MANAGEMENT POLICY

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

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

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

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

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

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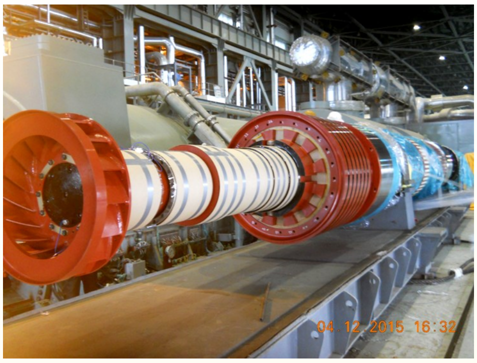

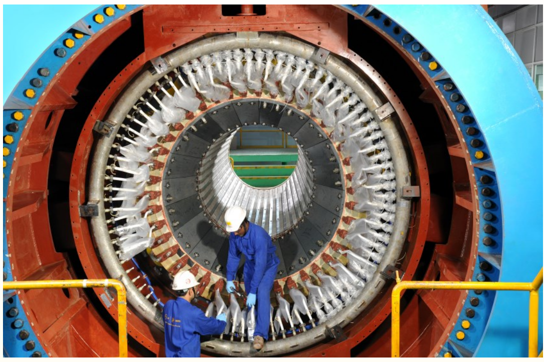

COMPANY OVERVIEW

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

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

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

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

"POWER PACKED PARTNERSHIP TO SERVE THE NATION"

COMPANY INFORMATION

Board of Directors

Mr. Derek Michael Shah
Chairman

Mr. Takeshi Umeda
Director

Mr. Tatsuo Shibahara
Director

Mr. Suresh Narang
Director

Mr. Toru Yoshioka
Director

Ms. K. Bhavani
Director

Mr. Deepak Kumar Sinha
Whole Time Director

Mr. Kazuhisa Kanda
Whole Time Director

Registered Office

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

Mumbai - 400 001

Auditors

Sharp & Tannan

Ravindra Annexe, 194, Churchgate

Reclamation , Dinshaw Vachha Road

Mumbai - 400 020

DIRECTORS' REPORT

Dear Members,

The Board of Directors hereby submits the report of the business and operations of the Company along with the Audited Financial Statements and the Auditor's Report for the year ended 31st March 2024.

1) Financial Results / Financial Highlights:

₹ crore

Particulars	FY 23-24	FY 22-23
Revenue	**275.78**	**351.43**
Operating Margin	**75.24**	**48.09**
Less: Depreciation, Amortization, and Obsolescence	**46.34**	**47.36**
Less: Finance Cost	**50.20**	**53.99**
Profit / (Loss) Before Tax	**(21.30)**	**(53.26)**
Less: Provision for Tax	**-**	**-**
Profit / (Loss) After Tax	**(21.30)**	**(53.26)**
Balance Carried Forward	**(409.84)**	**(389.21)**

The delay / deferment of most of the projects envisaged for the year in thermal power market and the low order book position at the beginning of the year has led to a reduction in revenue.

In-spite of these adverse challenges, the Management has constantly focused on project execution, manufacturing process improvements and better utilization of in-house capacity along with implementation of various cost reduction initiatives to remain competitive. The Management's continuous focus on product upgradation, diversification to other products relating to renewable/green energy, enhancing the quality standards, and reducing manufacturing lead-time will enhance the Company's capabilities to meet the stakeholder's expectations in the years to come.

2) State of Company Affairs:

The revenue from operations and other income for the financial year under review were Rs. 327.44 crore as against Rs. 361.21 crore for the previous financial year. The loss before tax from continuing operations including exceptional items was Rs. (21.30) crore and the loss after tax from continuing operations including exceptional items was Rs. (21.30) crore for the financial year under review as against Rs. (53.26) crore and Rs. (53.26) crore respectively for the previous financial year .

3) Capital & Finance:

During the year under review, the Company has not allotted any equity shares. The total Equity Share Capital as on 31st March 2024, is Rs. 710.60 Crore.

During the year, the Company repaid part of its long-term foreign currency loans amounting to 16.50 million USD, equivalent to about Rs. 138 Crore.

4) Credit Rating:

The Company obtained a rating from CRISIL Ratings Limited during FY 23-24. There has been no revision in credit ratings during FY 23-24. CRISIL has rated the Company's Long-Term Ratings as "A" & outlook Stable and Short- Term Ratings as "A1".

5) Capital Expenditure:

As of March 31, 2024, the Gross fixed & Intangible Assets, including Leased Assets, stood at Rs. 1,279.91 crore and the Net fixed and Intangible Assets, including Leased Assets, at Rs. 442.10 crore. Capital Expenditure (including capital work in progress) during the year amounted to Rs. 0.12 crore.

6) **Deposits:**

During the year under review, the Company has not accepted any deposits from the Public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder, and the requisite returns have been filed.

7) **Depository System:**

The Ministry vide its notification, requires certain Companies to facilitate dematerialization of all its existing securities and has mandated that the stake of promoters, directors and key managerial personnel should be held in demat form. As on March 31, 2024, 90% of the Company's total paid up capital representing 63,95,40,000 shares are in dematerialized form.

8) **Particulars of loans given, investments made, guarantees given or security provided by the Company:**

During the year under review, the Company has not entered into any of the above transaction as specified under section 186 of Companies Act, 2013.

9) **Particulars of Contracts or Arrangements with related parties:**

The Board of Directors has reviewed and approved the Related Party Transactions for the Financial Year 2023-24. A statement containing details of all material transactions/ contracts/ arrangements is disclosed in Note No. 35.14 of notes forming part of Accounts.

All the related party transactions were in the ordinary course of business and at arm's length. There are no materially significant related party transactions that may conflict with the interest of the Company.

10) **Appropriations:**

There were no appropriations made during the Financial Year 2023-24.

11) Dividend:

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

12) Material changes and commitments affecting the financial position of the company, between the end of the financial year and the date of the report:

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

13) Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo:

A. Conservation of Energy

The company's activities are sensitive and energy intensive. The company has made significant efforts in developing an energy-efficient state-of-the-art production facility and has taken several steps to acquire energy-efficient machinery. The Indian Green Building Council has awarded the administrative building a Gold Category accreditation. Environmentally friendly ultra-supercritical turbines have been introduced by the company. The company, being an ongoing production facility, is always implementing innovative technologies and methods to improve the energy efficiency of its infrastructure.

(a) Energy Conservation measures taken:

1. Improving energy effectiveness / efficiency of equipment and systems-

- As a result of the measures implemented to improve energy performance and efficiency, overall energy consumption in FY 2023–24 decreased by 7.5% compared to FY 2022–23.

- Conversion of Fixed type centralized Compressor - 500 CFM to Variable type by installing variable frequency Drive.
- Replacement of existing panel ACs of CNC machines with energy efficient blue e+ panel A. C's (3 nos. GEN 8 Machine).
- Replacement of Standard Ceiling fans/Wall fans with BLDC fans (10 Nos Fans installed in Canteen for trial basis).
- Use screen sleep mode functions in CNC machine to reduce energy consumption & increase life of screen.
- CNC machines work area lights replaced with LED lights.
- Monitoring & Reducing Distribution losses in Plant electrical system.
- In our capacity as a conscientious business entity, we have partnered with a third party to supply renewable energy to our facility. In FY 2023–2024, the total amount of renewable energy consumed climbed to 35% of total energy consumed.
- Installation of 22 kWp Roof Top Grid connected solar plant in Administration building and 306 kWp Ground Mounted Grid Connected Solar Plant which is connected to the plant grid.
- Reduction in the use of number of Split Air conditioners by rearranging the offices.
- Descaling of Condenser and Installations of Auto-operations (Timer control) for Ventilation System & Air Conditioning plant at Admin Building.
- Close monitoring of AC plants-setting optimum temperatures, controlled usage, Running of HVAC on Fresh Air during winter in administrative building, etc.
- Use of Variable Frequency Drive (VFD) for various applications such as welding positioner, EOT cranes, cooling water Pumps, etc. to improve the motor efficiency and enhance energy saving.
- Installation of 1,000 Liters Capacity Solar Water heater (Flat Plate Collector) on Canteen.

