Independent Auditor's Report

To the Members of Triveni Turbine Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Triveni Turbine Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of 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.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Litigations, arbitrations, claims and other contingencies **Refer notes 2(b) (v) and 42 to the accompanying standalone financial statements.** The Company has ongoing litigations/ arbitration proceedings with DI Netherlands BV, joint venture (JV) partner in GE Triveni Limited (GETL) in relation to oppression and mismanagement claims in the said JV, violation of certain provisions of the joint venture agreement amongst others which are pending against it at various forums within and outside India and could have a significant impact on the accompanying standalone financial statements, if such arbitrations were to materialize in cash outflows, if any.	Our audit procedures included, but were not limited to the following: a. Obtained an understanding of the management process for: • identification of legal matters initiated by / against the Company, • assessment of accounting treatment for each such litigation identified as per the applicable accounting standards, and • for measurement of amounts involved; b. Tested the design and operating effectiveness of the controls put in place by the management in relation to identification of litigations, assessment of the outcome of these pending litigations and completeness of disclosures;

Key audit matter	How our audit addressed the key audit matter
Whether a liability is recognised as a provision or disclosed as a contingent liability in the financial statements involves inherent judgments dependent upon a number of significant assumptions and assessments. These include assumptions relating to the likelihood and / or timing of the cash outflows from the business and the interpretation of contracts and local laws and pending assessments at various levels of the statute, thus a risk that such cases may not be adequately provided for or disclosed in the standalone financial statements. The outcome of such litigations/arbitrations proceedings are currently uncertain and such assessment requires significant judgement by the management. Further, due to complexity of subject matter of the cases, time lines for resolution, range of possible outcomes, involvement of management's legal experts, the determination of the need for creating a provision or disclosing as a contingent liability in the financial statements is inherently subjective and therefore has been considered to be a key audit matter in the current year. The above matter is also considered fundamental to the understanding of the users of the accompanying standalone financial statements on account of the uncertainties relating to the final outcome of the proceedings/litigation.	c. Obtained an understanding of the nature of these pending litigations and discussed the developments during the year for these litigations with the management, in-house legal team. This involved obtaining and reading the summary of the various litigations, statement of claims and statement of defenses filed with the authorities; e. Obtained relevant third-party legal confirmations on the likelihood of the outcome of the said litigations and potential impact on the financial statements, together with follow up discussions, where appropriate. Evaluated the objectivity, competence and relevant experience of such third party legal counsel; f. Verified other evidences such as correspondence with the legal counsels, interim orders and appeals, letters exchanged between the parties to the litigations to corroborate management's assessment of the these litigations; g. Obtained specific management representations as necessary in relation to such arbitrations/litigations and management's assessment of the impact of such matters on GETL; and h. Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements for such litigations and arbitrations in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
Write-downs of inventories to net realisable value Refer notes 2(b)(i) and 10 in the accompanying standalone financial statements As at 31 March 2021, the Company's inventories amounted to ₹ 1,591.87 million representing 17.86% of the Company's total assets as at 31 March 2021 and write-down of inventories amounted to ₹ 63.72 million on account of obsolescence and slow moving inventory. Inventories are valued at lower of cost and net realization value. The Company has a policy for write-down of inventories to net realisable value on account of obsolescence and slow moving inventory which is recognised on a case to case basis based on the management's assessment.	Our audit procedures for assessing the write-downs of inventories to net realisable value as per Company's policy included, but were not limited to the following; a. Obtained an understanding from the management about the process for determining net realizable value of inventories and identification of slow moving or obsolete inventories and tested whether the same is consistently applied; b. Evaluated the design and tested the operating effectiveness of key controls around inventory valuation operating within the Company on a test check basis; c. Inquired with the management about the slow moving and obsolete inventories as at 31 March 2021 and evaluated the assessment prepared by the management including forecasted uses of these inventories on a test check basis;

Key audit matter	How our audit addressed the key audit matter
Write-down of inventories to net realisable value is subjective owing to the nature of inventories and is dependent on significant judgments around probability of decrease in the realisable value of slow moving inventory due to obsolesce or lack of alternative use as well as the consideration of the need to maintain adequate inventory levels for aftersales services considering the long useful life of the product. Assessing net realizable value of inventory and identification of slow moving and obsolete inventory are areas requiring the use of significant judgements and owing to the inherent complexities and materiality of the balances, we have considered this area to be a key audit matter for current year audit.	d. Tested the computation for write down of inventories with the assessment provided by the management and performed independent ageing analysis of the inventory line-items along with specific inquiries with the management to evaluate completeness of the inventory identified as slow moving or obsolete; e. Reviewed the historical trends of inventory write-downs to compare and assess the actual utilization or liquidation of inventories to the previous assessment done by the management to determine the efficacy of the process of estimation by the management; and f. Assessed the appropriateness of disclosures in the accompanying standalone financial statements in accordance with the applicable accounting standards.

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

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

   Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

8. 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.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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.

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

12. 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.

13. 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.

14. 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in

the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

17. Further to our comments in Annexure I, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;

    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 standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

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

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 28 June 2021 as per Annexure II expressed unmodified opinion; and

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

        i. the Company, as detailed in note 41 and 42 to the standalone financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 21059139AAAADF3344

Bengaluru
28 June 2021

Annexure I to the Independent Auditor's Report

of even date to the members of Triveni Turbine Limited, on the standalone financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company. Immovable property in the nature of land (included under 'Property, plant and equipment' as Freehold Land) whose title deeds have been pledged as security for banking facilities are held in the name of the Company, which is verified from confirmation directly received by us from lenders. In respect of immovable properties in the nature of land (included under 'Property, plant and equipment' as Leasehold Land) that has been taken on lease, as further described in note 3(i) of the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee as per the agreement.

(ii) In our opinion, the management has conducted physical verification of substantial inventory at reasonable intervals during the year, except for stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies between physical inventory and book records were noticed on the physical verification of inventory.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of sales-tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax and service-tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ millions)	Amount paid under Protest (₹ millions)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	54.58	1.67	AY 2007-08 to AY 2012-13	CESTAT, Bengaluru
Income Tax Act, 1961	Income Tax	36.62	-	AY 2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2.89	-	AY 2013-14	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	6.17	-	AY 2015-16	Assessing officer
Income Tax Act, 1961	Income Tax	11.98	-	AY 2016-17	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	69.20	-	AY 2017-18	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961 *	Income Tax	836.58	-	AY 2018-19	Assessing officer / Commissioner of Income Tax (Appeal)
Income Tax Act, 1961 *	Income Tax	600.86	-	AY 2019-20	Assessing officer / Commissioner of Income Tax (Appeal)

* Refer note 41(iii) to the standalone financial statements

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no loans or borrowings to government and did not have any outstanding debentures during the year.

(ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments).

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 21059139AAAADF3344

Bengaluru
28 June 2021

Annexure II to the Independent Auditor's Report

of even date to the members of Triveni Turbine Limited on the standalone financial statements for the year ended 31 March 2021

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Triveni Turbine Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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

7. 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 controls 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

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on internal financial control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 21059139AAAADF3344

Bengaluru
28 June 2021

Balance Sheet

As at March, 31, 2021

(₹ in Million)

	Note No.	31-Mar-21	31-Mar-20
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,437.36	2,426.43
Capital work-in-progress	3	-	63.72
Intangible assets	4	39.50	38.45
Intangible assets under development		9.54	8.71
Investments in subsidiary and joint venture	5 (a)	98.47	98.47
Financial assets			
i. Trade receivables	6	-	-
ii. Loans	7	-	0.16
iii. Other financial assets	8	8.94	8.41
Other non-current assets	9	4.44	21.02
Income tax assets (net)	20	37.41	49.31
Total non-current assets		**2,635.66**	**2,714.68**
Current assets			
Inventories	10	1,591.87	1,724.84
Financial assets			
i. Investments	5 (b)	2,679.31	1,295.03
ii. Trade receivables	6	763.62	1,210.32
iii. Cash and cash equivalents	11 (a)	129.12	502.48
iv. Bank balances other than cash and cash equivalents	11 (b)	729.89	1.20
v. Loans	7	0.02	1.95
vi. Other financial assets	8	77.96	39.47
Other current assets	9	303.16	371.67
Total current assets		**6,274.95**	**5,146.96**
Total assets		**8,910.61**	**7,861.64**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	323.30	323.30
Other equity	13	5,601.03	4,663.67
Total equity		**5,924.33**	**4,986.97**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	14	-	9.56
ii. Other financial liabilities	18	20.27	23.58
Provisions	15	29.84	66.34
Deferred tax liabilities (net)	21	50.92	58.07
Total non-current liabilities		**101.03**	**157.55**
Current liabilities			
Financial liabilities			
i. Borrowings	16	-	-
ii. Trade payables	17		
a) Total outstanding dues of micro enterprises and small enterprises		111.81	68.46
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		621.16	568.86
iii. Other financial liabilities	18	233.64	201.51
Other current liabilities	19	1,733.49	1,677.43
Provisions	15	127.31	149.67
Income tax liabilities (net)	20	57.84	51.19
Total current liabilities		**2,885.25**	**2,717.12**
Total liabilities		**2,986.28**	**2,874.67**
Total equity and liabilities		**8,910.61**	**7,861.64**

The accompanying notes 1 to 48 form an integral part of the standalone financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place : Bengaluru
Date : June 28, 2021

For and on behalf of the Board of Directors of **Triveni Turbine Limited**

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Homai A. Daruwalla
Director & Audit Committee Chairperson
DIN: 00365880

Lalit Kumar Agarwal
Vice President & CFO

Rajiv Sawhney
Company Secretary [ACS: 8047]

Place : Noida (U.P.)
Date : June 28, 2021

Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Million)

	Note No.	31-Mar-21	31-Mar-20
Revenue From Operations	22	6,969.32	8,098.99
Other income	23	196.88	218.42
Total income		**7,166.20**	**8,317.41**
EXPENSES			
Cost of materials consumed	24	3,565.90	4,221.43
Changes in inventories of finished goods and work-in-progress	25	(18.36)	180.35
Employee benefits expense	26	801.48	943.93
Finance costs	27	11.22	33.33
Depreciation and amortisation expense	28	201.75	200.83
Impairment loss on financial assets (including reversals of impairment losses)	29	58.98	44.65
Other expenses	30	1,163.77	1,271.12
Total expenses		**5,784.74**	**6,895.64**
Profit before exceptional items and tax		**1,381.46**	**1,421.77**
Exceptional items	46	(185.20)	-
Profit before tax		**1,196.26**	**1,421.77**
Tax expense:			
- Current tax	31	333.02	370.04
- Deferred tax	31	(24.00)	(48.87)
Total tax expense		**309.02**	**321.17**
Profit for the year		**887.24**	**1,100.60**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plan	34	14.79	(7.00)
		14.79	**(7.00)**
A (ii) Income tax relating to items that will not be reclassified to profit or loss	31	(3.72)	1.76
		11.07	**(5.24)**
B (i) Items that will be reclassified to profit or loss			
- Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedges	37(iii)(b)	52.18	(108.36)
		52.18	**(108.36)**
B (ii) Income tax relating to items that will be reclassified to profit or loss	31	(13.13)	32.20
		39.05	**(76.16)**
Other comprehensive income/(loss) for the year, net of tax		**50.12**	**(81.40)**
Total comprehensive income for the year		**937.36**	**1,019.20**
Earnings per equity share of ₹ 1 each			
Basic earnings per share (in ₹)	32	2.74	3.40
Diluted earnings per share (in ₹)	32	2.74	3.40

The accompanying notes 1 to 48 form an integral part of the standalone financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place : Bengaluru
Date : June 28, 2021

For and on behalf of the Board of Directors of **Triveni Turbine Limited**

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Homai A. Daruwalla
Director & Audit Committee Chairperson
DIN: 00365880

Lalit Kumar Agarwal
Vice President & CFO

Rajiv Sawhney
Company Secretary [ACS: 8047]

Place : Noida (U.P.)
Date : June 28, 2021

Statement of Changes in Equity

for the year ended March 31, 2021

A. Equity share capital

Equity shares of ₹ 1 each issued, subscribed and fully paid up

(₹ in Million)

As at April 1, 2019	**323.30**
Changes in equity share capital during the year	-
As at March 31, 2020	**323.30**
Changes in equity share capital during the year	-
As at March 31, 2021	**323.30**

B. Other equity

(₹ in Million)

	Reserves and surplus		Items of other comprehensive income	Total other equity
	Capital redemption reserve	Retained earnings	Cash flow hedging reserve	
Balance as at April 1, 2019	**34.67**	**3,748.63**	**42.70**	**3,826.00**
Profit for the year	-	1,100.60	-	1,100.60
Other comprehensive income/(loss) net of income tax	-	(5.24)	(76.16)	(81.40)
Total comprehensive income for the year	**-**	**1,095.36**	**(76.16)**	**1,019.20**
Transactions with owners in their capacity as owners:				
Dividend paid	-	(161.66)	-	(161.66)
Dividend distribution tax (DDT)	-	(19.87)	-	(19.87)
Balance as at March 31, 2020	**34.67**	**4,662.46**	**(33.46)**	**4,663.67**
Profit for the year	-	887.24	-	887.24
Other comprehensive income/(loss), net of income tax	-	11.07	39.05	50.12
Total comprehensive income for the year	**-**	**898.31**	**39.05**	**937.36**
Transactions with owners in their capacity as owners:				
Dividend paid	-	-	-	-
Dividend distribution tax (DDT)	-	-	-	-
Balance as at March 31, 2021	**34.67**	**5,560.77**	**5.59**	**5,601.03**

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place : Bengaluru
Date : June 28, 2021

For and on behalf of the Board of Directors of **Triveni Turbine Limited**

Dhruv M. Sawhney
Chairman & Managing Director
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Homai A. Daruwalla
Director & Audit Committee Chairperson
DIN: 00365880

