larsen & Toubro Limited	8.03	9.65
(iii)	L&T Hydrocarbon Engineering Limited	0.01	0.01
(iv)	Mitsubishi Power, Ltd.	2.04	0.14

₹ crore

Sr. No.	Particulars	2020-21	2019-20
4	**Inter Corporate Deposits (ICD):**		
(i)	ICD to Larsen & Toubro Ltd.	675.00	246.00
(ii)	Receipt on Maturity of ICD from Larsen & Toubro Ltd.	675.00	246.00
(iii)	Interest received on maturity of the ICD	10.83	1.69

₹ crore

Sr. No.	Particulars	2020-21	2019-20
5	**Provision for Expected Credit Loss:**		
(i)	Larsen & Toubro Limited	-	30.70

g. Amount due to/from related parties

₹ crore

Sr. No.	Particulars	As at 31-03-2021	As at 31-03-2020
1	**Amount due to related parties:**	**18.95**	**18.01**
(i)	Larsen & Toubro Limited	7.62	7.28
(ii)	L&T-MHI Power Boilers Private Limited	6.66	8.46
(iii)	L&T Hydrocarbon Engineering Limited	0.01	-
(iv)	Mitsubishi Electric Corporation	2.96	0.71
(v)	L&T Infotech Limited	0.01	-
(vi)	Mitsubishi Power, Ltd.	1.69	1.56

₹ crore

Sr. No.	Particulars	As at 31-03-2021	As at 31-03-2020
2	**Amount due to related parties (towards advances) :**	**457.13**	**756.21**
(i)	Larsen & Toubro Limited	125.23	125.41
(ii)	Mitsubishi Power, Ltd.	331.90	630.80

₹ crore

Sr. No.	Particulars	As at 31-03-2021	As at 31-03-2020
3	**Amount due from related parties:**	**306.04**	**399.74**
(i)	Larsen & Toubro Limited	295.72	368.66
(ii)	L&T Special Steels & Heavy Forgings Pvt. Ltd.	0.21	-
(iii)	L&T-MHI Power Boilers Private Limited	0.00	-
(iv)	Mitsubishi Electric Corporation	0.05	0.05
(v)	Mitsubishi Power, Ltd.	9.00	1.54
(vi)	Nabha Power Ltd.	1.06	29.49

34.12 Disclosure as required by Indian Accounting Standard (Ind AS) 102 Share based payments - Employee Stock Option Plan

Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. Larsen & Toubro Limited), stock options were granted to the employees of the Company. Total cost incurred by the holding company, in respect of the same is ₹ 12.56 Cr. The same is being recovered over the period of vesting by the holding company. Accordingly, cost of ₹ 12.54 Cr. (Previous Year ₹ 12.52 Cr.) has been recovered by the holding company upto current year, out of which, ₹ 0.02 Cr. (Previous Year ₹ 0.08 Cr.) was recovered during the year. Balance ₹ 0.02 Cr. will be recovered in future periods.

34.13 Disclosure required by Indian Accounting Standard (Ind AS 33) Earnings per share

Basic and diluted earnings per share (EPS)

₹ crore

Particulars	2020-21	2019-20
Profit after tax as per accounts	35.85	49.13
Weighted average number of shares outstanding (Nos)	71.06	71.06
Basic EPS (Amount in ₹)	0.50	0.69
Diluted EPS (Amount in ₹)	0.50	0.69
Face Value per share (Amount in ₹)	10.00	10.00

34.14 Assets Pledged as Security

The carrying amount of assets pledged as security for current borrowings are as under:

₹ crore

Particulars	31-Mar-21	31-Mar-20
Current:		
Financial assets		
Trade Receivables	306.72	392.31
Non Financial assets		
Inventories	681.07	869.88
Total assets pledged as security	**987.79**	**1,262.19**

34.15 Potential impact due to COVID-19 Pandemic on significant accounting estimates

Outbreak of COVID 19 and resultant lock down announced by the Government of India in the country has affected the production at factory and erection / commissioning work at project sites. Overheads incurred during the lock down period have been charged to the statement of profit and loss. In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, investments etc, the Company has considered internal and external information upto the date of approval of these financial statements. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company has assessed the impact of Covid-19 and the same has been charged to the statement of Profit & Loss for the year ended 31st March 2021. Impact of COVID-19 for future period may be different from that estimated as at the date of approval of these financial statements, the Company will continue to closely monitor any material changes in future economic conditions.

"Alone we can do so little, together we can do so much."

– Helen Keller

L&T-MHI Power Turbine Generators Pvt. Ltd.

Registered Office : L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001, INDIA

Manufacturing Facility : Hazira Manufacturing complex (West), Surat-Hazira Road, P.O. Bhatha, Surat 394510

Website : www.Lmtg.in

CIN: U31101MH2006PTC166541