- The factory building is designed to use natural light during the day. This includes the use of Sky pipe lights on a pilot basis in Stator Coil Shop with great success.
- Arresting leakages in compressed air system by replacing with premium quality Connectors.
- Reduction of Fixed load by removing Stabilizers as well as UIT on CNC machines, since the power quality had increased significantly.
- The installation of UVGI- Ultraviolet Germicidal Irradiation devices for Admin HVAC leads to Energy saving and Improved air quality.
- Reliable Power has eliminated the need for procurement of Diesel this year resulted in reducing carbon footprint and cost saving.

2. Improving energy effectiveness / efficiency of Manufacturing Processes-

- **Process improvements in Blade shop** – Blade Manufacturing process time reduction by using High feed cutter, setup time reduction in T- root blades.
- **Process improvements in Blade shop** - Elimination of additional Coolant motor on 5 Axis machines on pilot basis completed and successful.
- **Machine Shop Process modification** - Shifting of work center from high power consuming machines (Gantry Plano Miller) to Low Power Consuming Machines (Horizontal Boring machine / Plano miller) for Hydro Jobs- Rotor spider, Trunion and Valve Disc.
- **Stator Coil Shop** - Optimization of HVAC system operations to reduce the overall Electricity consumption without affecting operations.
- Optimization of the operation of high Efficiency compressors and formation of Micro-grid by inter-connections of air compressors resulted in energy saving.
- Use of Turbo ventilators to extract heat in the non-air-conditioned areas of factory buildings.
- Revising the Parameters of CNC Program and utilization of advanced tooling to reduce the Cycle time.

- Utilization of small capacity compressor during low load and holidays
- Reducing the specific Energy consumption (Million K.cal/Ton) by improving the capacity utilization of Annealing Furnace.
- Reduction in Energy consumption during HIP Rotor Balancing by changing the design of heating chamber.
- **Generator testing** – Electricity consumption reduction during idle hours by various initiatives.
- **High speed balancing** - Electricity consumption by change in operation controls and oil Filtration methodology.
- Reduction in idle time of CNC machines (in power ON mode) to auto sleep mode while not in use.
- Fabrication shop improvements in Welding process for Hydro jobs.

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

- Replacement of All Standard Ceiling fans/Wall fans with BLDC fans in plant. (canteen building, Change room & Admin Building).
- Replacement of existing panel ACs of CNC machines with energy efficient blue e+ panel A. C's (3 Nos)
- Installation of Sky pipe Lights in Manufacturing shops (Blade Shop).
- Refurbishment of blade shop production office Air conditioners
- Undertake feasibility study and plan for Installation of Hybrid Thermal Solar (HTS) panel and integrate with existing HVAC system.
- Providing variable air volume (VAV) valves/controllers in Admin building HVAC system.
- Replacement of Standard Efficiency motor with Premium IE5 Motors
- Replacement and relocation of cooling tower of Admin HVAC System with higher capacity of 150 TR each

- Optimized running of machine Auxiliaries - Chiller, Hydraulic system, coolant system and compressor.
- Adaptive feed Controls in Blade machining.

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

- The above measures resulted in savings in cost of production, Electricity Cost due to reduced Electricity consumption, reduction in carbon footprint & processing time.

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

B. Technology:

The company offers cutting-edge technology in the thermal power sector, which is provided by its parent company, Mitsubishi Heavy Industries (MHI) and Mitsubishi Electric Corporation (MELCO). LMTG is adopting new business streams by targeting hydro turbine manufacturing, life cycle management of existing old thermal power plants as well as component manufacturing to diversify its product range. There is a continuous demand for efficiency improvement of turbines in the upcoming thermal projects and at the same time the company is committed to indigenization of supply and productivity improvement.

Technology Absorption, Adaptation, and Innovation

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

- 800 MW Ultra Super Critical Turbine Technology is under transfer from MHI for upcoming projects.

- Technology desired for 660 MW/800 MW super critical and ultra supercritical steam turbine and generators. LMTG has put lot of efforts in India indigenously in developing and sourcing material parts and components thereby developing partners in India locally promoting the Government of India Atma-nirbhar (self-reliance) initiative.
- LMTG is the only company in India to manufacture three units of 1000 MW steam turbines successfully that are operating in Japan and Indonesia.
- Successfully commissioned and operationalized 2 * 660 MW ultra super critical project at NTPC-Khargone site, one of the first of its kind and completed the supply of another 2 * 660 MW ultra super critical turbine and generator for Buxar project in Bihar. The technology transfer for efficiency improvement of 600 MW subcritical turbine is under progress. Life cycle management and improvement of turbine cycle efficiency based on technical study is in progress. LMTG has many repair jobs of various critical components of different makes of IP, HP, LP turbines of 210 MW and 250 MW as well as generator rotor for 660 MW.
- Evaluation, adaptation and / or modification of imported innovative designs / technologies to suit indigenous requirements, alternative materials / components / processes for enhanced life at reduced costs.
- Use of state-of-the-art equipment, instruments, software, and digital tools..
- Analyzing feedback from users to improve processes and services.
- Indigenously developed design of Control & Instrumentation system on various platforms depending on customer's requirement have been implemented.

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

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

Technology Imported	Year of Import	Status
Knowhow and technical information for design, engineering, and manufacturing of 800 MW Ultra-supercritical Turbine from MHI, Japan New design for Combined Reheat Valve	July 2022 onwards	In bidding Stage In bidding stage
New Design for Blades		In concluding stage
Know-how & technical improvements for output and efficiency improvement of 600 MW sub-critical and super-critical steam turbines and generators		Detailing in progress

C. Foreign Exchange Earnings and Outgo

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

₹ crore

Particulars	2023-24	2022-23
Foreign Exchange earned	78.32	263.67
Foreign Exchange used	204.99	106.95

14) Risk Management Policy:

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

15) Corporate Social Responsibility:

The Corporate Social Responsibility (CSR) Committee presently comprises of Kazuhisa Kanda, Mr. Deepak Kumar Sinha and Mr. Tatsuo Shibahara as Members. The Members elect one amongst themselves as the Chairman of the Meeting.

During the year under review, the meeting of the CSR committee was held on April 15, 2023.

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

The Company has incurred average losses over the last three financial years. Hence Corporate Social Responsibility (CSR) spend requirement under Companies Act, 2013 (2% of average net profit of preceding 3 years) for FY 2024-25 is NIL.

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

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

Mr. Derek Michael Shah, Ms. K. Bhavani, Mr. Deepak Sinha, Mr. Tatsuo Shibahara, Mr. Kazuhisa Kanda, Mr. Toru Yoshioka, Mr. Suresh Narang and Mr. Takeshi Umeda are the present Directors of the Company.

Mr. Derek Michael Shah is the Chairman of the Board of the Company.