Lalit Kumar Agarwal
Vice President & CFO

Rajiv Sawhney
Company Secretary [ACS: 8047]

Place : Noida (U.P.)
Date : June 28, 2021

Statement of Cash Flows

for the year ended March 31, 2021

(₹ in Million)

	31-Mar-21	31-Mar-20
Cash flows from operating activities		
Profit before tax	1,196.26	1,421.77
Adjustments for		
Depreciation and amortisation expense	201.75	200.83
(Profit) /loss on sale/write off of property, plant and equipment	(0.60)	0.29
Net profit on sale/redemption of current investments	(88.47)	(69.94)
Net fair value (gains) on current investments	(39.50)	(20.44)
Dividend received	-	(64.99)
Interest income	(16.71)	(1.54)
Provision for doubtful advances	8.39	4.54
Amount written off of non financial assets	2.10	0.25
Allowance for non moving inventories	22.26	7.55
Impairment loss on financial assets (including reversals of impairment losses)	58.98	44.65
Finance costs	11.22	33.33
Unrealised foreign exchange (gain)	(7.93)	(19.12)
Credit balances written back	(5.98)	(4.85)
Mark-to-market (gains)/losses on derivatives	(20.13)	52.85
Working capital adjustments :		
Change in inventories	110.69	435.14
Change in trade receivables	404.63	513.91
Change in other financial assets	(29.24)	(6.04)
Change in other assets	62.30	(148.38)
Change in trade payables	100.74	(547.57)
Change in other financial liabilities	78.21	3.86
Change in other liabilities	56.05	287.23
Change in provisions	(44.07)	65.04
Cash generated from operations	**2,060.95**	**2,188.37**
Income tax paid (net of refunds)	(314.47)	(405.39)
Net cash inflow from operating activities	**1,746.48**	**1,782.98**
Cash flows from investing activities		
Purchase of property, plant and equipment	(131.86)	(115.04)
Proceeds from sale of property, plant and equipment	2.27	0.19
Net (increase) in current investment	(1,216.31)	(1,154.60)
Investment in deposits with financial institutions	(40.00)	-
Dividend received	-	64.99
Proceeds from sale of assets classified as held for sale	-	2.52
Interest received	12.98	1.54
Net cash outflow from investing activities	**(2,101.72)**	**(1,200.40)**

Statement of Cash Flows

for the year ended March 31, 2021

(₹ in Million)

	31-Mar-21	31-Mar-20
Cash flows from financing activities		
Proceeds from long term borrowings	-	12.00
Repayment of long term borrowings	(2.13)	(0.81)
Payment of principal portion of lease liabilities	(4.56)	(5.23)
Interest paid on lease liabilities	(2.66)	(3.22)
Interest paid	(8.56)	(30.03)
Dividend paid to Company's shareholders	(0.21)	(161.84)
Dividend distribution tax	-	(19.87)
Net cash outflow from financing activities	**(18.12)**	**(209.00)**
Net (decrease)/increase in cash and cash equivalents	(373.36)	373.58
Cash and cash equivalents at the beginning of the year (refer note 11 (a))	502.48	128.90
Cash and cash equivalents at the end of the year (refer note 11 (a))	**129.12**	**502.48**

Reconciliation of liabilities arising from financing activities:

(₹ in Million)

	Lease Liabilities	Non-current borrowings (including current maturities)	Interest payable on borrowings	Dividend paid to Company's shareholders (including DDT)
Balance as at April 1, 2019	-	0.51	-	1.48
Cash flows	(8.45)	11.18	(30.03)	(181.71)
Finance costs accruals	3.22	-	30.11	-
Non cash movement (addition/disposal)	34.01	-	-	-
Dividend distributions (including DDT) accruals	-	-	-	181.53
Balance as at March 31, 2020	**28.78**	**11.69**	**0.08**	**1.30**
Cash flows	(7.22)	(2.13)	(8.57)	(0.21)
Finance costs accruals	2.66	-	8.56	-
Non cash movement (addition/disposal)	0.53	-	-	-
Dividend distributions (including DDT) accruals	-	-	-	-
Balance as at March 31, 2021	**24.75**	**9.56**	**0.07**	**1.09**

The accompanying notes 1 to 48 form an integral part of the standalone financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place : Bengaluru
Date : June 28, 2021

For and on behalf of the Board of Directors of **Triveni Turbine Limited**

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Homai A. Daruwalla
Director & Audit Committee Chairperson
DIN: 00365880

Lalit Kumar Agarwal
Vice President & CFO

Rajiv Sawhney
Company Secretary [ACS: 8047]

Place : Noida (U.P.)
Date : June 28, 2021

Notes to the Financial Statements

for the year ended March 31, 2021

Corporate information

Triveni Turbine Limited ("the Company") is a company limited by shares, incorporated, domiciled in India. The Company's equity shares are listed at two recognised stock exchanges in India (BSE and NSE). The registered office of the Company is located at A-44, Hosiery Complex, Phase II extension, Noida, Uttar Pradesh- 201305. The Company is primarily engaged in business of manufacture and supply of power generating equipment and solutions and has manufacturing facilities at Bengaluru, Karnataka.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(a) Basis of preparation and presentation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

(b) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue from Contracts is measured at transaction price net of variable consideration. Transaction price are net of returns, trade allowances, rebates, other similar allowances, goods & services tax and amounts collected on behalf of third parties, if any.

Recognising revenue from major business activities

(i) Sale of goods

Revenue from the sale of goods is recognised at point in time when controls of promised goods are transferred to the customer (i.e. upon satisfaction of performance obligation).

(ii) Rendering of services

Revenue from a contract to provide services is recognised when the outcome of a performance obligation involving the rendering of services can be estimated reliably. Satisfaction of performance obligation of the contract is determined as follows:

- erection and commissioning/service revenue is recognised by reference to the stage of completion of the erection & commissioning/service, determined based on technical estimate of completion of physical proportion of the contract work;

Notes to the Financial Statements

for the year ended March 31, 2021

- operation and maintenance revenue is recognised over time using an input method to measure progress towards complete satisfaction of the service because the customer simultaneously receives and consumes the benefits provided by the Company.

(iii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the Balance Sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the Balance Sheet under trade receivables.

(v) Royalties

Income from royalty is recognised as per the contractual arrangement with the Licensee upon supply of turbine manufactured with the technical know-how provided by the Company to the Licensee (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

(vi) Rental income

The Company's policy for recognition of revenue from operating leases is described in note 1(d) below.

(vii) Export incentives

Export incentives are recognized as income when the Company is entitled to the incentive as per the terms of the scheme in respect of the exports made and where it is probable that the Company will collect such incentive proceeds.

(c) Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented either within other income or net of related costs.

Government grants that are receivable as compensation for expenses or losses already incurred or for the

Notes to the Financial Statements

for the year ended March 31, 2021

purpose of giving immediate financial support to the Company with no future related costs are recognised in the Statement of Profit and Loss in the period in which they become receivable.

(d) Leases

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office Premises: 2- 9 Years
- Vehicles and other equipments: 5 years

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of premises taken on rent and office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

(e) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (₹), which is Company's functional and presentation currency unless stated otherwise.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange

Notes to the Financial Statements

for the year ended March 31, 2021

gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss in the period in which they arise and these are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

(f) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

(g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(h) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 liabilities and assets are measured at the tax rates that are expected to apply in the

Notes to the Financial Statements

for the year ended March 31, 2021

period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if 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. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/period of operation, insurance spares and cost of inspection/overhauling are depreciated separately based on their specific useful life provided these are of significant amounts commensurate with the size of the Company and scale of its operations. The carrying amount of any equipment / inspection / overhauling accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives as stated in Schedule II which are as follows:

Class of assets	Useful life
Building	5- 60 Years
Plant and Equipment	5- 15 Years
Office Equipment	5 Years
Furniture and Fixtures	10 Years
Vehicle	10 Years
Computers	3-6 Years

The residual value of property, plant and equipment has been considered 5% or less of the original cost of assets as applicable.

Notes to the Financial Statements

for the year ended March 31, 2021

- On the basis of technical assessment involving technology obsolescence and past experience:
  - patterns, tools, jigs, fixtures etc. are depreciated over three years.
  - machinery spares are depreciated over a life ranging from three to five years.
- Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

(j) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

Assets	Estimated useful life
Computer software	3 – 5 Years
Website development cost	3 Years
Designs and drawings	6 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible assets can be recognised, development expenditure is recognised in the Statement of Profit and Loss in the period in which it is incurred. Subsequent to initial recognition, such intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as of acquired intangible assets.

(k) Inventories

(i) Inventories of raw materials, components, stores and spares are valued at lower of cost and net realizable value. Cost for the purpose of valuation of such inventories is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Finished goods and work-in-progress are valued at lower of cost and net realizable value. The cost of finished goods and work-in-progress includes raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition.

Notes to the Financial Statements

for the year ended March 31, 2021

(l) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets classified as held for sale are presented separately in the Balance Sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

(m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(n) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the Balance Sheet.

(ii) Other long-term employee benefit obligations

Other long-term employee benefits include earned leaves, sick leaves and employee retention bonus.

Earned leaves and sick leaves

The liabilities for earned leaves and sick leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as provisions in the Balance Sheet.

Employee retention bonus

The Company, as a part of retention policy, pays retention bonus to certain employees after completion of specified period of service. The timing of the outflows is expected to be within a period of five years. They are therefore measured at the present value of expected future payments at the end of each annual reporting period in accordance with management best estimates. This cost is included in employee benefit expense in the Statement of Profit and Loss with corresponding provisions in the Balance Sheet.

Notes to the Financial Statements

for the year ended March 31, 2021

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plan towards payment of gratuity; and
- defined contribution plans towards provident fund & employee pension scheme, employee state insurance and superannuation scheme.

Defined benefit plans

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/termination of employment or death of an employee, based on the respective employees' salary and years of employment with the Company.

The liability or asset recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is determined using projected unit credit method by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation, with actuarial valuations being carried out at the end of each annual reporting period.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

Defined contribution plans

Defined contribution plans are retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- **Provident Fund Plan & Employee Pension Scheme**

  The Company makes monthly contributions at prescribed rates towards Employees' Provident Fund/ Employees' Pension Scheme to a Fund administered and managed by the Government of India.

- **Employee State Insurance**

  The Company makes prescribed monthly contributions towards Employees' State Insurance Scheme.

- **Superannuation Scheme**

  The Company contributes towards a fund established by the Company to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund with the Life Insurance Corporation of India.

(o) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed by the end of the reporting period.

(p) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three month or less that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

for the year ended March 31, 2021

(q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(r) Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For assets in the nature of debt instruments, this will depend on the business model. For assets in the nature of equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through Other Comprehensive Income.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.
- **Fair value through Other Comprehensive Income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through Other Comprehensive Income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss

Notes to the Financial Statements

for the year ended March 31, 2021

on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the in Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value, except for equity investments in subsidiary and joint venture where the Company has the option to either measure it at cost or fair value. The Company has opted to measure equity investments in subsidiary and joint venture at cost. Where the Company's management elects to present fair value gains and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss associated with its financial assets carried at amortised cost and FVTOCI debt instruments.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 Revenue from contracts with customers, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-months ECL.

ECL represents expected credit loss resulting from all possible defaults and is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate. While determining cash flows, cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms are also considered.

ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. Note 37 details how the Company determines expected credit loss.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

Notes to the Financial Statements

for the year ended March 31, 2021

Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(s) Financial liabilities and equity instruments

(i) Classification

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial liabilities

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost.

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL, other financial liabilities are measured at amortised cost at the end of subsequent accounting periods.

(ii) Measurement

Equity instruments

Equity instruments issued by the Company are recognised at the proceeds received. Transaction cost of equity transactions shall be accounted for as a deduction from equity.

Financial liabilities

At initial recognition, the Company measures a financial liability at its fair value net of, in the case of a financial liability not measured at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Transaction costs of financial liability

Notes to the Financial Statements

for the year ended March 31, 2021

carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of financial liabilities depends on the classification of financial liabilities. There are two measurement categories into which the Company classifies its financial liabilities:

- Fair value through profit or loss (FVTPL): Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.
- Amortised cost: Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

(iii) Derecognition

Equity instruments

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability.

(v) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

(t) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(u) Fair value of financial instruments

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Notes to the Financial Statements
for the year ended March 31, 2021

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(v) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments i.e. forward currency contracts to hedge its foreign currency risks. These derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, the Company has classified hedges as Cash flow hedges wherein it hedges the exposure to the variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company contemplates to apply hedge accounting and the risk management objective and strategy for undertaking the hedge in compliance with Company's hedge policy. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Any hedge ineffectiveness is calculated and accounted for in Statement of profit or loss at the time of hedge relationship rebalancing.

The effective portion of changes in the fair value of the hedging instruments is recognised in Other Comprehensive Income and accumulated in the cash flow hedging reserve. Such amounts are reclassified in to the profit or loss when the related hedge items affect profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

Any ineffective portion of changes in the fair value of the derivative or if the hedging instrument no longer meets the criteria for hedge accounting, is recognised immediately in profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in cash flow hedging reserve until the forecast transaction occurs.

(w) Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

i. Additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

ii. Specified format for disclosure of shareholding of promoters.

iii. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

iv. Additional disclosures relating to Corporate Social Responsibility (CSR)

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to the Financial Statements

for the year ended March 31, 2021

Note 2: Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(a) Critical accounting judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

(i) Classification of GE Triveni Limited as a Joint Venture

The Company holds more than 50% stake in the equity share capital (i.e. holding 8,000,001 equity shares out of total 16,000,000 equity shares) of GE Triveni Limited (GETL) and the balance share capital is being held by DI Netherland B.V. By virtue of agreements between the shareholders, relevant terms of which are enshrined in the Articles of Association of GETL, it has been considered that the Company has joint control over GETL alongwith the other shareholder since unanimous consent of both the shareholders is required in respect of significant financial, operating, strategic and managerial decisions. Accordingly investments in equity shares of GETL is classified as investment in joint venture.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Write–downs of Inventory

The Company write-downs the inventories to net realisable value on account of obsolete and slow-moving inventories, which is recognised on case to case basis based on the management's assessment.