During the year under review, Mr. Aloke Sarkar superannuated as the Chief Executive and Whole-time Director and Mr. Norio Sugimaru resigned as the Chief Operating Officer and Whole-time Director of the Company with effect from January 1, 2024 and January 16, 2024 respectively. The Board of Directors places on record its sincere appreciation for the valuable contributions rendered by them during their tenure as Directors of the Company.

During the year under review, the Company has inducted Mr. Deepak Sinha, nominated by Larsen & Toubro Limited, as the Chief Executive Officer and Whole-time Director for a period of three years with effect from January 2, 2024 and Mr. Kazuhisa Kanda, nominated by Mitsubishi Heavy Industries, Ltd., as the Chief Operating Officer and Whole-time Director for a period of three years with effect from January 17, 2024.

Pursuant to the provisions of section 161 of the Companies Act, 2013, as amended, any Director appointed in casual vacancy or as an Additional Director shall be approved by the members at the immediate next general meeting. Accordingly, Mr. Deepak Sinha and Mr. Kazuhisa Kanda, holds office upto the date of this Annual General Meeting and it has been proposed to appoint them as the Directors of the Company.

Mr. Tatsuo Shibahara and Ms. K. Bhavani retire by rotation in the forthcoming Annual General Meeting and being eligible, has offered themselves for re-appointment.

Mr. Raju Iyer is the Company Secretary of the Company and Mr. Ajay Chaudhary has been appointed as the Chief Financial Officer of the Company.

17) Number of Meetings of the Board of Directors:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. During the year under review, 5 meetings were held on April 28, 2023, July 21, 2023, October 17, 2023, January 1, 2024 and January 16, 2024.

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

18) Internal Audit:

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

19) Vigil Mechanism:

In accordance with the requirements of the Companies Act, 2013, the company has established a vigil mechanism framework for directors and employees to report genuine concerns.

This policy provides for adequate safeguards against victimization of persons who complain under the mechanism. The Board of the Company oversees the functioning of the Vigil Mechanism framework.

20) Company Policy on Director Appointment and Remuneration:

The Board has formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes, and independence of a director. The Nomination and Remuneration Policy is disclosed on the Company's website at www. Lmtg.in. The appointments of the Directors and Key Managerial Personnel are done as per the policy.

21) Adequacy of Internal Financial Controls:

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2024, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and is operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

22) Directors Responsibility Statement:

The Board of Directors of the Company confirms:

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

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

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

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

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

23) Performance evaluation of the Board, its Committees and Directors:

The Board of Directors have laid down the manner, in which formal annual evaluation of the performance of the Board, Committees, Chairman and the Individual Directors has to be made.

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

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

24) Compliance with Secretarial Standards on Board Meetings and General Meetings:

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

25) Protection of Women at Workplace:

The parent company Larsen & Toubro Limited (L&T) has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which is applicable to all group companies. This has been widely disseminated.

There were no cases of sexual harassment reported to the Company during the financial year 2023-24.

Presently the Company has an Internal / Local Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 consisting of appropriate balance of members.

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

26) Auditor's Report:

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

27) Auditors:

M/s Sharp & Tannan, Chartered Accountants (FRN 109982W), were appointed as Statutory Auditors for a term of five consecutive years from the conclusion of 16th Annual General Meeting till the conclusion of 21st Annual General Meeting of the Company.

The Certificate from M/s Sharp & Tannan, Chartered Accountants, has been received to the effect that they satisfy the criteria provided in Section 141 of the Companies Act, 2013 and that their appointment is within the limits prescribed under Section 141 (3)(g) of the Act.

28) Secretarial Audit Report:

The Secretarial Audit Report issued by M/s. Bhumika & Co, Practicing Company Secretary is attached as Annexure 'A' to the Annual Report.

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

29) Cost Auditors:

The provisions of section 148(1) of the Companies Act, 2013 read with the Rules are applicable to the company and accordingly the Company has maintained cost accounts and in respect of the applicable products for the year ended 31st March 2024.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and as per Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors has approved the appointment of M/s R. Nanabhoy & Co, Cost Accountants as Cost Auditors of the Company for audit of cost accounting records for the financial year ended March 31, 2025, at a remuneration of Rs. 165,600/- plus applicable taxes and out of pocket expenses. They have confirmed their independent status and that they are free from any disqualifications under section 141 of the Companies Act, 2013.

A proposal for ratification of remuneration payable to the Cost Auditor for the financial year 2024-25 shall be placed before the shareholders for consideration.

The Report of the Cost Auditors for the financial year ended March 31, 2024, is under finalization and shall be filed with the Ministry of Corporate Affairs within the prescribed period.

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

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

31) Annual Return:

As per the provisions of section 92(3) of the Companies Act, 2013, the Annual Return of the Company for the financial year 2023-24 is available on our website www.Lmtg.in

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

The Company has appointed Mr. Raju Iyer, as designated person, to ensure compliance with MCA notification on this matter.

33) Occupational Health, Safety & Environment:

LMTG is a "SAFETY FIRST COMPANY" and it is dedicated to fostering a culture of safety and excellence in Environmental, Health, and Safety (EHS) practices. With a steadfast commitment to ensuring zero harm to employees, communities, and the environment, we strive for continuous improvement and excellence in all aspects of EHS.

Our mission is to prioritize the safety and well-being of our employees while minimizing our environmental footprint. Through rigorous training, proactive hazard identification, and robust safety protocols, we aim to achieve zero harm in all our operations. Our goal is to achieve Zero Harm - Zero Injuries, Zero Incidents, and Zero Environmental Impact. We believe that every incident is preventable, and through a collective effort, we can create a workplace where safety is ingrained in every task, decision, and action.

The theme for World Environment Day on 5th June 2023 focused on solutions to plastic pollution under the campaign “Beat Plastic Pollution”. The Beat Plastic Pollution campaign was first launched at World Environment Day 2018, hosted by India. The campaign was part of a larger Beat Pollution platform designed to highlight solutions. The #BeatPlasticPollution campaign created momentum for continued policy deliberations that were instrumental in passing the UNEA resolution in 2022. The campaign underscored the need for a comprehensive “whole-of-society approach” to combat plastic pollution. This requires a complete rethink of how humanity designs, produces, consumes, and disposes of plastics, products, and packaging. The world is being inundated by plastic. It is relatively cheap to produce, durable, flexible, and easy to transport. But the sheer volume of plastics produced and discarded every year is having negative effects on our ecosystems, wildlife, the climate, human health, and the economy.

We need to follow the simple strategy of "Reduce, Reuse, Recycle, and Recover'" for all the plastic products being used at home and the industry.

Biodiversity Conservation Initiative - Bird Houses, Food Feeders and Water Sippers have been installed at appropriate locations on Trees available in the premises.

The theme for National Safety Day on 4th March "Focus on Safety Leadership for ESG Excellence" i.e. it focuses on emerging challenges, technological advancements, and community engagement to ensure a safer future for all.

In the fast-evolving landscape of today's industries, the significance of embedding safety practices within the broader framework of Environmental, Social, and Governance (ESG) principles has never been more critical. National Safety Day 2024 takes a decisive leap forward with the theme "Focus on Safety Leadership for ESG Excellence," urging organizations to intertwine safety, sustainability, and responsible governance for a holistic approach to corporate responsibility.

Safety Leadership as the Catalyst: At the heart of this year's theme is the role of safety leadership as a catalyst for broader ESG excellence. True safety leaders recognize that a safe workplace is not just a compliance necessity but a fundamental aspect of responsible business practices. By weaving safety into the fabric of organizational culture, leaders pave the way for sustainable operations that consider environmental impact, social responsibility, and robust governance.