The Company uses following significant judgements to ascertain value for write-downs of inventories to net realisable:

a) nature of inventories mainly comprise of iron, steel, forging and casting which are non-perishable in nature;

b) probability of decrease in the realisable value of slow moving inventory due to obsolesce or not having an alternative use is low considering the fact that these can also be used after necessary engineering modification;

c) maintaining appropriate inventory levels for after sales services considering the long useful life of the product.

(ii) Employee benefit plans

The cost of the defined benefit plans and other long term employee benefits and the present value of the obligation thereon are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, obligation amount is highly sensitive to changes in these assumptions.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds. Future salary increases are based on expected future inflation rates and expected salary trends in the

Notes to the Financial Statements

for the year ended March 31, 2021

industry. Attrition rates are considered based on past observable data on employees leaving the services of the Company. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. See note 34 for further disclosures.

(iii) Provision for warranty claims

The Company, in the usual course of sale of its products, gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the specified warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements based on best estimate considering the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior years.

(iv) Provision for liquidated damages

It represents the potential liability which may arise from contractual obligation towards customers with respect to matters relating to delivery and performance of the Company's products. The provision represents the amount estimated to meet the cost of such obligations based on best estimate considering the historical trends, merits of the case and apportionment of delays between the contracting parties.

(v) Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

(vi) Useful life and residual value of plant, property and equipment and intangible assets

The useful life and residual value of plant, property and equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

(vii) Tax charge on intangible assets recognised at time of vesting of turbine business

The Company has been claiming allowance for depreciation on written down value method on certain intangibles recognised upon vesting of the steam turbine business in earlier years pursuant to a scheme of demerger. While such claims for certain years have been adjudicated in favor of the Company at the first appellate stage, the Revenue department has consistently disallowed the same in tax assessments. In view of uncertainty with regard to the ultimate decision in such matter at higher judicial forums, the Company has not considered the benefit of the aforesaid favorable decisions and has continued to recognise charge for tax without considering depreciation benefits on such intangible assets, the tax effect of which aggregates to ₹ 175.38 Million till March 31, 2021 (March 31, 2020: ₹ 183.38 Million)

Note 3: Property, plant and equipment and capital work-in-progress

(₹ in Million)

	Property, plant and equipment										Capital work-in-progress
	Freehold land	Leasehold land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Computers	Right of use assets (Note iv)	Total	
Year ended 31 March 2020											
Gross carrying amount											
Opening gross carrying amount	36.42	388.65	1,170.04	1,319.78	24.43	59.99	42.33	53.37	-	3,095.01	43.34
Additions	-	-	4.45	37.86	2.06	2.51	14.19	1.71	-	62.78	31.51
Impact on account of transition to Ind AS 116 [refer note (iv) below]	-	-	-	-	-	-	-	-	34.01	34.01	-
Disposals	-	-	-	(36.93)	-	-	(1.06)	(1.42)	-	(39.41)	-
Transfer	-	-	-	-	-	-	-	-	-	-	(11.13)
Closing gross carrying amount	**36.42**	**388.65**	**1,174.49**	**1,320.71**	**26.49**	**62.50**	**55.46**	**53.66**	**34.01**	**3,152.39**	**63.72**
Accumulated depreciation											
Opening accumulated depreciation	-	-	94.86	404.76	12.41	21.23	18.42	34.78	-	586.46	-
Depreciation charge during the year	-	-	39.20	110.73	3.90	5.92	5.39	6.09	7.13	178.36	-
Disposals	-	-	-	(36.90)	-	-	(0.55)	(1.41)	-	(38.86)	-
Closing accumulated depreciation	**-**	**-**	**134.06**	**478.59**	**16.31**	**27.15**	**23.26**	**39.46**	**7.13**	**725.96**	**-**
Net carrying amount	**36.42**	**388.65**	**1,040.43**	**842.12**	**10.18**	**35.35**	**32.20**	**14.20**	**26.88**	**2,426.43**	**63.72**
Year ended 31 March 2021											
Gross carrying amount											
Opening gross carrying amount	36.42	388.65	1,174.49	1,320.71	26.49	62.50	55.46	53.66	34.01	3,152.39	63.72
Additions	-	-	113.18	65.86	9.97	1.14	1.31	1.12	2.73	195.31	110.51
Disposals	-	-	-	-	-	-	(3.62)	-	(4.97)	(8.59)	-
Transfer	-	-	-	-	-	-	-	-	-	-	(174.23)
Closing gross carrying amount	**36.42**	**388.65**	**1,287.67**	**1,386.57**	**36.46**	**63.64**	**53.15**	**54.78**	**31.77**	**3,339.11**	**-**
Accumulated depreciation											
Opening accumulated depreciation	-	-	134.06	478.59	16.31	27.15	23.26	39.46	7.13	725.96	-
Depreciation charge during the year	-	-	39.26	114.84	4.83	5.02	5.08	5.71	5.77	180.51	-
Disposals	-	-	-	-	-	-	(1.95)	-	(2.77)	(4.72)	-
Closing accumulated depreciation	**-**	**-**	**173.32**	**593.43**	**21.14**	**32.17**	**26.39**	**45.17**	**10.13**	**901.75**	**-**
Net carrying amount	**36.42**	**388.65**	**1,114.35**	**793.14**	**15.32**	**31.47**	**26.76**	**9.61**	**21.64**	**2,437.36**	**-**

(i) Leased assets

The leasehold land above represents land at Sompura, acquired by the Company during financial year 2014-15 from Karnataka Industrial Areas Development Board, on a lease-cum-sale basis. The land is under lease for initial period of ten years thereafter the ownership of the land will be transferred in favour of the Company. (refer note 39(i)).

(ii) Restrictions on property, plant and equipment

Refer note 14 and 16 for information on charges created on property, plant and equipment.

(iii) Contractual commitments

Refer note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Right of use assets

Right of use assets represents certain office premises, office equipment and vehicles taken on lease and has been accounted in accordancewith Ind AS 116 “(Leases”) [Refer note 39 (ii)]

Notes to the Financial Statements
for the year ended March 31, 2021

Note 4: Intangible assets

(₹ in Million)

	Computer software	Website	Design and drawings	Total
Year ended March 31, 2020				
Gross carrying amount				
Opening gross carrying amount	87.14	1.42	43.27	131.83
Additions	22.32	-	2.92	25.24
Disposals	-	-	-	-
Closing gross carrying amount	**109.46**	**1.42**	**46.19**	**157.07**
Accumulated amortisation				
Opening accumulated amortisation	62.96	1.42	31.77	96.15
Amortisation charge for the year	16.97	-	5.50	22.47
Disposals	-	-	-	-
Closing accumulated amortisation	**79.93**	**1.42**	**37.27**	**118.62**
Closing net carrying amount	**29.53**	**-**	**8.92**	**38.45**
Year ended March 31, 2021				
Gross carrying amount				
Opening gross carrying amount	109.46	1.42	46.19	157.07
Additions	21.78	0.51	-	22.29
Disposals	-	-	-	-
Closing gross carrying amount	**131.24**	**1.93**	**46.19**	**179.36**
Accumulated amortisation				
Opening accumulated amortisation	79.93	1.42	37.27	118.62
Amortisation charge for the year	18.53	0.13	2.58	21.24
Disposals	-	-	-	-
Closing accumulated amortisation	**98.46**	**1.55**	**39.85**	**139.86**
Closing net carrying amount	**32.78**	**0.38**	**6.34**	**39.50**

(i) All intangible assets disclosed above represents acquired intangible assets.

Note 5: Investments

(a) Investments in subsidiary and joint venture

(₹ in Million)

	31-Mar-21	31-Mar-20
At cost		
Unquoted investments (fully paid-up)		
Investments in equity instruments		
- **of subsidiary**		
200,000 (March 31, 2020: 200,000) Ordinary shares of GBP 1/- each of Triveni Turbines Europe Private Ltd	18.47	18.47
- **of joint venture**		
8,000,001 (March 31, 2020: 8,000,001) Equity shares of ₹10/- each of GE Triveni Limited (refer note 2 (a) (i) and note 16 (ii))	80.00	80.00
Total investments in subsidiary and joint venture	**98.47**	**98.47**
Total investments in subsidiary and joint venture	**98.47**	**98.47**
Aggregate amount of quoted investments and market value thereof		
Aggregate amount of unquoted investments	98.47	98.47
Aggregate amount of impairment in the value of investments	-	-

Notes to the Financial Statements

for the year ended March 31, 2021

Details of the Company's subsidiaries and joint venture at the end of the reporting period are as follows:

(₹ in Million)

Name of Subsidiaries / Joint venture	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
		31-Mar-21	31-Mar-20
Subsidiary			
Triveni Turbines Europe Private Ltd	United Kingdom	100%	100%
Joint venture			
GE Triveni Limited	India	50%	50%

(b) Current investments

(₹ in Million)

	31-Mar-21	31-Mar-20
Unquoted investments		
Investments in mutual funds at fair value through profit or Loss:	2,639.31	1,295.03
Deposits with financial institutions at amortised cost	40.00	-
Total current investments	**2,679.31**	**1,295.03**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	2,679.31	1,295.03
Aggregate amount of impairment in the value of investments	-	-

Note 6: Trade receivables

(₹ in Million)

	31-Mar-21		31-Mar-20	
	Current	Non- current	Current	Non- current
Trade receivables (at amortised cost)	812.71	11.38	1,252.14	11.38
Less: Allowance for bad and doubtful debts	(49.09)	(11.38)	(41.82)	(11.38)
Total trade receivables	**763.62**	**-**	**1,210.32**	**-**
Trade receivables				
Secured, considered good	211.10	-	319.51	-
Unsecured, considered good	552.52	-	890.81	-
Trade receivables which have significant increase in credit Risk	12.79	-	8.26	-
Trade receivables - credit impaired	36.30	11.38	33.56	11.38
	812.71	**11.38**	**1,252.14**	**11.38**
Impairment allowance (allowance for bad and doubtful debts)				
Trade receivables which have significant increase in credit Risk	12.79	-	8.26	-
Trade receivables - credit impaired	36.30	11.38	33.56	11.38
	49.09	**11.38**	**41.82**	**11.38**

(i) Refer note 37 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

(ii) Reconciliation of loss allowance provision on trade receivables:

Notes to the Financial Statements
for the year ended March 31, 2021

(₹ in Million)

	31-Mar-21	31-Mar-20
Balance at beginning of the year	53.20	40.33
Additional provisions recognised	19.98	22.76
Amounts used during the year	(12.21)	(9.56)
Unused amounts reversed during the year	(0.50)	(0.33)
Balance at the end of the year	**60.47**	**53.20**

Note 7: Loans

(₹ in Million)

	31-Mar-21		31-Mar-20	
	Current	Non- current	Current	Non- current
Unsecured, considered good (at amortised cost)				
- Loan to employees	0.02	-	1.95	0.16
Total loans	**0.02**	**-**	**1.95**	**0.16**

Note 8: Other financial assets

(₹ in Million)

	31-Mar-21		31-Mar-20	
	Current	Non- current	Current	Non- current
At amortised cost				
Security deposits	0.02	8.94	0.02	8.41
Earnest money deposits	7.35	-	7.94	-
Interest accrued on bank deposits	3.73	-	-	-
Amount recoverable from banks (related to hedging transactions)	0.79	-	-	-
Contract assets (refer note 45)	54.14	-	31.51	-
Total other financial assets at amortised cost [A]	**66.03**	**8.94**	**39.47**	**8.41**
At fair value through Other Comprehensive Income (OCI)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts	11.93	-	-	-
Total other financial assets at fair value through OCI [B]	**11.93**	**-**	**-**	**-**
Total other financial assets ([A]+[B])	**77.96**	**8.94**	**39.47**	**8.41**

Notes to the Financial Statements
for the year ended March 31, 2021

Note 9: Other assets

(₹ in Million)

	31-Mar-21		31-Mar-20	
	Current	Non- current	Current	Non- current
Capital advances	-	0.84	-	13.15
Advances to suppliers				
Considered good	64.06	-	93.55	-
Considered doubtful	6.90	-	4.52	-
	70.96	-	98.07	-
Less: Provision for doubtful advances	(6.90)	-	(4.52)	-
	64.06	**-**	**93.55**	**-**
Indirect tax and duties recoverable				
Considered good	188.77	1.80	205.88	7.24
Considered doubtful	-	7.99	-	2.64
	188.77	**9.79**	**205.88**	**9.88**
Less: Provision for doubtful indirect taxes and duties recoverable	-	(7.99)	-	(2.64)
	188.77	**1.80**	**205.88**	**7.24**
Export incentives receivable				
Considered good	10.58	-	47.66	-
Considered doubtful	-	12.34	-	11.68
	10.58	**12.34**	**47.66**	**11.68**
Less: Provision for doubtful export incentives receivable	-	(12.34)	-	(11.68)
	10.58	**-**	**47.66**	**-**
Prepaid expenses	32.04	1.80	18.73	0.63
Due from customers (Turbine extended scope turnkey project revenue adjustment)	6.21	-	5.85	-
Gratuity fund receivable (refer note 34)	1.50	-	-	-
Total other assets	**303.16**	**4.44**	**371.67**	**21.02**

Note 10: Inventories

(₹ in Million)

	31-Mar-21	31-Mar-20
Raw materials and components [includes stock in transit ₹ 2.76 Million (March 31, 2020 :₹ Nil]	653.95	782.94
Less: Allowance for non moving inventories	(42.45)	(27.06)
Work-in-progress	772.31	816.82
Less: Allowance for non moving inventories	(21.27)	(14.39)
Finished goods [includes stock in transit ₹ 216.72 Million (March 31, 2020: ₹ 136.06 Million)]	229.32	166.45
Others - scrap and low value patterns	0.01	0.08
Total Inventories	**1,591.87**	**1,724.84**

Notes to the Financial Statements

for the year ended March 31, 2021

(i) The cost of inventories recognised as an expense during the year was ₹ 4,268.87 Million (March 31, 2020: ₹ 5,289.89 Million)

(ii) The mode of valuation of inventories has been stated in note 1 (k).