ESG Integration: This National Safety Day challenges organizations to align their safety initiatives with ESG objectives. From reducing carbon footprints to promoting diversity and inclusion, companies are urged to demonstrate their commitment to ESG principles by integrating safety into every facet of their operations. This alignment not only safeguards employees but also contributes to a positive impact on the environment and society.

Innovation and Technology for Safety Excellence: The theme encourages a proactive approach to safety that leverages innovation and technology. Embracing advanced safety technologies not only safeguards employees but also enhances operational efficiency and minimizes environmental impact. From IoT-enabled safety equipment to AI-driven risk assessments, the marriage of safety leadership and technological innovation propels organizations towards ESG excellence.

Community Engagement for Social Impact: National Safety Day 2024 emphasizes the role of safety leadership in fostering positive social impact. Beyond organizational boundaries, safety leaders are urged to engage with communities, addressing social concerns and contributing to the well-being of society. Community-driven safety initiatives can elevate an organization's ESG standing, showcasing a commitment to social responsibility beyond profit margins.

In conclusion, "Focus on Safety Leadership for ESG Excellence" is not just a theme for a day but a clarion call for a new era of corporate responsibility. It challenges leaders to redefine safety as a strategic imperative, intertwining it with ESG principles to create organizations that prioritize not only profitability but also the well-being of people, the planet, and sustainable governance. National Safety Day 2024 beckons leaders to seize the opportunity, setting the course for a safer, more sustainable, and socially responsible future.

Senior Management and Inter-shop Safety rounds are important tools that help employees continually utilize the process of hazard evaluation and risk-based thinking and gives scope of improvement to prevent potential incidents from happening. It follows a preventative based approach rather than a reactive approach. Waste segregation is effectively followed and maintained in the shop premises. The Safety Performance Index is a benchmarking parameter to measure and evaluate safety performance in all respective shops. Kaizens, initiatives, and suggestions are collected and recorded.

EHS targets and objectives are achieved through regular workplace safety inspections and monitoring activities on the shopfloor, carrying out Hazard Identification Risk Assessment and Control Evaluation process, checking and maintaining work permit system and legal registry, reporting and investigation of incidents and near misses, management of safety operating procedures, a robust Contractor Management system which monitors the safety compliance. Safety communication by means of Toolbox talks, One Point Lesson awareness to Crane Operators and Riggers are given. We achieved “Zero Lost time injury” in FY 23-24, Further Goal is to continue the proactive approach to prevent accidents, and potential disruptions and ensure EHS compliances.

34) Other Disclosures:

- No disclosure is required under Section 67(3)(c) of the Companies Act, 2013, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

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

- **MSME:** The Company has been complying with the requirement of submitting a half yearly return to the Ministry of Corporate Affairs within the prescribed timelines.

- **Corporate Insolvency Resolution process initiated under the Insolvency and Bankruptcy Code, 2016 (IBC):** The Company has neither filed any application, nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016, during FY 2023-24.

- **The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof**: The Company has not made any one-time settlement, therefore, the same is not applicable.

- **IT Security Breach & Safety (optional):** The Company has implemented comprehensive IT security programs supported by latest technology and trained manpower to protect employees and assets, at all its offices and plant, from such IT Security breaches/ cyber-attack. During the financial year under review, no major security breaches or incidents have occurred. A comprehensive security risk assessment is carried out regularly and adequate security measures are implemented to cater to changing security scenarios. The Company has installed the best of IT security measures and processes to protect its personnel and assets.

35) Acknowledgement:

The Directors take this opportunity to thank the Customers, Supply Chain Partners, Reserve Bank of India, Financial Institutions, Banks, Central & State Governments Authorities and the Stakeholders for their continued co-operation and support to the company. The Directors also wish to place on record their appreciation of the contribution made by employees at all levels. Our progress in setting up of world class hi-tech manufacturing facility and meeting challenges of project deliveries was made possible by their hard work, commitment, co-operation, and support.

For and on behalf of the Board of Directors

Derek Michael Shah
Chairman
DIN: 06526950
Place: Faridabad

Kazuhisa Kanda
Whole Time Director
DIN: 10420562
Place: Faridabad

Date : 23rd April, 2024

MANAGEMENT DISCUSSION & ANALYSIS

Business Development & Outlook

As the world witnesses the transition on the energy front, mired by geopolitical issues, there are several challenges which have emerged and need country specific solutions. For India, complexity further increases as Indian economy has emerged as the fastest growing big economy in the world and energy requirement is set to grow sustain the growth in the coming year.

Push to cleaner energy technology is inevitable and GOI has recognized the same by announcing its plan to achieve Net Zero emission by 2070, increase non-fossil energy capacity to 500 GW by 2030 and meet 50% of its energy requirements from renewable energy by 2030. Recently as energy crisis started hitting different nation, the need of energy security was recognized as the key issue, wherein availability, accessibility acceptability and affordability were recognized as important parameters for uninterrupted availability of energy sources.

With a visible gap in meeting the goal, technological gaps, uncertainty in meeting Round the clock electricity, few years of neglect on Coal and increasing demand of electricity to meet the growing requirement of country; policy makers were forced to re-think their overall strategy for coal-based electricity generation. Indian policy makers realized the need to face practical reality and immediate need of India, while putting a sustainable energy policy in place. Thereby emerged the need to "phase down" the dependence on coal based thermal power plants.

By the end of last year, CEA announced the need to add around 80 GW of Coal-based power plant to the country's generation base by 2032. There are several brown-field projects being announced, and interest of Central, State and even Private player coming up with new power plant announcement, there is a clear indicator that coalfired units will be maintained as it is. Further, there is a need to maintain and continue the old fleet, which will need replacement, renovation, and service, adding to a new business requirement in the coming days for LMTG.

Prospects are looking up for the company in the thermal areas and the company is considering bidding for selected products to gain market share. Several running units who have inefficient running units are being targeted for renovation. Efficiency and Output improvement, which will result in this fleet to run reliably for another 10-15 years that too with higher efficiency. The company is geared up to tap this opportunity as well.

There is a need to provide service and spares support to large fleet of imported turbines and generators in India need, which is an emerging business and has substantial potential. The company had developed capability to provide service to variety of machines and has carried out repair of several critical components like 210 MW HP Turbine, 250 MW IP Turbine, 660 MW Generators rotor etc. and would like to increase its focus in this area.

The company has started exploring several other areas to add new products to its portfolio to build a sustainable future of product pipeline. The company is also in discussion with several other OEMs for manufacturing of the components and sub-assemblies to utilize the capacity of the resources. A clear need is defined to keep working on the opportunities coming from the coal-based plants as well as to add new products for diversification.

There is a continual effort to improve product quality, cost reduction, innovations, indigenization, and productivity of the shop floor. These features put the company in good stead when it comes to supplying to the international market. Exports of equipment across the world thus catering to varied international standards have been enabled by the active support of parent companies.

There is a good opportunity emerging in nuclear energy space and the company is gearing to actively pursue 700 MW PHWR tender in the coming years. Further GOI, push for Small Modular Reactor will also require Turbine Generators in the future. Company is fully capable of manufacturing and suppling these Units from its existing plant.

As renewables are being adopted, a reliable source of round-the-clock electricity is required. Pump Storage plants is a time-tested area which was recognized in India as well for this purpose and recent upsurge in the hydro-sector in India will benefit the company. Company with its past credentials, has been fully geared to cater to all the major hydro-sector players in India. This business has become a reliable business for the company over the years.