(iii) In view of the order-to-dispatch cycle being normally around twelve months, most of the inventories held are expected to be utilized during the next twelve months. However, there may be some exceptions on account of unanticipated cases where the dispatch is held up due to reasons attributable to the customers, slow movement in spares and advance manufacture in anticipation of orders. Accordingly, the same has been considered as current.

(iv) Refer note 16(i) for information on charges created on inventories.

(v) For write-downs of inventories to net realisable value on account of obsolescence and slow moving items refer note 30.

Note 11: Cash and bank balances

(a) Cash and cash equivalents

(₹ in Million)

	31-Mar-21	31-Mar-20
At amortised cost		
Balances with banks		
- in current accounts	129.00	352.18
- Deposits with original maturity of less than three months	-	150.00
Cash on hand	0.12	0.30
Total cash and cash equivalents	**129.12**	**502.48**

(b) Bank balances other than cash and cash equivalents

(₹ in Million)

	31-Mar-21	31-Mar-20
At amortised cost		
Balances with banks		
-Deposits with maturity with less than 12 months	728.80	-
Earmarked balances with banks		
- unpaid dividend account	1.09	1.20
Total other bank balances	**729.89**	**1.20**

Note 12: Equity share capital

	31-Mar-21		31-Mar-20	
	Number of Shares	Amount (₹ in Million)	Number of Shares	Amount (₹ in Million)
AUTHORISED				
Equity shares of ₹ 1 each	450,000,000	450.00	450,000,000	450.00
8% Cumulative Redeemable Preference Shares of ₹ 10 each	5,000,000	50.00	5,000,000	50.00
		500.00		**500.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity shares of ₹ 1 each	**323,305,484**	**323.30**	**323,305,484**	**323.30**

Notes to the Financial Statements
for the year ended March 31, 2021

(i) Movements in equity share capital

	Number of shares	Amount (₹ in Million)
As at April 1, 2019	323,305,484	323.30
Movement during the year	-	-
As at March 31, 2020	**323,305,484**	**323.30**
Movement during the year	-	-
As at March 31, 2021	**323,305,484**	**323.30**

Terms and rights attached to equity shares

The Company has only one class of equity shares with a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

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

	31-Mar-21		31-Mar-20	
	Number of shares	% holding	Number of shares	% holding
Triveni Engineering & Industries Limited	70,627,980	21.85	70,627,980	21.85
Dhruv M. Sawhney	23,386,813	7.23	23,386,813	7.23
Nalanda India Fund Limited	18,170,454	5.62	18,170,454	5.62
Subhadra Trade & Finance Limited	86,929,264	26.89	86,929,264	26.89
Nippon Life India Trustee Limited*	20,522,403	6.35	17,708,974	5.48
SBI Mutual Fund	20,086,681	6.21	18,049,447	5.58

* Formerly known as Reliance Capital Trustee Co. Ltd.

(iii) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

a) The Company has not issued any bonus shares during five years immediately preceding March 31, 2021. Further, the Company has not issued any shares for consideration other than cash during five years immediately preceding March 31, 2021.

b) The Company had bought back 6,666,666 equity shares of ₹ 1 each during the year ended March 31, 2019 from the shareholders of the Company.

Notes to the Financial Statements

for the year ended March 31, 2021

Note 13: Other equity

(₹ in Million)

	31-Mar-21	31-Mar-20
Capital redemption reserve	34.67	34.67
Retained earnings	5,560.77	4,662.46
Cash flow hedging reserve	5.59	(33.46)
Total other equity	**5,601.03**	**4,663.67**

(i) Capital redemption reserve

(₹ in Million)

	31-Mar-21	31-Mar-20
Opening balance	34.67	34.67
Add: Movement during the year	-	-
Closing balance	**34.67**	**34.67**

Capital Redemption Reserve of ₹ 28.00 Million was created consequent to redemption of preference share capital, as required under the provisions of the erstwhile Companies Act, 1956 and Capital Redemption Reserve of ₹ 6.67 Million was created during the year ended March 31, 2019 on account of buy-back of equity shares. This reserve shall be utilised in accordance with the provisions of Companies Act, 2013.

(ii) Retained earnings

(₹ in Million)

	31-Mar-21	31-Mar-20
Opening balance	4,662.46	3,748.63
Net profit for the year	887.24	1,100.60
Other comprehensive income arising from the remeasurements of defined benefit obligation net of income tax	11.07	(5.24)
Dividend paid	-	(161.66)
Dividend distribution tax (DDT)	-	(19.87)
Closing balance	**5,560.77**	**4,662.46**

(a) It represents undistributed profits of the Company which can be distributed by the Company to its equity shareholders in accordance with the requirements of the Companies Act, 2013.

(b) As required under Schedule III (Division II) to the Companies Act, 2013, the Company has recognised remeasurement of defined benefit plans (net of tax) as part of retained earnings.

(c) Details of dividend distributions made & proposed:

(₹ in Million)

	31-Mar-21	31-Mar-20
Cash dividend on equity shares declared and paid:		
Interim Dividend : Nil (₹ Nil per equity share of ₹ 1/- each) [March 31, 2020: 50% (₹ 0.50 per equity share of ₹ 1/- each)]	-	161.66
Dividend distribution tax (DDT) on interim dividend	-	19.87
Total cash dividend on equity shares declared and paid	**-**	**181.53**
Proposed dividend on equity shares:		
Proposed Dividend : 120% (₹ 1.20 per equity share of ₹ 1/- each) [March 31, 2020: Nil (₹ Nil per equity share of ₹ 1/- each)]	387.96	-
Dividend distribution tax (DDT) on Proposed dividend	-	-
Total proposed dividend on equity shares	**387.96**	**-**

Notes to the Financial Statements
for the year ended March 31, 2021

Proposed dividend on equity shares as on March 31, 2021 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares.

(iii) Cash flow hedging reserve

(₹ in Million)

	31-Mar-21	31-Mar-20
Opening balance	(33.46)	42.70
Other comprehensive gain/(loss) arising from effective portion of loss on designated portion of hedging instruments in a cash flow hedge	52.18	(108.36)
Income tax on above	13.13	(32.20)
Closing balance	5.59	(33.46)

The Company uses hedging instruments as a part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedge. To the extent, theses hedge are effective, the changes in fair value of hedging instruments is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to profit or loss when hedge items effects profit or loss i.e. sales.

Note 14: Non-current borrowings

(₹ in Million)

	31-Mar-21		31-Mar-20	
	Current	Non- current	Current	Non- current
Secured- at amortised cost				
Term loans				
- from other parties	9.56	-	2.13	9.56
	9.56	**-**	**2.13**	**9.56**
Less: Amount disclosed under the head Other financial liabilities" (refer note 18)	(9.56)	-	(2.13)	-
Total non-current borrowings	**-**	**-**	**-**	**9.56**

Term loans from other parties represents vehicles loan which are secured by hypothecation of vehicles acquired under the respective vehicle loans. These loans carry interest @ 8.90% p.a . The loans are repayable in 23 monthly instalments of ₹ 0.26 Million each and a bullet repayment of ₹ 7.91 Million at the end of tenor of the loan which falls due in Jan'22.

Note 15: Provisions

(₹ in Million)

	31-Mar-21		31-Mar-20	
	Current	Non- current	Current	Non- current
Provision for employee benefits				
Gratuity (refer note 34)	-	-	-	30.97
Compensated absences	30.66	-	37.91	-
Employee retention bonus	8.77	2.69	6.67	7.05
Other provisions				
Warranty	57.34	27.15	79.61	28.32
Liquidated damages	30.54	-	25.48	-
Total provisions	**127.31**	**29.84**	**149.67**	**66.34**

Notes to the Financial Statements
for the year ended March 31, 2021

(i) Information about individual provisions and significant estimates

(a) Compensated absences

Compensated absences comprises earned leaves and sick leaves, the liabilities of which are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The Company presents the compensated absences as a current liability in the Balance Sheet wherever it does not have an unconditional right to defer its settlement beyond twelve months after the reporting date.

(b) Employee retention bonus:

The Company, as a part of retention policy, pays retention bonus to certain employees after completion of specified period of service. The timing of the outflows is expected to be within a period of five years. They are therefore measured as the present value of expected future payments, with management best estimates.

(c) Warranty:

The Company, in the usual course of sale of its products, gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the specified warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements based on best estimate considering the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

(d) Liquidated damages:

Represents the provision on account of contractual obligation towards customers in respect of certain products for matters relating to delivery and performance. The provision represents the amount estimated to meet the cost of such obligations based on best estimate considering the historical liquidated damages claim information and any recent trends that may suggest future claims could differ from historical amounts.

(ii) Movement in other provisions

Movement in each class of other provisions during the financial year, are set out below:

(₹ in Million)

	Warranty	Liquidated damages
Balance as at April 1, 2019	60.59	15.93
Additional provisions recognised	83.98	22.88
Amounts used during the year	(23.54)	(7.70)
Unused amounts reversed during the year	(13.10)	(5.63)
Balance as at March 31, 2020	**107.93**	**25.48**
Additional provisions recognised	62.51	19.58
Amounts used during the year	(55.27)	(5.23)
Unused amounts reversed during the year	(30.68)	(9.29)
Balance as at March 31, 2021	**84.49**	**30.54**

Notes to the Financial Statements

for the year ended March 31, 2021

Note 16: Current borrowings

(₹ in Million)

	31-Mar-21	31-Mar-20
Secured- at amortised cost		
Repayable on demand		
- Cash credits from banks#	-	-
Total current borrowings	-	-

As at March 31, 2021 and March 31, 2020, cash credit has a favourable bank balances, hence the same has been disclosed under cash and cash equivalent.

(i) Cash credit from banks is secured by hypothecation of entire current assets inclusive of stock-in-trade, raw materials, stores and spares, work-in-progress and trade receivables and a second charge on entire movable fixed assets of the Company and immovable fixed assets situated at Peenya Industrial Area, Bengaluru both present and future on a pari-passu basis. Interest rates ranges from 7.40% to 8.90% per annum for the year ended March 31, 2021 (March 31, 2020: 8.75% to 9.65%)

(ii) In respect of working capital facilities sanctioned by a bank to the joint venture company, M/s GE Triveni Ltd (GETL), the Company has given an undertaking not to dispose of its investments in the equity shares of GETL aggregating to ₹ 80.00 Million (March 31, 2020: ₹ 80.00 Million) during the tenure of the facilities.

Note 17: Trade payables

(₹ in Million)

	31-Mar-21	31-Mar-20
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 43)	111.81	68.46
- Total outstanding dues of creditors other than micro enterprises and small enterprises	621.16	568.86
Total trade payables	**732.97**	**637.32**

Note 18: Other financial liabilities

(₹ in Million)

	31-Mar-21		31-Mar-20	
	Current	Non- current	Current	Non- current
At amortised cost				
Current maturities of long-term borrowings (refer note 14)	9.56	-	2.13	-
Interest accrued	0.07	-	0.08	-
Lease liability [refer note 39(ii)]	4.48	20.27	5.20	23.58
Capital creditors	24.71	-	16.90	-
Employee benefits and other dues payable	193.73	-	115.15	-
Unpaid dividends (see (i) below)	1.09	-	1.30	-
Total other financial liabilities at amortised cost [A]	**233.64**	**20.27**	**141.13**	**23.58**
At fair value through Other Comprehensive Income (OCI)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts	-	-	60.38	-
Total other financial liabilities at fair value through OCI [B]	**-**	**-**	**60.38**	**-**
Total other financial liabilities ([A]+ [B])	**233.64**	**20.27**	**201.51**	**23.58**

(i) There are no amounts as at the end of the year which are due and outstanding to be credited to the Investors Education and Protection Fund.