Strategic Initiatives

The company is working towards meeting the stiff competition and prices pushed by the other company and is waiting for turbulence in the market to settle down in the coal-based thermal market. Meanwhile, LMTG has seen a clear need to add new business areas to diversify to utilize its capacity and for a sustainable future. The emerging opportunity in Renovation and Modernization, expansion of business in area of Hydro Turbines, explore addition of new product like Industrial Steam Turbine and Generators, other product manufacturing are the key areas where company is focusing to create a sustainable business portfolio for future.

For and on behalf of the Board of Directors

Derek Michael Shah
Chairman
DIN: 06526950
Place: Faridabad

Kazuhisa Kanda
Whole Time Director
DIN: 10420562
Place: Faridabad

Date : 23rd April, 2024

Secretarial Audit Report

2023-24

B/618, Jaswanti Business Allied Centre,
Off. Ramchandra Lane Ext. Kachpada,
Malad (W), Mumbai – 400 064.
E-mail : bhumika.sidhpura@gmail.com
M: +91-9820030491

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2024

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

To,
The Members,
L&T-MHI POWER TURBINE GENERATORS PRIVATE LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by L&T-MHI Power Turbine Generators Private Limited [U31101MH2006PTC166541] (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **not applicable**

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

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

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

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

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

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

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **presently Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013, **presently together read as Securities and Exchange Board of India (Issue and Listing of Non – convertible**

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Securities) Regulations, 2021;

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

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, **presently the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; presently SEBI (Buyback of Securities) Regulations, 2018; The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; presently Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(vi) Other specific business/industry related laws applicable to the Company–

- **Gas cylinders (Amendment) Rules, 2022**
- **The Static and Mobile Pressure vessels (unfired) Rules, 2021.**
- **The Petroleum Act, 1934 and The Petroleum (Amendment) Rules, 2024.**

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

i) Secretarial Standards on Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

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

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least **fifteen** days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The minutes of the Board meetings and Committee Meetings have not identified any dissent by members of the Board /Committee of the Board, respectively hence I have no reason to believe that the decisions by the Board were not approved by all the directors/members present.

I further report that, based on review of the compliance mechanism established by the Company and the Compliance Certificates taken on record by the Board of Directors at their meetings, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period **no** events / actions have taken place, which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except as mentioned below –

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

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

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

iv) Merger / amalgamation / reconstruction, etc. - **NIL.**

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

vi) Other specific events - **NIL.**

For Bhumika & Co
Company Secretaries

Bhumika Sidhpura
Membership No: A37321
Certificate of Practice No. 19635
Peer Review No: 1272/2021
UDIN: A037321F000171917

Place: Mumbai
Date: 18th April, 2024

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

CS BHUMIKA & CO.
Company Secretaries

B/618, Jaswanti Business Allied Centre,
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E-mail : bhumika.sidhpura@gmail.com
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'Annexure A'

To,

The Members

L&T- MHI POWER TURBINE GENERATORS PRIVATE LIMITED

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

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

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

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

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

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

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

For Bhumika & Co
Company Secretaries

Bhumika Sidhpura
Membership No: A37321
Certificate of Practice No. 19635
Peer Review No: 1272/2021
UDIN: A037321F000171917

Place: Mumbai
Date: 18th April, 2024

ANNEXURE B

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FY 2023-24

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

The Company's CSR Policy framework details the mechanisms for undertaking various programmes in accordance with Section 135 of the Companies Act 2013 for the benefit of the community.

The Company will primarily focus on the following verticals as a part of its CSR programmes viz.

Water & Sanitation	Water & Sanitation may include but not limited to support for programmes making clean drinking water available, building check dams, rainwater harvesting, facilitating irrigation, conservation, purification of water and proper sanitation facilities.
Education	Education may include but not limited to construction and renovation of schools, libraries, science laboratories, etc., education infrastructure support to educational Institutions, educational programmes & nurturing talent at various levels.
Health	Health may include but not limited to support for community health centres, mobile medical vans, dialysis centres, general and specialized health camps and outreach programmes, centres for elderly / disabled, support to HIV / AIDS programme.
Skill Development	Skill Development may include but not limited to creating training centres vocational training, skill building, computer training, women empowerment, support to ITI's and CSTI's, support to especially abled, infrastructure support, providing employability skills at project sites, etc.
Environmental Sustainability	Environmental Sustainability may include but not limited to ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining the quality of soil, air, and water.

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

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Deepak Sinha*	Chief Executive and Whole-time Director	NA	NA
2.	Mr. Kazuhisa Kanda*	Chief Operating Officer and Whole-time Director	NA	NA
3.	Mr. Tatsuo Shibahara*	Non – Executive Director	NA	NA

*Appointed as a Member with effect from 16th January 2024

Mr. Raju Iyer is the Secretary of the Committee. The Committee elects one amongst them as the Chairman.

3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.	www.Lmtg.in
4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not Applicable

5a.	Average net profit of the company as per sub-section (5) of section 135	Not Applicable
5b.	2% of average net profit of the company as per sub-section (5) of section 135	Not Applicable
5c.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Not Applicable
5d.	Amount required to be set off for the financial year, if any	Not Applicable
5e.	Total CSR Obligation for the financial year [(b)+(c)-(d)]	Nil

6a.	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	Not Applicable
6b.	Amount spent in Administrative Overheads	Nil
6c.	Amount spent on Impact Assessment, if applicable	Not Applicable
6d.	Total amount spent for the Financial Year [(a)+(b)+(c)]	Nil
6e.	CSR amount spent or unspent for the Financial Year	Nil

Total Amount spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount Transfer to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
Nil	Nil	NA	NA	NA	NA

a) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section135	Not Applicable
(ii)	Total amount spent for the Financial Year	Not Applicable
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previousFinancial Years, if any	Not Applicable
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Not Applicable

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2021-22	8,701,414	8,036,552	NA	NA	NA	664,861
	Total	**8,701,414**	**8,036,552**	**NA**	**NA**	**NA**	**664,861**

8.	Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year (Yes / No)	No
	If yes, enter the number of Capital assets created/ acquired.	Not Applicable

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135 (Yes/No)	Not Applicable

Deepak Kumar Sinha
Whole Time Director
DIN: 10447442

Kazuhisa Kanda
Whole Time Director
DIN: 10420562

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Auditor's Report

2023-24

INDEPENDENT AUDITOR'S REPORT

To the Members of L&T-MHI Power Turbine Generators Private Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of L&T-MHI Power Turbine Generators Private Limited ('the Company'), which comprise the balance sheet as at March 31, 2024, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information ('the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

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

Key audit matters

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

Key audit matter	How the matter was addressed in our audit
Revenue recognition The Company is engaged in the business of design, engineering, manufacturing, selling, maintenance and servicing of supercritical and ultra critical turbines and generators and related products. Revenue from long-term construction contracts is recognised in accordance with Ind AS 115, Revenue from Contracts with Customers, generally based on the extent of progress towards performance obligation. Recognition of the Company's revenue is complex as its core business activity of long -term manufacturing requires management to make assessments that significantly determine the quantum of revenue and margins recognised during a financial year.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: We tested the relevant internal controls to ensure completeness, accuracy and timing of revenue recognised, including contract assets or contract liabilities. We have assessed whether the revenue recognition methodology was relevant and consistent with Indian accounting standards, and had been applied consistently. We selected a sample of contracts with customers and performed the following procedures: a) Obtained and read contract documents for each selection, change orders, and other documents that were part of the agreement.