Notes to the Financial Statements

for the year ended March 31, 2021

Note 19: Other current liabilities

(₹ in Million)

	31-Mar-21	31-Mar-20
Advance from customers	1,661.08	1,608.00
Deferred income	42.36	39.88
Amount due to customers (Turbine extended scope turnkey project revenue adjustment)	-	2.97
Statutory remittances	30.05	26.58
Total other liabilities	**1,733.49**	**1,677.43**

Note 20: Income tax balances

(₹ in Million)

	31-Mar-21		31-Mar-20	
	Current	Non- current	Current	Non- current
Income tax assets				
Tax refund receivable (net)		37.41	-	49.31
	-	**37.41**	**-**	**49.31**
Income tax liabilities				
Provision for income tax (net)	57.84	-	51.19	-
	57.84	**-**	**51.19**	**-**

Note 21: Deferred tax balances

(₹ in Million)

	31-Mar-21	31-Mar-20
Deferred tax assets	(120.36)	(98.70)
Deferred tax liabilities	171.28	156.77
Net deferred tax liabilities (net)	**50.92**	**58.07**

(i) Movement in deferred tax balances

For the year ended March 31, 2021

(₹ in Million)

	Opening balance	Recognised in Profit and Loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Liabilities and provisions tax deductible only upon payment/ actual crystallisation				
- Employee benefits	23.39	30.91	(3.72)	50.58
- Other contractual provisions	37.31	(5.64)	-	31.67
Impairment provisions on financial/other assets made in books, but tax deductible only on actual write-off	25.44	12.66	-	38.10
Fair valuation of financial assets/(liabilities)	12.56	(1.31)	(13.13)	(1.88)
Difference in carrying values of property, plant & equipment and intangible assets	(151.60)	(2.68)	-	(154.28)
Difference in carrying value and tax base of investments measured at FVTPL	(5.17)	(9.94)	-	(15.11)
Net deferred tax assets/(liabilities)	**(58.07)**	**24.00**	**(16.85)**	**(50.92)**

Notes to the Financial Statements
for the year ended March 31, 2021

For the year ended March 31, 2020

(₹ in Million)

	Opening balance	Recognised in Profit and Loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Liabilities and provisions tax deductible only upon payment/ actual crystallisation				
- Employee benefits	27.54	(5.91)	1.76	23.39
- Other contractual provisions	21.86	15.45	-	37.31
Impairment provisions on financial/other assets made in books, but tax deductible only on actual write-off	30.94	(5.50)	-	25.44
Fair valuation of financial assets/(liabilities)	(30.52)	10.88	32.20	12.56
Difference in carrying values of property, plant & equipment and intangible assets	(191.48)	39.88	-	(151.60)
Difference in carrying value and tax of investments measured at FVTPL	0.76	(5.93)	-	(5.17)
Net deferred tax assets/(liabilities)	**(140.90)**	**48.87**	**33.96**	**(58.07)**

Note 22: Revenue from operations

(₹ in Million)

	31-Mar-21	31-Mar-20
Sale of products (refer note 45)		
Finished goods		
- Turbines (including related equipments and supplies)	4,808.52	5,965.77
- Spares	1,342.50	1,241.56
Sale of Services		
Servicing, operation and maintenance	522.49	558.56
Erection and commissioning	210.42	197.90
Turbine extended scope turnkey project	3.33	1.16
Other operating revenue		
Sale of scrap	2.76	3.17
Selling commission	-	3.86
Technology transfer fee	9.44	-
Royalty	-	5.28
Export incentives	69.86	121.73
Total revenue from operations	**6,969.32**	**8,098.99**

Notes to the Financial Statements
for the year ended March 31, 2021

Note 23: Other income

(₹ in Million)

	31-Mar-21	31-Mar-20
Interest income (at amortised cost)		
Interest income from bank deposits	16.71	-
Interest income from customers	-	1.54
	16.71	**1.54**
Other non-operating income (net of expenses directly attributable to such income)		
Rental income	8.02	7.88
Dividend income	-	64.99
Miscellaneous income	4.37	2.06
	12.39	**74.93**
Other gains		
Net profit on sale/redemption of current investments	88.47	69.94
Net fair value gain on current investments	39.50	20.44
Profit on sale of property, plant and equipment	0.60	-
Net foreign exchange rate fluctuation gains	33.23	43.97
Credit balances written back	5.98	4.85
Excess provision for liquidated damages reversed (net) (refer note 15)	-	2.75
	167.78	**141.95**
Total other income	**196.88**	**218.42**

Note 24: Cost of materials consumed

(₹ in Million)

	31-Mar-21	31-Mar-20
Stock at the beginning of the year	782.94	1,037.69
Add: Purchases	3,436.91	3,966.68
Less: Stock at the end of the year	(653.95)	(782.94)
Total cost of materials consumed	**3,565.90**	**4,221.43**

Note 25: Changes in inventories of finished goods and work-in-progress

(₹ in Million)

	31-Mar-21	31-Mar-20
Inventories at the beginning of the year:		
Work-in progress	816.82	959.95
Finished goods	166.45	203.67
Total inventories at the beginning of the year	**983.27**	**1,163.62**
Inventories at the end of the year:		
Work-in progress	772.31	816.82
Finished goods	229.32	166.45
Total inventories at the end of the year	**1,001.63**	**983.27**
Total changes in inventories of finished goods and work-in-progress	**(18.36)**	**180.35**

Notes to the Financial Statements

for the year ended March 31, 2021

Note 26: Employee benefits expense

(₹ in Million)

	31-Mar-21	31-Mar-20
Salaries and wages	718.53	848.08
Contribution to provident and other funds (refer note 34)	51.21	58.83
Staff welfare expenses	31.74	37.02
Total employee benefit expense	**801.48**	**943.93**

Note 27: Finance costs

(₹ in Million)

	31-Mar-21	31-Mar-20
Interest costs		
- Interest on borrowings	6.68	28.57
- Interest on lease liabilities [refer note 39(ii)]	2.66	3.22
- other interest expense	0.61	0.46
Other borrowing costs		
- Processing/renewal fees	1.27	1.08
Total finance costs	**11.22**	**33.33**

Note 28: Depreciation and amortisation expense

(₹ in Million)

	31-Mar-21	31-Mar-20
Depreciation of property, plant and equipment (refer note 3)	180.51	178.36
Amortisation of intangible assets (refer note 4)	21.24	22.47
Total depreciation and amortisation expense	**201.75**	**200.83**

Note 29: Impairment loss on financial assets (including reversals of impairment losses)

(₹ in Million)

	31-Mar-21	31-Mar-20
Bad debts written off of trade receivables and other financial assets carried at amortised cost	39.50	22.22
Impairment loss allowance on trade receivables (net of reversals) (refer note 6)	19.48	22.43
Total impairment loss on financial assets (including reversal of impairment losses)	**58.98**	**44.65**

Notes to the Financial Statements

for the year ended March 31, 2021

Note 30: Other expenses

(₹ in Million)

	31-Mar-21	31-Mar-20
Stores, spares and tools consumed	85.25	103.89
Power and fuel	33.50	34.10
Design and engineering charges	10.15	11.20
Repairs and maintenance		
- Machinery	18.60	18.91
- Building	4.33	6.38
- Others	26.29	24.42
Travelling and conveyance	101.40	176.02
Rent and hire charges [refer note 39(ii)]	10.82	8.29
Rates and taxes	4.71	3.77
Insurance	8.82	8.22
Directors' fee	2.64	2.72
Directors' commission	5.85	7.00
Legal and professional charges	115.67	103.48
Group shared service cost	36.21	41.65
Bank charges and guarantee commission	15.68	18.86
Amount written off of non financial assets	2.10	0.25
Provision for doubtful advances	8.39	4.54
Warranty expenses [includes provision for warranty (net) ₹ 31.83 Million [March 31, 2020: ₹ 70.88 Million) (refer note 15)]	47.71	82.81
Payment to auditors [see (i) below]	3.91	3.84
Corporate social responsibility expenses [see (ii) below]	28.52	30.66
Allowance for non moving inventories (refer note 10)	22.27	7.55
Loss on sale / write off of property, plant and equipment	-	0.29
Packing expenses	29.75	30.35
Freight outward	198.23	192.88
Selling commission	81.49	56.86
Marketing support expenses and incentives	136.11	153.27
Miscellaneous expenses	125.37	138.91
Total other expenses	**1,163.77**	**1,271.12**

(i) Detail of payment to auditors

(₹ in Million)

	31-Mar-21	31-Mar-20
Statutory Auditor		
Audit fee	2.27	1.85
Limited review fee	0.92	0.90
Certification charges	0.22	0.36
Reimbursement of expenses	0.03	0.27
	3.44	**3.38**
Cost Auditor		
Audit fee	0.09	0.08
	0.09	**0.08**
Tax Auditor		
Audit fee	0.38	0.38
	0.38	0.38
Total payment to auditors	**3.91**	**3.84**

Notes to the Financial Statements
for the year ended March 31, 2021

(ii) Corporate Social Responsibility (CSR)

(a) The Company has incurred CSR expenses mainly towards promoting education and healthcare, ensuring environmental sustainability and contributing to technological institutions which are specified in Schedule VII of the Companies Act, 2013.

(b) Details of CSR expenses

(₹ in Million)

		31-Mar-21	31-Mar-20
a)	**Gross amount required to be spent during the year**	28.19	30.51
b)	**Amount spent during the year**	**28.52**	**30.66**
	In cash		
	i) Construction/acquisition of any asset	-	-
	ii) On purposes other than (i) above	28.52	30.66

Note 31: Income tax expense

(i) Income tax recognised in profit or loss

(₹ in Million)

	31-Mar-21	31-Mar-20
Current tax		
In respect of the current year	329.06	374.76
In respect of the prior years	3.96	(4.72)
Total current tax expense	**333.02**	**370.04**
Deferred tax		
In respect of current year	(19.54)	(50.89)
In respect of prior years	(4.46)	2.02
Total deferred tax expense/(income)	**(24.00)**	**(48.87)**
Total income tax expense recognised in profit or loss	**309.02**	**321.17**

Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:

(₹ in Million)

	31-Mar-21	31-Mar-20
Profit before tax from continuing operations	1,196.26	1,421.77
Income tax expense calculated @ 25.168%	301.08	357.83
Effect of expenses that is non-deductible in determining taxable profit	8.44	6.13
Effect of tax expenses on items considered at special rate (dividend income from foreign subsidiary)	-	(5.20)
Adjustment on account of change in tax rate under Section 115BAA of the Income Tax Act, 1961	-	(34.89)
	309.52	**323.87**
Adjustments recognised in the current year in relation to the current tax of prior years	3.96	(4.72)
Adjustments recognised in the current year in relation to the deferred tax of prior years	(4.46)	2.02
Total income tax expense	**309.02**	**321.17**

Notes to the Financial Statements

for the year ended March 31, 2021

(ii) Income tax recognised in other comprehensive income

(₹ in Million)

	31-Mar-21	31-Mar-20
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	3.72	(1.76)
Effective portion of (loss)/gain on designated portion of hedging instruments in a cash flow hedge	13.13	(32.20)
Total income tax expense recognised in other comprehensive income	**16.85**	**(33.96)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to Statement of Profit or Loss	3.72	(1.76)
Items that will be reclassified to Statement of Profit or Loss	13.13	(32.20)
Total income tax expense recognised in other comprehensive income	**16.85**	**(33.96)**

Note 32: Earnings per share

(₹ in Million)

	31-Mar-21	31-Mar-20
Profit for the year attributable to owners of the Company [A]	887.24	1,100.60
Weighted average number of equity shares for the purposes of basic EPS/ diluted EPS [B]	323,305,484	323,305,484
Basic earning per share (face value of ₹ 1 per share) [A/B] (in ₹)	2.74	3.40
Diluted earning per share (face value of ₹ 1 per share) [A/B] (in ₹)	2.74	3.40

Note 33: Segment information

The Company primarily operates in one business segment- Power generating equipment and solutions.

The Company is domiciled in India and all its non-current assets are located in/relates to India except following:

(i) Investment in foreign subsidiary of ₹ 18.47 Million as at March 31, 2021 (March 31, 2020 : ₹ 18.47 Million)

The amount of Company's revenue from external customers based on geographical area and nature of the products/ services are shown below:

Revenue by geographical area

(₹ in Million)

	31-Mar-21	31-Mar-20
India	3,749.68	4,245.17
Rest of the world	3,137.58	3,719.78
Total	**6,887.26**	**7,964.95**

Revenue by nature of products / services (refer note 22)

(₹ in Million)

	31-Mar-21	31-Mar-20
Sale of products [refer note 45]		
Finished goods		
- Turbines (including related equipments and supplies)	4,808.52	5,965.77
- Spares	1,342.50	1,241.56
Sale of Services		
Servicing, operation and maintenance	522.49	558.56
Erection and commissioning	210.42	197.90
Turbine extended scope turnkey project	3.33	1.16
Total	**6,887.26**	**7,964.95**

There is no single customer who has contributed 10% or more to the Company's revenue for both the years ended March 31, 2021 and March 31, 2020.

Notes to the Financial Statements
for the year ended March 31, 2021

Note 34: Employee benefit plans

(i) Defined contribution plans

(a) The Company operates defined contribution retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Company:

Provident Fund Plan and Employee Pension Scheme: The Company makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India.

Employee State Insurance: The Company makes prescribed monthly contributions towards Employees State Insurance Scheme.

Superannuation Scheme: The Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund with the Life Insurance Corporation of India.

(b) The expense recognised during the period towards defined contribution plans are as follows:

(₹ in Million)

	31-Mar-21	31-Mar-20
Company’s contribution to Employee's Provident Fund	29.09	35.69
Administrative charges on above	1.22	1.49
Company’s contribution to Employee State Insurance	0.23	0.72
Company’s contribution to Superannuation Scheme	7.30	7.49

(ii) Defined benefit plans

(a) The Company provides for gratuity obligations through a defined benefit retirement plan (the ‘Gratuity Plan’) covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/ termination of employment or death of an employee, based on the respective employees’ salary and years of employment with the Company.

(b) Risk exposure

These plans typically expose the Company to a number of actuarial risks, the most significant of which are detailed below:

Investment risk: The plan liabilities are calculated using a discount rate set with references to government bond yields as at end of reporting period; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The Plan assets comprise principally Group Gratuity Plans offered by the life insurance companies. Majority of the funds invested are under the traditional platform where the insurance companies declare a return at the end of each year based upon its performance. Certain investments are also made in funds (growth plans) managed by the life insurance companies under which the returns are based upon the accretion to the net asset value (NAV) of the particular fund, which are declared on a daily basis. The NAV based funds of the insurance companies are approved and regulated by the Insurance Regulatory and Development Authority of India and the investment risk is mitigated by investment in funds where the asset allocation is primarily in sovereign and debt securities. The Company has a risk management strategy which defines exposure limits and acceptable credit risk rating.

Notes to the Financial Statements
for the year ended March 31, 2021

Interest risk: A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' debt instruments.

Life expectancy: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Attrition rate: The present value of the defined benefit plan liability is impacted by the rate of employee turnover, disability and early retirement of plan participants. A decrease in the attrition rate of the plan participants will increase the plan's liability.

(c) The significant actuarial assumptions used for the purposes of the actuarial valuation of gratuity were as follows:

	Valuation as at	
	31-Mar-21	**31-Mar-20**
Discounting rate	6.50%	6.25%
Future salary growth rate	5.5% for next 1 years and 8% thereafter	5.5% for next 2 years and 8% thereafter
Life expectancy/ Mortality rate	*	*
Attrition rate	- Below 31 years - 14.00% - 31-44 years - 10.00% - Above 44 years - 6.50.%	- Below 31 years - 12.00% - 31-44 years - 7.00% - Above 44 years - 5.00%
Method used	Projected unit credit method	Projected unit credit method

*Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 Ultimate). These assumptions translate into an average life expectancy in years at retirement age.

(d) Amounts recognised in Statement of Profit and Loss in respect of defined benefit plan (Gratuity Plan) are as follows:

(₹ in Million)

	31-Mar-21	**31-Mar-20**
Current service cost	11.65	11.88
Net interest expense	1.73	1.55
Components of defined benefit costs recognised in Statement of Profit or Loss	13.38	13.43
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	(1.43)	(1.28)
- Actuarial (gain)/loss arising form changes in financial assumptions	(2.79)	10.79
- Actuarial (gain)/loss arising form changes in demographic assumptions	(2.15)	(1.50)
- Actuarial (gain)/loss arising form experience adjustments	(8.42)	(1.01)
Components of defined benefit costs recognised in Other Comprehensive Income	(14.79)	7.00
Total	**(1.41)**	**20.43**

Notes to the Financial Statements
for the year ended March 31, 2021

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability is included in Other Comprehensive Income.

(e) Amounts included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan (Gratuity Plan) is as follows:

(₹ in Million)

	31-Mar-21	31-Mar-20
Present value of defined benefit obligation as at the end of the year	139.23	149.85
Fair value of plan assets	140.73	118.88
Funded status	**1.50**	**(30.97)**
Net asset /(liability) arising from defined benefit obligation recognised in the Balance Sheet	**1.50**	**(30.97)**

(f) Movement in the present value of the defined benefit obligation (Gratuity Plan obligation) are as follows:

(₹ in Million)

	31-Mar-21	31-Mar-20
Present value of defined benefit obligation at the beginning of the year	149.85	132.70
Expenses recognised in Statement of Profit and Loss		
- Current service cost	11.65	11.88
- Interest expense	9.15	9.93
Remeasurement (gains)/ losses recognised in Other Comprehensive Income		
- Actuarial (gain)/loss arising from:		
i. Demographic assumptions	(2.15)	(1.50)
ii. Financial assumptions	(2.79)	10.79
iii. Experience adjustments	(8.42)	(1.01)
Benefit payments	(18.06)	(12.94)
Present value of defined benefit obligation at the end of the year	**139.23**	**149.85**

(g) Movement in the fair value of plan assets are as follows:

(₹ in Million)

	31-Mar-21	31-Mar-20
Fair value of plan assets at the beginning of the year	118.88	109.22
Expenses recognised in Statement of Profit and Loss		
- Expected return on plan assets	7.42	8.38
Remeasurement gains / (losses) recognised in Other Comprehensive Income		
- Actual Return on plan assets in excess of the expected return	1.43	1.28
Contributions by employer	31.06	12.94
Benefit payments	(18.06)	(12.94)
Fair value of plan assets at the end of the year	**140.73**	**118.88**

Notes to the Financial Statements

for the year ended March 31, 2021

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

(₹ in Million)

	31-Mar-21			31-Mar-20		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	-	0.68	0.68	-	0.57	0.57
Group Gratuity Plans with Insurance Companies	-	140.05	140.05	-	118.31	118.31
Total plan assets	**-**	**140.73**	**140.73**	**-**	**118.88**	**118.88**

The Plan assets comprise principally Group Gratuity Plans offered by the life insurance companies. Majority of the funds invested are under the traditional platform where the insurance companies declare a return at the end of each year based upon its performance. Certain investments are also made in funds (growth plans) managed by the life insurance companies under which the returns are based upon the accretion to the net asset value (NAV) of the particular fund, which are declared on a daily basis. The NAV based funds of the insurance companies are approved and regulated by the Insurance Regulatory and Development Authority of India and the investment risk is mitigated by investment in funds where the asset allocation is primarily in sovereign and debt securities. There has been no change in the process used by the Company to manage its risks from prior years.

(h) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption by		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
			31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Discounting rate	0.5%	₹ in Million	(4.58)	(5.94)	4.87	6.37
		in %	-3.29%	-3.96%	3.50%	4.25%
Future salary growth rate	0.5%	₹ in Million	4.80	6.26	(4.55)	(5.90)
		in %	3.45%	4.18%	-3.27%	-3.94%
Mortality rate	10%	₹ in Million	(0.02)	(0.05)	0.03	0.03
		in %	-0.02%	-0.03%	0.02%	0.02%
Attrition rate	0.5%	₹ in Million	(0.44)	(0.51)	0.46	0.49
		in %	-0.31%	-0.34%	0.33%	0.33%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practise, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior years.

(i) Defined benefit liability and employer contributions

The Company expects to contribute ₹ 6.30 Million to the defined benefit plan during the year ending March 31, 2022.

The weighted average duration of the defined obligation as at March 31, 2021 is 7 years.

The expected maturity analysis of undiscounted defined benefit obligation as at March 31, 2021 is as follows:

(₹ in Million)

	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years	Total
Defined benefit obligation (Gratuity)	15.78	70.02	50.75	102.18	238.73

Notes to the Financial Statements

for the year ended March 31, 2021

Note 35: Related party transactions

(i) Related parties where control exists

Subsidiaries

Triveni Turbines Europe Private Limited (wholly owned subsidiary)
Triveni Turbines DMCC (step-down subsidiary)
Triveni Turbines Africa Pty. Ltd. (step-down subsidiary)

(ii) Related parties with whom transactions have taken place during the year :

(a) Investing company holding substantial interest

Triveni Engineering & Industries Limited (TEIL)

(b) Subsidiaries

Triveni Turbines Europe Private Limited (wholly owned subsidiary) (TTEPL)
Triveni Turbines DMCC (step-down subsidiary) (TTD)
Triveni Turbines Africa Pty. Ltd. (step-down subsidiary) (TTAPL)

(c) Joint Venture

GE Triveni Limited (GETL)

(d) Key Management Personnel (KMP)

Mr. D.M. Sawhney, Chairman & Managing Director (DMS)
Mr. Nikhil Sawhney, Vice Chairman and Managing Director (NS)
Mr. Arun Mote, Executive Director (AM)
Mr. Deepak Kumar Sen, Executive Vice President & CFO (DKS)*
Mr. Lalit Kumar Agarwal, Vice President & CFO (LKA)**
Mr. Tarun Sawhney, Promoter Non Executive Director (TS)
Mrs. Vasantha Bharucha, Independent Non Executive Director (VB)***
Mr. Shekhar Datta, Independent Non Executive Director (SD)***
Dr. Santosh Pande, Independent Non Executive Director (SP)
Ms. Homai A. Daruwalla, Independent Non Executive Director (HAD)
Dr. Anil Kakodkar , Independent Non Executive Director (AK)
Mr. .Shailendra Bhandari ,Independent Non Executive Director (SB)

(e) Parties in which key management personnel or their relatives have significant influence

Subhadra Trade & Finance Limited (STFL)
Tirath Ram Shah Charitable Trust (TRSCT)

(f) Post employment benefit plans

Triveni Turbine Limited Officers Pension Scheme (TTLOPS)
Triveni Turbine Limited Employees Gratuity Trust (TTLEGT)
* Ceased to be KMP, due to retirement, w.e.f November 1, 2020
** w.e.f. November 1, 2020
*** Ceased to be KMP, due to resignation w.e.f April 1, 2020

Notes to the Financial Statements

for the year ended March 31, 2021

(iii) Details of transactions between the Company and related parties during the year and outstanding balances as on March 31, 2021:

(₹ in Million)

	Financial year	Investing company holding substantial interest	Subsidiary			Joint Venture	KMP												Parties in which KMP or their relatives have significant influence		Post employment benefit plans		Total
		TEIL*	TTEPL	TTD	TTAPL	GETL*	DMS	NS	AM	DKS	LKA	TS	VB	SD	SP	HAD	SB	AK	STFL	TRSCT	TTLOPS	TTLEGT	
Nature of transactions with Related Parties																							
Sales and rendering of services*	31-Mar-21	22.29	0.02	150.92	21.79	130.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	325.86
	31-Mar-20	29.36	64.26	95.74	45.78	357.68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	592.82
Purchases and receiving services*	31-Mar-21	287.59	-	136.11	-	3.53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	427.53
	31-Mar-20	353.92	-	153.27	-	3.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	511.14
Warranty expenses*	31-Mar-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	31-Mar-20	-	-	-	-	4.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.41
Rent & other charges income	31-Mar-21	-	-	-	-	9.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.33
	31-Mar-20	-	-	-	-	13.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.73
Technology transfer fee*	31-Mar-21	-	-	-	-	11.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.14
	31-Mar-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Income*	31-Mar-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	31-Mar-20	-	-	-	-	6.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.23
Rent expenditure*	31-Mar-21	1.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.98
	31-Mar-20	2.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.18
Remuneration expenditure	31-Mar-21	-	-	-	-	-	-	56.49	29.96	5.49	2.62	-	-	-	-	-	-	-	-	-	-	-	94.56
	31-Mar-20	-	-	-	-	-	-	42.95	28.08	5.95	-	-	-	-	-	-	-	-	-	-	-	-	76.98
Directors fee expenditure	31-Mar-21	-	-	-	-	-	-	-	-	-	-	0.45	-	-	0.75	0.75	0.35	0.35	-	-	-	-	2.65
	31-Mar-20	-	-	-	-	-	-	-	-	-	-	0.39	0.60	0.40	0.50	0.49	0.25	0.10	-	-	-	-	2.73
Directors commission expenditure	31-Mar-21	-	-	-	-	-	-	-	-	-	-	1.15	-	-	1.15	1.25	1.15	1.15	-	-	-	-	5.85
	31-Mar-20	-	-	-	-	-	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-	7.00
Corporate social responsibility expenditure	31-Mar-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.02	-	-	8.02
	31-Mar-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.43	-	-	7.43
Contribution to post employment benefit plans	31-Mar-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.30	31.06	38.36
	31-Mar-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.49	12.94	20.43
Expenses incurred by the Company on behalf of party (net of expenses incurred by party on behalf of the Company)	31-Mar-21	0.34	-	-	-	23.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23.79
	31-Mar-20	(2.39)	-	-	-	23.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.86
Dividend received	31-Mar-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	31-Mar-20	-	64.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	64.99
Dividend Paid	31-Mar-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	31-Mar-20	35.31	-	-	-	-	11.69	7.38	0.04	-	-	6.99	-	0.01	-	-	-	-	43.46	-	-	-	104.88
Outstanding balances																							
Receivable	31-Mar-21	50.18	-	-	9.97	74.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	134.77
	31-Mar-20	142.24	1.92	-	8.99	212.35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	365.50
Payable	31-Mar-21	38.01	-	4.24	-	66.96	0.56	16.21	3.88	-	-	1.15	-	-	1.15	1.25	1.15	1.15	-	-	2.01	-	137.72
	31-Mar-20	31.93	-	50.67	-	62.61	0.56	0.21	0.33	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	1.80	-	155.11

* Including taxes

Notes to the Financial Statements
for the year ended March 31, 2021

(iv) Compensation of key managerial personnel:

(₹ in Million)

	31-Mar-21	31-Mar-20
Short-term employee benefits	86.50	69.92
Post-employment benefits	8.06	7.06
Total	**94.56**	**76.98**

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(v) Terms & conditions:

The sales to and purchases from related parties, including rendering / availment of services, are made on terms which are on arm's length after taking into consideration market considerations, external benchmarks and adjustment thereof, terms of Joint Venture agreement and methodology of sharing common group costs. There has not been any transactions with key management personnel other than the approved remuneration having regards to the performance and market trends. The outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has recorded impairment of receivables relating to amounts owned by related parties for the year ended March 31, 2021 of ₹ 29.73 Million (March 31, 2020: ₹ 14.22 Million)

(vi) In respect of figures disclosed above:

(a) the amount of transactions/ balances are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.

(b) Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Company.

(vii) There are no reportable transactions/balances as required under regulation 34(3) of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.

Note 36: Capital management

For the purpose of capital management, capital includes total equity of the Company. The primary objective of the capital management is to maximize shareholder value. The Company is by and large debt free.

The business model of the Company is not capital intensive and being in the engineered-to-order capital goods space, the working capital is largely funded by advances from customers. The Company, therefore, prefers low gearing ratio. The Company manages its capital structure and makes adjustments in light of changes in economic conditions which may be in the form of payment of dividend subject to benchmark pay-out ratio, return capital to the shareholders or issue of new shares. Currently, the Company is cash positive and does not require any equity infusion or borrowings.

(₹ in Million)

	31-Mar-21	31-Mar-20
Borrowings (note 14 & 16)	9.56	11.69
Trade payables (note 17)	732.97	637.32
Other financial liabilities (note 18)	219.60	194.18
Lease liabilities [note 39(ii)]	24.75	28.78
Total debt	986.88	871.97
Less: Cash and cash equivalent (note 11(a))	(129.12)	(502.48)
Net debt (A)	857.76	369.49
Total equity (note 12 & note 13)	5,924.33	4,986.97
Total equity and net debt (B)	6,782.09	5,356.46
Gearing ratio (A/B)	13%	7%

Further, no changes were made in the objectives, policies or process for managing capital during the years ended March 31, 2021 and March 31, 2020.

The Company is not subject to any externally imposed capital requirements.

Notes to the Financial Statements

for the year ended March 31, 2021

Note 37: Financial risk management

The Company's principal financial liabilities comprises trade payables and other payables and by and large there are no borrowings, other than necessitated by temporary mismatch. The main purpose of the financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, other receivables and cash and bank balances that derive directly from its operations. The Company also holds FVTPL investments and loans. The Company has substantial exports and is exposed to foreign currencies fluctuations during the contractual delivery period which is normally in the range of one year. The Company uses extensive derivatives to hedge its foreign exchange exposures which arise from export orders.