These assessments include assessing completion of contractually determined obligations, estimating total costs to complete the contract and identification of any possible delays and consequential penalties that may affect the revenue recognised. Revenues, total contract costs and profits could deviate from earlier estimates over the contract tenure depending on several factors. For the year ended March 31, 2024 revenue from operations was Rs. 273.09 crore (refer note 27 to the financial statements).	b) Identified significant terms and deliverables in the contract to assess management's conclusions regarding the (i) identification of distinct performance obligations; (ii) changes to costs to complete as work progresses and as a consequence of change orders; (iii) the impact of change orders on the transaction price; and (iv) the evaluation of the adjustment to the transaction price on account of variable consideration. c) Compared costs incurred to date with the Company's estimates of costs to complete to identify significant variations and evaluated whether those variations have been considered appropriately in estimating the remaining costs to complete the contract; and also obtained confirmation from the management team for cost to complete. d) We performed inquiries of management teams to understand reasons for cost variations and to understand management's assessment of potential contract risks. Based on the procedures performed we consider the revenue recognised to be fairly stated.

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

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

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

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

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

Management's responsibility for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, based on our audit we report that:

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

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

    c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the relevant books of account;

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

g) With respect to the matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act (as amended), in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year; and

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

  i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 35.09 to the financial statements;

  ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - refer note 35.12 to the financial statements;

  iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – refer note 35.19 to the financial statements;

iv) (a) Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - refer note 35.19 to the financial statements;

(b) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - refer note 35.19 to the financial statements;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement - refer note 35.19 to the financial statements;

v) The Company has not declared or paid any dividend during the year - refer note 35.19 to the financial statements; and

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

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

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 24038332BKAUGK3956

Place: Faridabad
Date: 23rd April, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets;

(B) The Company has maintained proper records showing full particulars of intangible assets;

(b) The Company has a program of physical verification of its property, plant and equipment to cover all the items of property, plant and equipment in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its property, plant and equipment. According to the information and explanations given to us, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification;

(c) According to the information and explanations given to us with respect to the leasehold land on which manufacturing facility is constructed by the Company, based on examination of the registered lease deeds provided to us, we report that the lease agreements are in the name of the Company as at the balance sheet date where the Company is the lessee in the agreement.

(d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable to the Company; and

(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) (a) According to the information and explanations given to us, inventories have been physi cally verified by the management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such verifica tion, which were not material, have been properly dealt with in the books of account;

(b) According to the information and explanations given to us, Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank during the year on the basis of security of current assets and quarterly returns or statements filed by the Company with such bank are in agreement with the books of account of the Company.

iii) According to the information and explanations given to us, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties. Accordingly, paragraphs 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.

iv) According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable, in respect of grant of loans, and making investments during the year, as applicable.

v) In our opinion, and according to information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi) We have broadly reviewed the books of account and records maintained by the Company specified by the central government for the maintenance of cost records under section 148(1) of the Act with respect to its manufacturing activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, the contents of these accounts and records have not been examined by us.

vii) (a) According to the information and explanations given to us and on the basis of our ex amination of records of the Company, amounts deducted/accrued in the books of ac count in respect of undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, and on the basis of our examination of records of the Company, there were no statutory dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961).

ix) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not defaulted in repay ment of loans or other borrowings or in payment of interest thereon to any lender. Accordingly, paragraph 3(ix) (a) of the Order is not applicable to the Company;

(b) The Company has not been declared wilful defaulter by any bank or financial insti tution or government or any government authority;

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the term loans have been applied for the purpose for which the loans were obtained;

(d) According to the information and explanations given to us and on the basis of our examination of records of the Company, the funds raised on a short-term basis have not been utilised for long- term purposes as at balance sheet date; and

(e) The Company has no subsidiaries, associates or joint ventures. Accordingly, paragraphs 3(ix) (e) and (f) of the Order are not applicable to the Company.

x) (a) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instru ments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company; and

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x) (b) of the Order is not applicable to the Company.

xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year;

(b) No report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government; and

(c) According to the information and explanations given to us, no complaints were received as part of the whistle blower mechanism during the year. Accordingly, paragraph 3(xi) (c) of the Order is not applicable to the Company.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv) (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business; and

(b) We have considered the reports of the internal auditor for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our au dit procedures.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

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

(b) According to the information and explanations given to us, the Company has not con ducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company;

(c) According to the information and explanations given to us, the Company is not a Core Investment Company ('CIC') as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) and (d) of the Order is not applicable to the Company; and

(d) According to the information and explanations given to us, the Group does not have any CIC.

xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses in the financial year, and in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to comply with section 135 of the Companies Act for the current financial year. Accordingly, paragraphs 3(xx)(a) and (b) of the Order are not applicable to the Company.

xxi) According to the information and explanations given to us, the Company is not required to prepare consolidated financial statements. Accordingly, paragraph 3(xxi) of the Order is not applicable to the Company.

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

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 24038332BKAUGK3956

Place: Faridabad
Date: 23rd April, 2024

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of L&T-MHI Power Turbine Generators Private Limited ('the Company') as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditors' responsibility

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

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

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

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the ICAI.

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

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 24038332BKAUGK3956

Place: Faridabad
Date: 23rd April, 2024

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Financial Statements

2023-24

BALANCE SHEET AS AT MARCH 31, 2024

₹ crore

Particulars	Note No.	As at 31st Mar 2024	As at 31st Mar 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	409.79	456.05
(b) Other intangible assets	3	0.27	0.34
(c) Right-of-use asset	4	32.05	32.42
(d) Financial assets			
(i) Trade receivables	5	-	78.95
(ii) Loans	6	1.05	0.61
(iii) Other financial assets	7	0.20	0.19
(e) Other non-current assets	8	4.07	8.23
Total non-current assets		**447.43**	**576.79**
(2) Current assets			
(a) Inventories	9	17.25	35.50
(b) Financial assets			
(i) Investments	10	128.39	210.31
(ii) Trade receivables	11	100.69	203.01
(iii) Cash and cash equivalents	12	6.10	10.33
(iv) Other bank balances	13	0.84	0.92
(v) Loans	14	43.62	40.01
(vi) Other financial assets	15	2.29	2.11
(c) Other current assets	16	256.62	302.09
Total current assets		**555.80**	**804.28**
TOTAL ASSETS		**1,003.23**	**1,381.07**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	710.60	710.60
(b) Other equity	18	(390.63)	(370.50)
Total equity		**319.97**	**340.10**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	137.62	406.74
(b) Provisions	20	69.76	67.00
Total non-current liabilities		**207.38**	**473.74**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	7.35	147.15
(ii) Current maturities of long-term borrowings	22	275.24	135.58
(iii) Trade payables	23		
- Due to micro enterprises and small enterprises		3.06	4.69
- Due to others		25.36	30.71
(iv) Other financial liabilities	24	112.07	124.91
(b) Other current liabilities	25	49.17	121.52
(c) Provisions	26	3.63	2.67
Total current liabilities		**475.88**	**567.23**
TOTAL EQUITY AND LIABILITIES		**1,003.23**	**1,381.07**
Material Accounting Policies	1		
Notes forming parts of Financial Statements	2 TO 35		

As per our report attached of even date
Sharp & Tannan
Chartered Accountants
Firm's Registration No. 109982W

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

Firdosh D. Buchia
Partner
Membership no. 038332

Deepak Kumar Sinha
Chief Executive &
Whole-Time Director
DIN: 10447442
Faridabad

Kazuhisa Kanda
Chief Operating Officer &
Whole-Time Director
DIN: 10420562
Faridabad