The Company's activities expose it mainly to market risk, liquidity risk and credit risk. The monitoring and management of such risks is undertaken by the senior management of the Company and there are appropriate policies and procedures in place through which such financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company has specialized teams to undertake derivative activities for risk management purposes and such team has appropriate skills, experience and expertise. It is the Company policy not to carry out any trading in derivative for speculative purposes. The Audit Committee and the Board are regularly apprised of such risks every quarter and each such risk and mitigation measures are extensively discussed.

(i) Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are only nominal.

(a) Credit risk management

The customer credit risk is managed subject to the Company's established policy, procedure and controls relating to customer credit risk management. In order to contain the business risk, prior to acceptance of an order from a customer, the creditworthiness of the customer is ensured through scrutiny of its financials, status of financial closure of the project, if required, market reports and reference checks. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to limit risks of delays and default. Further, in most of the cases, the Company prescribes stringent payment terms including ensuring full payments before delivery of goods. Retention amounts, if applicable, are payable after satisfactory commissioning and performance. In view of the industry practice and being in a position to prescribe the desired commercial terms, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customer. In addition a large number of receivables are grouped and assessed for impairment collectively. The calculation is based on historical data of losses, current conditions and forecasts and future economic conditions. The Company's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset as detailed in note 5, 6, 7, 8 and 11.

The trade receivables position is provided here below:

(₹ in Million)

	31-Mar-21	31-Mar-20
Total receivables	763.62	1,210.32
Receivables individually in excess of 10% of the total receivables	84.36	355.55
Percentage of above receivables to the total receivables of the Company	11%	29%

Notes to the Financial Statements

for the year ended March 31, 2021

From the above table, it can be observed that the concentration of risk in respect of trade receivables is well spread out and moderate. Further, its customers are located in several jurisdictions and industries and operate in largely independent markets.

(b) Provision for expected credit losses

Basis as explained above, apart from specific provisioning against impairment on an individual basis for major customers, the Company provides for expected credit losses (ECL) for other receivables based on historical data of losses, current conditions forecasts future economic conditions, including loss of time value of money due to delays. In view of the business model of the Company, engineered-to-order products and the prescribed commercial terms, the determination of provision based on age analysis may not be a realistic and hence, the provision of expected credit loss is determined for the total trade receivables outstanding as on the reporting date. Considering all such factors, ECL (net of specific provisioning) for trade receivables as at year end worked out as follows:

	31-Mar-21	31-Mar-20
Expected credit loss (%)	1.67%	0.68%
Expected credit loss (₹ in Million)	12.79	8.26

(ii) Liquidity risk

The Company uses liquidity forecast tools to manage its liquidity. As per the business model of the Company, the requirement of working capital is not intensive. The Company is able to substantially fund its working capital from advances from customers and from internal accruals and hence, its reliance on funding through borrowings is negligible. In view of free cash flows, the Company has even been able to fund substantial capital expenditure from internal accruals.

(₹ in Million)

	31-Mar-21	31-Mar-20
Current financial assets (CFA) (refer note 5, 6, 7, 8 & 11)	4,379.92	3,050.45
Non-current financial assets (NCFA) (refer note 6, 7 & 8)	8.94	8.57
Total financial assets (FA)	**4,388.86**	**3,059.02**
Current financial liabilities (CFL) (note 16, 17 & 18)	966.61	838.83
Non-current financial liabilities (NCFL) (note 14 & 18)	20.27	33.14
Total financial liabilities (FL)	**986.88**	**871.97**
Ratios		
CFA/ CFL	4.53	3.64
NCFA/NCFL	0.44	0.26
FA/FL	4.45	3.51

Maturities analysis of financial liabilities:

(₹ in Million)

	on demand	< 1 year	1-5 years	Total	Carrying amount
As at March 31, 2021					
Borrowings	-	9.56	-	9.56	9.56
Trade payables	-	732.97	-	732.97	732.97
Other financial liabilities		219.60	-	219.60	219.60
Lease Liabilities (refer note 39(ii))		4.48	20.27	24.75	24.75
	-	**966.61**	**20.27**	**986.88**	**986.88**

Notes to the Financial Statements
for the year ended March 31, 2021

(₹ in Million)

	on demand	< 1 year	1-5 years	Total	Carrying amount
As at March 31, 2020					
Borrowings	-	2.13	9.56	11.69	11.69
Trade payables	-	637.32	-	637.32	637.32
Other financial liabilities	-	194.18	-	194.18	194.18
Lease Liabilities (refer note 39(ii))	-	5.20	23.58	28.78	28.78
	-	**838.83**	**33.14**	**871.97**	**871.97**

(iii) Market risk

The Company is virtually debt free and is largely insulated from interest rate risks. Even with respect to investments in mutual funds, the impact of interest rate risk is nominal as the investment is carried in low duration schemes. The Company is essentially exposed to currency risks as export sales forms substantial part of the total sales of the Company. While the Company is mainly exposed to US Dollars, the Company also deals in other currencies, such as, Euro, GBP etc.

The cycle from booking order to collection extends to about a year and the Company is exposed to foreign exchange fluctuation risks during this period. As a policy, the Company remains substantially hedged through forward exchange contracts or other simple structures. It considerably mitigates the risk and the Company is also benefitted in view of incidental forward premium. The policy of substantial hedging insulates the Company from the exchange rate fluctuation and the impact of sensitivity is nominal.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

		USD	EURO	GBP	JPY	CHF
As at March 31, 2021						
Financial assets						
- Trade receivables	in foreign currency (Million)	2.31	0.90	0.16	-	-
	in equivalent ₹ (Million)	167.85	75.71	16.33	-	-
- Unbilled receivable	in foreign currency (Million)	-	-	-	-	-
	in equivalent ₹ (Million)	-	-	-	-	-
Derivative assets (in respect of underlying financial assets) - Foreign exchange forward contracts to sell foreign currency	in foreign currency (Million)	1.74	0.86	0.16	-	-
	in equivalent ₹ (Million)	126.23	72.90	16.33	-	-
Net exposure to foreign currency risk (assets)	in foreign currency (Million)	**0.57**	**0.04**	**-**	**-**	**-**
	in equivalent ₹ (Million)	**41.62**	**2.81**	**-**	**-**	**-**
Financial liabilities						
- Trade payables	in foreign currency (Million)	0.42	0.58	0.00	6.04	0.02
	in equivalent ₹ (Million)	31.16	51.11	0.03	4.07	1.60
Net exposure to foreign currency risk (liabilities)	in foreign currency (Million)	**0.42**	**0.58**	**0.00**	**6.04**	**0.02**
	in equivalent ₹ (Million)	**31.16**	**51.11**	**0.03**	**4.07**	**1.60**

Notes to the Financial Statements

for the year ended March 31, 2021

		USD	EURO	GBP	JPY	CHF
As at March 31, 2020						
Financial assets						
- Trade receivables	in foreign currency (Million)	3.43	1.56	0.88	-	-
	in equivalent ₹ (Million)	255.86	127.40	80.60	-	-
- Unbilled receivable	in foreign currency (Million)	0.02	-	-	-	-
	in equivalent ₹ (Million)	1.36	-	-	-	-
Derivative assets (in respect of underlying financial assets) - Foreign exchange forward contracts to sell foreign currency	in foreign currency (Million)	2.68	1.48	0.74	-	-
	in equivalent ₹ (Million)	200.13	120.76	67.98	-	-
Net exposure to foreign currency risk (assets)	in foreign currency (Million)	**0.77**	**0.08**	**0.14**	**-**	**-**
	in equivalent ₹ (Million)	**57.09**	**6.64**	**12.62**	**-**	**-**
Financial liabilities						
- Trade payables	in foreign currency (Million)	1.01	0.16	0.02	0.57	0.02
	in equivalent ₹ (Million)	77.09	13.32	1.45	0.40	1.70
Net exposure to foreign currency risk (liabilities)	in foreign currency (Million)	**1.01**	**0.16**	**0.02**	**0.57**	**0.02**
	in equivalent ₹ (Million)	**77.09**	**13.32**	**1.45**	**0.40**	**1.70**

The Company's foreign currency derivatives outstanding (including for firm commitments) at the end of the reporting period are as follows:

		USD	EURO	GBP	JPY	CHF
As at March 31, 2021						
Foreign exchange forward contracts to sell foreign currency	in foreign currency (Million)	9.31	3.83	0.82	-	-
	in equivalent ₹ (Million)	676.65	324.10	81.39	-	-
As at March 31, 2020						
Foreign exchange forward contracts to sell foreign currency	in foreign currency (Million)	14.96	8.88	1.55	-	-
	in equivalent ₹ (Million)	1,117.15	726.77	142.46	-	-

(b) Impact of hedging activities

(i) Disclosure of effects of cash flow hedge accounting on financial position towards hedging foreign currency risk through foreign currency forward contracts.

(₹ in Million)

	31-Mar-21	31-Mar-20
Carrying amount of hedging instruments		
-Assets/ (Liabilities) (₹ in Million)	11.93	(60.38)
Line item affected in Balance sheet	Other financial assets	Other financial liability
Maturity date	April 2021 - January 2022	April 2020 - November 2020
Hedge ratio	84%	81%
Weighted average strike price/rate	US$ 1= INR 74.56 EURO 1= INR 90.01 GBP= INR 98.62	US$ 1= INR 73.55 EURO 1= INR 82.53 GBP= INR 92.28
Changes in fair value of hedging instruments (₹ in Million)	62.63	(158.87)
Change in the value of hedged item used as the basis for recognising hedge effectiveness (₹ in Million)	(62.63)	158.87

Notes to the Financial Statements

for the year ended March 31, 2021

(ii) Disclosure of effects of cash flow hedge accounting on financial performance

(₹ in Million)

	31-Mar-21	31-Mar-20
Changes in the value of the hedging instrument recognised in other comprehensive income	62.63	(158.87)
Hedge ineffectiveness recognised in profit or loss	(8.77)	(34.05)
Amount reclassified from cash flow hedging reserve to profit or loss	(1.69)	84.56
Line item affected in statement of profit and loss because of the reclassification	Revenue	Revenue

(iii) Movements in cash flow hedging reserve

(₹ in Million)

	31-Mar-21	31-Mar-20
Opening Balance	(33.46)	42.70
Add: Changes in discounted spot element of foreign exchange forward contracts, net	62.63	(158.87)
Less: Hedge ineffectiveness recognised in profit or loss	(8.77)	(34.05)
Less: Amount reclassified from cash flow hedging reserve to profit or loss	(1.69)	84.56
	18.72	(65.66)
Less: Deferred tax relating to above	13.13	(32.20)
Closing balance	**5.59**	**(33.46)**

(c) Sensitivity

The following table demonstrate the sensitivity of net unhedged foreign currency exposures to a reasonably possible changes in foreign currency exchange rates, with all other variables held constant.

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ in Million)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
USD sensitivity	5%	0.52	(1.00)	(0.52)	1.00
EURO sensitivity	5%	(2.41)	(0.33)	2.41	0.33
GBP sensitivity	5%	-	0.56	-	(0.56)
JPY sensitivity	5%	(0.20)	(0.02)	0.20	0.02
CHF sensitivity	5%	(0.08)	(0.08)	0.08	0.08

Further, the change in foreign currency rates will impact the fair value of the derivatives and correspondingly impact the profit or loss, but there will not be any impact over the hedge period as the derivatives will enable capturing the hedged rates and the budgeted profitability would remain unchanged.

Notes to the Financial Statements

for the year ended March 31, 2021

Note 38: Fair value measurements

(i) Financial instruments by category

(₹ in Million)

	31-Mar-21			31-Mar-20		
	FVTPL *	FVOCI	Amortised cost	FVTPL *	FVOCI	Amortised cost
Financial assets						
Investments in mutual funds/ deposits	2,639.31	-	40.00	1,295.03	-	-
Trade receivables	-	-	763.62	-	-	1,210.32
Contract asset	-	-	54.14	-	-	31.51
Loans	-	-	0.02	-	-	2.11
Cash and bank balances	-	-	859.01	-	-	503.68
Security deposits	-	-	8.96	-	-	8.43
Earnest money deposits	-	-	7.35	-	-	7.94
Derivative financial assets	-	11.93	-	-	-	-
Other receivables	-	-	4.52	-	-	-
Total financial assets	**2,639.31**	**11.93**	**1,737.62**	**1,295.03**	**-**	**1,763.99**
Financial liabilities						
Borrowings	-	-	9.56	-	-	11.69
Trade payables	-	-	732.97	-	-	637.32
Capital creditors	-	-	24.71	-	-	16.90
Derivative financial liabilities	-	-	-	-	60.38	-
Lease liabilities	-	-	24.75	-	-	28.78
Other payables	-	-	194.89	-	-	116.90
Total financial liabilities	**-**	**-**	**986.88**	**-**	**60.38**	**811.59**

* Mandatorily measured at FVTPL, there is no financial instrument which is designated as FVTPL

(ii) Fair value hierarchy

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

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Million)

	Note No.	Level 1	Level 2	Level 3	Total
As at March 31, 2021					
Financial assets					
- Investments in mutual funds (Unquoted)	5 (b)	-	2,639.31	-	2,639.31
- Foreign exchange forward contracts at FVOCI	8	-	11.93	-	11.93
		-	**2,651.24**	**-**	**2,651.24**
Financial liabilities					
- Foreign exchange forward contracts at FVOCI	18	-	-	-	-
		-	**-**	**-**	**-**
As at 31 March 2020					
Financial assets					
- Investments in mutual funds (Unquoted)	5 (b)	-	1,295.03	-	1,295.03
- Foreign exchange forward contracts at FVOCI	8	-	-	-	-
		-	**1,295.03**	**-**	**1,295.03**
Financial liabilities					
- Foreign exchange forward contracts at FVOCI	18	-	60.38	-	60.38
		-	**60.38**	**-**	**60.38**

Notes to the Financial Statements

for the year ended March 31, 2021

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. No assets are classified in this category.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. No assets are classified in this category.