Derek Michael Shah
Chairman
DIN: 06526950
Faridabad

Ajay Chaudhary
Head - Finance & Accounts
Faridabad

Raju Iyer
Company Secretary
Mumbai

Faridabad
Date: 23rd April 2024

Date: 23rd April 2024

₹ crore

Particulars	Note No.	FY 2023-24	FY 2022-23
REVENUE			
Revenue from operations	27	275.78	351.43
Other income	28	51.66	9.78
TOTAL REVENUE		**327.44**	**361.21**
EXPENSES			
Cost of materials consumed	29	98.67	136.87
Other manufacturing and operating expenses	30	46.73	56.49
Employee benefits expense	31	81.92	82.19
Other expenses	32	24.88	37.57
Finance costs	33	50.20	53.99
Depreciation and amortisation	34	46.34	47.36
TOTAL EXPENSES		**348.74**	**414.47**
Profit / (loss) before tax		(21.30)	(53.26)
Tax expenses			
Current tax		-	-
Deferred tax		-	-
PROFIT / (LOSS) AFTER TAX FOR THE YEAR		**(21.30)**	**(53.26)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit/loss - Gain/(loss) on remeasurements of the defined benefits plan		0.67	(0.44)
Items that will be reclassified subsequently to profit/loss - Effective portion of gains/(losses) on hedging instruments in cash flow hedge		0.50	8.62
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(20.13)**	**(45.08)**
Earnings per equity share (basic and diluted) (₹)		(0.30)	(0.75)
Face value per equity share (₹)		10.00	10.00
Material Accounting Policies	1		
Notes forming parts of Financial Statements	2 TO 35		

As per our report attached of even date
Sharp & Tannan
Chartered Accountants
Firm's Registration No. 109982W

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

Firdosh D. Buchia
Partner
Membership no. 038332

Deepak Kumar Sinha
Chief Executive &
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Chairman
DIN: 06526950
Faridabad

Ajay Chaudhary
Head - Finance & Accounts
Faridabad

Raju Iyer
Company Secretary
Mumbai

Faridabad
Date: 23rd April 2024

Date: 23rd April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

₹ crore

Particulars	Equity share capital	Retained earning	Hedge reserve - fair value	Equity component - financial instruments	Total other equity
Balance as at 1st April 2022	**710.60**	**(335.51)**	**(7.83)**	**17.92**	**(325.42)**
Changes in equity for the year ended March 31, 2023	-	-	-	-	-
Profit for the year	-	(53.26)	-	-	(53.26)
Other comprehensive income (loss) for the year					
- Remeasurement gains (loss) on defined benefit plans	-	(0.44)	-	-	(0.44)
- Change in fair value of hedging instruments	-	-	8.62	-	8.62
- Equity component of financial instruments	-	-	-	-	-
Balance as at 31st March 2023	**710.60**	**(389.21)**	**0.79**	**17.92**	**(370.50)**

₹ crore

Particulars	Equity share capital	Retained earning	Hedge reserve - fair value	Equity component - financial instruments	Total other equity
Balance as at 1st April 2023	**710.60**	**(389.21)**	**0.79**	**17.92**	**(370.50)**
Changes in equity for the year ended March 31, 2024	-	-	-	-	-
Profit / (loss) for the year	-	(21.30)	-	-	(21.30)
Other comprehensive income (loss) for the year					
- Remeasurement gains (loss) on defined benefit plans	-	0.67	-	-	0.67
- Change in fair value of hedging instruments	-	-	0.50	-	0.50
- Equity component of financial instruments	-	-	-	-	-
Balance as at 31st March 2024	**710.60**	**(409.84)**	**1.29**	**17.92**	**(390.63)**

As per our report attached of even date
Sharp & Tannan
Chartered Accountants
Firm's Registration No. 109982W

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

Firdosh D. Buchia
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Ajay Chaudhary
Head - Finance & Accounts
Faridabad

Raju Iyer
Company Secretary
Mumbai

Faridabad
Date: 23rd April 2024

Date: 23rd April 2024

₹ crore

	Particulars	FY 2023-24	FY 2022-23
A.	**Cash flow from operating activities**		
	Profit / (loss) before tax	**(21.30)**	**(53.26)**
	Adjustment for :		
	Depreciation and amortisation	46.34	47.36
	Profit on sale of current investments (net) and (gain)/loss on fair valuation of investments	(14.76)	(6.69)
	Profit on sale of property, plant and equipment	(0.11)	-
	Interest expenses and other borrowing costs	50.20	53.99
	Interest income	(1.23)	(2.37)
	Operating profit before working capital changes	**59.14**	**39.03**
	Adjustments for changes in assets and liabilities :		
	Decrease/(increase) in trade and other receivables	227.83	427.06
	Decrease/(increase) in inventories	18.25	0.20
	(Decrease)/increase in trade payables and customer advances	(93.57)	(191.56)
	Cash generated from operations	**211.65**	**274.73**
	Direct taxes paid (net of refund)	-	-
	Net cash (used in)/from operating activities (A)	**211.65**	**274.73**
B.	**Cash flow from investing activities :**		
	Purchase of property, plant and equipment and intangible assets	(0.12)	(0.28)
	Proceeds from sale of property, plant and equipment	0.59	0.04
	Change in other bank balances and cash not availabe for immediate use	0.08	(0.21)
	Interest received	1.23	2.37
	Sale/(purchase) of current investments (net)	96.68	(141.99)
	Net cash from investing activities (B)	**98.46**	**(140.07)**
C.	**Cash flow from financing activities :**		
	Proceeds from Issue of Share Capital	-	-
	Proceeds from long term borrowings (term loan from bank)	-	-
	Repayment of long term borrowings (term loan from bank)	138.18	-
	Settlement of derivative contracts related to borrowings	(268.33)	30.05
	Repayment of other short term borrowings (net)	(139.80)	(126.55)
	Interest paid on borrowings	(44.39)	(33.39)
	Net cash used in financing activities (C)	**(314.34)**	**(129.89)**
	Net increase in cash and cash equivalents (A+B+C)	**(4.23)**	**4.77**
	Cash and cash equivalents as at the beginning of the year	10.33	5.56
	Cash and cash equivalents as at the end of the year	6.10	10.33
	Net (decrease)/increase in cash and cash equivalents	**(4.23)**	**4.77**

NOTES

1. Statement of cash flow has been prepared under the Indirect Method as set out in the Indian Accounting Standard (Ind AS) 7 statement of Cash flows.
2. Cash and cash equivalents includes unrealised exchange gain / (loss).

As per our report attached of even date
Sharp & Tannan
Chartered Accountants
Firm's Registration No. 109982W

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

Firdosh D. Buchia
Partner
Membership no. 038332

Deepak Kumar Sinha
Chief Executive & Whole-Time Director
DIN: 10447442
Faridabad

Kazuhisa Kanda
Chief Operating Officer & Whole-Time Director
DIN: 10420562
Faridabad

Derek Michael Shah
Chairman
DIN: 06526950
Faridabad

Ajay Chaudhary
Head - Finance & Accounts
Faridabad

Raju Iyer
Company Secretary
Mumbai

Faridabad
Date: 23rd April 2024

Date: 23rd April 2024

1. MATERIAL ACCOUNTING POLICIES

1.01 Company Overview

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

1.02 Statement of Compliance

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

1.03 Basis of Accounting

The Company maintains its accounts on an accrual basis following the historical cost convention, except for certain assets and liabilities that are measured at fair value in accordance with Ind AS.