There are no transfers between levels 1 and 2 during the year.

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the mutual funds is determined using daily NAV as declared for the particular scheme by the Asset Management Company. The fair value estimates are included in Level 2.
- the fair value of foreign exchange forward contracts is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by Banks and third parties.

All of the resulting fair value estimates are included in level 2

(iv) Valuation processes

The finance team has requisite knowledge and skills. The team headed by CFO directly reports to the audit committee to arrive at the fair value of financial instruments.

(v) Fair value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Note 39: Leases

Company as a Lessee

(i) During financial year 2014-15, the Company had acquired land at Sompura from Karnataka Industrial Areas Development Board (KIADB) on a lease-cum-sale basis. The land is under lease for initial period of ten years thereafter the ownership of the land will be transferred in favour of the Company (refer note 3(i)). Initial upfront lease payment (including slum cess and process fee) of ₹ 365.81 Million was made to the KIADB for acquisition of land and thereafter, the Company's obligations under lease is yearly recurring maintenance charges of ₹ 0.14 Million during the lease period. There is no contingent rent or restriction imposed in the lease agreement.

(ii) The Company has various lease contracts for vehicles, office equipment and office premises used in its operations. Leases of vehicles and office equipment generally have lease term of 5 years while office premises have lease terms between 2 and 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company has given refundable interest- free security deposits under certain agreements. There is no contingent rent, sublease payments or restriction imposed in the lease agreement.

The Company also has certain leases of office premises with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases as per Ind AS 116.

Notes to the Financial Statements

for the year ended March 31, 2021

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

(₹ in Million)

	Vehicles	Office Equipment	Office Premises	Total
As at April 1, 2019	-	-	-	-
Impact on account of transition to Ind AS 116	8.97	2.89	22.15	34.01
Depreciation expense	2.89	0.96	3.28	7.13
As at March 31, 2020	6.08	1.93	18.87	26.88
Addition	2.73			2.73
Deletion	(0.26)	(1.48)	(0.46)	(2.20)
Depreciation expense	2.97	0.45	2.35	5.77
As at March 31, 2021	**5.58**	**-**	**16.06**	**21.64**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(₹ in Million)

	31-Mar-21	31-Mar-20
Opening Balance	28.78	-
Impact on account of transition to Ind AS 116	-	34.01
Addition	2.73	-
Deletion	(2.20)	-
Interest expense on lease liabilities	2.66	3.22
Payment of lease liabilities	(7.22)	(8.45)
Closing Balance	**24.75**	**28.78**
Current	4.48	5.20
Non- current	20.27	23.58
	24.75	**28.78**

(i) The maturity analysis of lease liabilities are disclosed in note 37(ii)

(ii) The effective interest rate for lease liabilities is 9.5 %, with maturity between 2021-2028

The following are the amounts recognised in Statement of Profit and Loss:

(₹ in Million)

	31-Mar-21	31-Mar-20
Depreciation expense of right-of-use assets	5.77	7.13
Interest expense on lease liabilities	2.66	3.22
Expense relating to short-term leases and low value assets (included in other expenses)	10.82	8.29

Company as a Lessor

The Company has given certain portions of its office premises under leases. These leases are not non-cancellable and are extendable by mutual consent and at mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation recognized in the Statement of Profit and Loss in respect of such portion of the leased premises are not separately identifiable. There is no impairment loss in respect of such premises. No contingent rent has been recognised in the Statement of Profit and Loss. Lease income is recognised in the Statement of Profit and Loss under "Other Income" (refer note 23). Initial direct costs incurred, if any, to earn revenues from a lease are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

Note 40: Commitments

(₹ in Million)

		31-Mar-21	31-Mar-20
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (against which advances paid aggregating to ₹ 0.84 Million (March 31, 2020: ₹ 13.15 Million)	14.97	86.31
(ii)	Other commitments:		
	(a) Derivative instruments	Refer note 37 (iii) (a) & (b)	
	(b) Non-disposal of investments in joint venture	Refer note 16 (ii)	

Notes to the Financial Statements

for the year ended March 31, 2021

Note 41: Contingent liabilities, contingent assets and litigations

Contingent liabilities

(₹ in Million)

		31-Mar-21	31-Mar-20
(i)	**Claims against the Company not acknowledged as debts:**		
	Claims which are being contested by the company and in respect of which the company has paid amounts aggregating to ₹ 1.67 Million (March 31, 2020: ₹ 1.67 Million), excluding interest, under protest pending final adjudication of the cases:	79.92	73.02

Sl. No.	Particulars	Amount of contingent liability		Amount paid	
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
1	Service tax	54.02	52.66	1.67	1.67
2	Income tax	24.42	18.88	-	-
3	Others	1.48	1.48	-	-

The amount shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties, possible payments and reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants, as the case may be, and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal position against such disputes.

(ii) The Hon'ble Supreme Court of India had passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on February 28, 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier period, the Company had made provision for provident fund contribution from the date of order. The Company will evaluate its position and update provision, if required, after receiving further clarity in this regard.

(iii) Demand of ₹ 836.58 million and ₹ 605.83 million for AY 2018-19 and AY 2019-20 respectively has been raised upon processing of the income tax returns filed by the Company without giving credit for due taxes paid which are reflected in Form 26AS for the relevant years. Reprocessing request / rectification application has been filed for correction of the apparent errors. The management believes that upon due rectifications, the demand shall reduce to ₹.8.83 million in AY 2018-19 and ₹ Nil in AY 2019-20. The relevant orders creating the demands are also the subject matter of appeals filed by the Company before the Commissioner of Income Tax (Appeals).

Contingent assets

Based on management analysis, there are no material contingent assets as on March 31, 2021 (March 31, 2020: ₹ Nil).

Note 42: Petition and arbitration in relation to General Electric Company and its affiliates

The Company had filed a petition on June 10, 2019 under the provisions of Section 241, 242, 244 of the 2013 Act before National Company Law Tribunal, Bengaluru ("NCLT"), seeking specific reliefs to bring to an end the matters of oppression and mismanagement in the joint venture company viz. GE Triveni Ltd (GETL) by General Electric Company and its affiliates (GE). The grounds on which the Company was constrained to file the petition were certain actions of GE which were oppressive, fraudulent, prejudicial, harsh and burdensome to the interest of GETL including but not limited to lack of probity, diversion of business, violation of non-compete, conflict of interest by GE employees/nominee directors etc. Instead of submitting its objections on merits to the said Company Petition, two of GE's affiliates filed applications before the NCLT, praying to refer the dispute raised in Company Petition to arbitration. These matters are now pending adjudication.

The illegal termination of ancillary agreements with GETL and intention to terminate the JV with the Company and wilful breach of undertakings given by GE/affiliates of GE to the NCLT in relation to their obligations under aforesaid agreements, led to willful disobedience and defiance of National Company Law Appellate Tribunal (NCLAT) order dated August 27, 2019 read with the order dated February 17, 2020. Pursuant to the liberty granted by the NCLAT, the Company had filed a contempt petition before NCLT, Bengaluru on January 21, 2021 and the NCLT on April 20, 2021 has pronounced its

Notes to the Financial Statements

for the year ended March 31, 2021

order in favour of the Company, holding the GE/affiliates of GE therein guilty of contempt of the NCLAT orders referred above. Being aggrieved by the NCLT order, GE / affiliates of GE have filed writ petitions under Article 226 and 227 of the Constitution of India before the Honourable High Court of Karnataka at Bangalore. There has been no stay granted by the High Court till date on the NCLT order dated April 20,2021. These writ petitions are now pending adjudication.

DI Netherland BV, Joint Venture partner in GETL, has invoked separate arbitration proceedings before Arbitration Tribunal under the UNCITRAL Arbitration Rules, 1976 in United Kingdom and has filed a statement of claim on June 1, 2020, alleging violation of certain terms of the JV Agreement by the Company. The claims made are based on estimation and amounts are not quantified with precision. The Company firmly believes that the allegations raised are unsubstantiated, untenable, and unsustainable. The Company has submitted its Statement of Defence on March 6, 2021 with the Arbitration Tribunal. Such arbitration is in preliminary stages as the Tribunal would evaluate the defence and documents submission in the due course. Based on an internal assessment by the management in consultation with legal counsels, management has concluded that the Company has merit in such arbitration and accordingly, no provision is considered necessary in the standalone financial statements.

The Company has invoked arbitration proceedings under Arbitration and Conciliation Act, 1996 (“Arbitration Act’) against Nuovo Pignone S.P.A. (‘GENP’), an affiliate of GE in relation to the dispute and differences relating to misappropriation of technical information of Company by GENP. An application has been submitted to the Supreme Court of India on March 1, 2021 under Section 11 of the Arbitration Act for appointing sole independent arbitrator. The said application is pending consideration before the Honourable Supreme Court.

Note 43: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on the intimation received by the Company from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act,2006, the relevant information is provided here below:

(₹ in Million)

	31-Mar-21	31-Mar-20
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
(i) Principal amount	111.81	68.46
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act,2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act,2006	-	-

Note 44: Research and development expenses

During the year, the Company has incurred expenditure of ₹ 73.84 Million (March 31, 2020: ₹ 86.23 Million) on research and development activities as per following details :

(₹ in Million)

	31-Mar-21	31-Mar-20
Revenue expenses	56.34	62.50
Capital expenditure	17.50	23.73
Total	**73.84**	**86.23**

Notes to the Financial Statements

for the year ended March 31, 2021

Note 45: Ind AS 115 – Revenue from Contracts with Customers

i) Disaggregated revenue information

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

(₹ in Million)

	Timing of revenue recognition	31-Mar-21	31-Mar-20
Sale of products			
Finished goods			
- Turbines (including related equipments and supplies)	At point in time	4,808.52	5965.77
- Spares	At point in time	1,342.50	1241.56
Sale of Services			
Servicing, operation and maintenance	Over time	522.49	558.56
Erection and commissioning	At point in time	210.42	197.90
Turbine extended scope turnkey project	Over time	3.33	1.16
Other operating income			
Sale of scrap	At point in time	2.76	3.17
Selling commission	At point in time	-	3.86
Technology transfer fee		9.44	
Royalty	At point in time	-	5.28
Export incentives	At point in time	69.86	121.73
		6,969.32	**8,098.99**

ii) Contract balances

(₹ in Million)

	31-Mar-21	31-Mar-20
Trade receivables	763.62	1,210.32
Contract assets – Unbilled revenue	54.14	31.51
Contract assets – Amounts due from Customers under construction contracts	6.21	5.85
Contract liabilities – Advance from customers	1,661.08	1,608.00
Contract liabilities – Deferred revenue	42.36	39.88
Contract liabilities – Amount due to customers under construction contracts	-	2.97

Trade receivables have decreased by ₹ 446.70 million over previous year due to decrease in sales, collection of old certain old receivable and improved realization of dues in current year . During the year, provision for doubtful debts and expected credit losses on trade receivables was recognised as disclosed below.

(₹ in Million)

	31-Mar-21	31-Mar-20
Provision, net of reversal for doubtful debts	19.48	22.43
	19.48	**22.43**

Contract liabilities include advances received from customers, deferred revenue and amount due to customers. The outstanding balances of these accounts has increased by ₹ 52.59 million primarily on account of satisfaction of performance obligation subsequent to year-end against which the advances were received during the year.

During the year, the Company has recognised revenue of ₹ 1,339.76 million out of the contract liabilities outstanding at the beginning of the year.

(iii) Reconciliation of revenue recognised with contract price

(₹ in Million)

	31-Mar-21	31-Mar-20
Contract price	7,001.01	8,163.47
Adjustments for:		
Variable Considerations - Others	31.69	64.48
Total revenue from operations	**6,969.32**	**8,098.99**

Notes to the Financial Statements
for the year ended March 31, 2021

iv) Performance obligation

Information about the Company's performance obligations are summarised below:

Sale of goods

The performance obligation is satisfied upon shipment of the goods and transfer of control. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price is allocated

Sale of services

The performance obligation is satisfied over-time or point in time based on the nature of services and payment is generally due upon completion of services

Obligation towards warranties

The Company provides for warranties to its customers in the nature of assurance-type. The assurance-type warranty is accounted for as obligation and provided for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Note 46: Exceptional Items

During the year ended March 31, 2021, the Company had implemented a Voluntary Retirement Scheme (VRS) for Workmen and total expenditure of ₹ 1,852 lakhs for VRS had been recognised in the Statement of Profit and Loss and presented as an Exceptional Item.

Note 47: Impact of COVID-19

The outbreak of Covid-19 pandemic severely impacted the world economy including India. The operations of the Company were also impacted during the year ending March 31, 2021, particularly the international business. Logistics bottleneck, restriction of international travel, and lockdown in various States from time to time impacted operations. The Company has considered the impact of COVID-19 pandemic on its business operations and financial statement based on its internal and external source of information including economic forecasts and estimates from market sources, on various elements of its standalone financial statements and expected future performance of the Company. Based on its review and current indicators of future economic conditions, the Company expects to recover the carrying value of the assets and does not anticipate any impairment to these financial and non-financial assets.

Note 48: Approval of Standalone Financial Statements

The Standalone financial Statements were approved for issue by the Board of Directors of the Company on June 28, 2021 subject to approval of shareholders.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place : Bengaluru
Date : June 28, 2021

For and on behalf of the Board of Directors of **Triveni Turbine Limited**

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Homai A. Daruwalla
Director & Audit Committee Chairperson
DIN: 00365880

Lalit Kumar Agarwal
Vice President & CFO

Rajiv Sawhney
Company Secretary [ACS: 8047]

Place : Noida (U.P.)
Date : June 28, 2021