1.04 Operating Cycle for Current and non-current classification

Operating cycle for the business activities of the company covers the duration of the specific project / contract / service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

1.05 Revenue recognition

Revenue from contracts with customers is recognized when a performance obligation is satisfied by transfer of promised goods or services to a customer.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

Contract revenue from project related activity is recognized to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Company includes variable consideration as part of transaction price and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged off in profit or loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortized over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

1) Determining the revenue to be recognized in case of performance obligation satisfied over a period; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

2) Determining the expected losses, which are recognized in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

1) Revenue from operations:

A. **Revenue from sale of manufactured and traded goods including contracts for supply/commissioning of complex plant and equipment is recognized as follows:**

Revenue is recognized when control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled for the exchanged goods.

B. Revenue from construction/project related activity is recognized as follows:
Contract revenue is recognized over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognized at an allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contract costs.

For contracts where the aggregate of contract cost incurred to date plus recognized profits (or minus recognized losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognized profits (or minus recognized losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on the customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset. and is reclassified as trade receivables when it becomes due for payment.

Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). The Company recognizes impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

C. Revenue from rendering of services is recognised over time as the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred.

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

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

2) Other Income:

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

b) Government grant receivable in the form duty credit scrips is recognised as other income in the Statement of Profit and Loss in the period in which the application is made to the government authorities and to the extent there is no uncertainty towards its receipt.

c) Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

1.06 Exceptional Items

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

1.07 Property, Plant and Equipment (PPE)

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

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

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

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

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

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

Hence, the useful lives for these assets are different from the useful lives as prescribed under part C of schedule II of the Companies Act, 2013.

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

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

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

1.08 Intangible assets

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

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

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

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

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

The method of amortization and useful life are reviewed at the end of each financial year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods to allocate the asset's revised carrying amount over its remaining useful life.

1.09 Impairment of Assets

At the end of each accounting year, the carrying amounts of an PPE and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, PPE and intangible assets are tested for impairment to determine the impairment loss, if any.

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

i) in the case of an individual asset, at the higher of the fair value less costs to sell and the value-in-use; and

ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's fair value less costs to sell and the value in use.

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

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

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

1.10 Employee Benefits

Short term employee benefit

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

Post-employment benefits

i) **Defined contribution plans**:

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

ii) **Defined benefit plans:**

i) The Employees' Group Gratuity-cum-Life Assurance Scheme with Life Insurance Corporation of India, provident fund scheme managed by Regional Provident Fund Commissioner (RPFC), and the Employee's Superannuation Scheme are the Company's defined benefit plans. The present value of obligation under defined benefit plans is determined based on actuarial valuation.

ii) The obligation towards defined benefit plans is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date. Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

iii) Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognized in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognized in the Statement of Profit and Loss under finance costs. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

iv) In the case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognize the obligation on the net basis.

Long-term employee benefit

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

Termination benefits

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

1.11 Leases:

Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is recognized at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments, discounted using the company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the guarantee residual value, or a change in the assessment of purchase, extension, or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is measured by applying cost model i.e., right-of-use asset at cost less accumulated depreciation / cumulative impairment (if any). The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. The carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognized as expense on straight-line basis.

- Low value leases, and
- Leases which are short term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease which is not classified as a finance lease is an operating lease.

The Company recognizes lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

1.12 Financial instruments:

Financial assets and/or financial liabilities are recognized when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at fair value except for trade receivables not containing a significant financing component which are initially measured at transaction price. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from, the fair value of such financial assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss.

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

i) Financial assets:

A. All recognized financial assets are subsequently measured in their entirety either at amortized cost or at fair value as follows:

1. Investments in debt instruments that are designated as fair value through profit or loss (FVTPL) - at fair value. Debt instruments at FVTPL is a residual category for debt instruments, if any, and all changes are recognised in profit or loss.
2. Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost (unless the same designated as fair value through profit or loss):
    - The asset is held within a business model whose objective is to hold assets to collect contractual cash flows.
    - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
3. Investment in debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income [FVTOCI] (unless the same are designated as fair value through profit or loss)

    - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
    - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. Trade receivables, security deposits, cash and cash equivalents, employee, and other advances – at amortised cost.

B. For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognized in profit or loss and changes in fair value (other than on account of above income or expense) are recognized in other comprehensive income and accumulated in other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In the case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

C. A financial asset is primarily de-recognized when:

- the right to receive cash flows from the asset has expired, or

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

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

D. Impairment of financial assets:

Impairment loss on trade receivables is recognized using expected credit loss model, which involves use of a provision matrix constructed based on historical credit loss experience as permitted under Ind AS 109 and is adjusted for forward looking information.

Impairment loss on investments is recognized when the carrying amount exceeds its recoverable amount.

For all other financial assets, expected credit losses are recognized based on the difference between the contractual cashflows and all the expected cash flows, discounted at the original effective interest rate.

ECLs are measured at an amount equal to 12-month expected credit losses or at an amount equal to lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Financial liabilities:

A. Initial recognition and measurement

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

B. Derecognition

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

iii) Derivative financial instruments and hedge accounting:

The Company designates certain hedging instruments, such as derivatives, embedded derivatives and in respect of foreign currency risk, certain non-derivatives, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

A. Fair value hedges:

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

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

B. Cash flow hedges:

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

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

1.13 Inventories

Inventories are valued after providing for obsolescence, as under.

i	Raw material, components, loose tools, pack-	At weighted average cost basis
ii	Manufacturing work-in-progress and finished goods	At cost of material, plus appropriate production overheads

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

Slow and non-moving material, obsolescence, defective inventories are duly provided for. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet.

Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

1.14 Cash and Bank Balances

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

1.15 Borrowing Costs

Borrowing costs include finance costs calculated using the effective interest method, finance charges in respect of assets acquired on lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to finance costs.

In cases where hedging instruments are acquired for protection against exchange rate risk related to borrowings and are accounted as hedging a time-period related hedge item, the borrowing costs also include the amortization of premium element of the forward contract and foreign currency basis spread as applicable, over the period of the hedging instrument.

1.16 Foreign Currencies

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

ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each balance sheet date, foreign currency monetary items are reported at the closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not translated.

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

1.17 Accounting and reporting of information for operating segments

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

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

1.18 Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax Act, 1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates as per laws enacted or substantively enacted as on the balance sheet date.

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

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

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

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

1.19 Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

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

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

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

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

Contingent liability is disclosed in the case of:

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

a present obligation arising from past events when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable.

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

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

i	**Warranty provision**	Provisions for warranty-related costs are recognized when the product is sold, or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty- related costs is reviewed annually.
ii	**Liquidated damages**	Provision for liquidated damages is recognized on contracts for which delivery dates are exceeded and computed in reasonable manner
iii	**Other litigation claims**	Provision for litigation related obligation represents liabilities are expected to materialize in respect of matters in appeal

1.20 Commitments

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

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

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

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

1.21 Key Source of Estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements.

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

1.22 Earnings per share (EPS)

1. **Basic EPS**: Basic EPS are computed by dividing net profit or loss from continuing operations for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.
2. **Diluted EPS**: Diluted EPS are computed after adjusting the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

NOTES FORMING PART OF BALANCE SHEET

2 : PROPERTY, PLANT AND EQUIPMENT

₹ crore

Class of assets	Cost				Depreciation				Book Value	
	As at 01st Apr 2023	Additions	Deductions	As at 31st Mar 2024	As at 01st Apr 2023	For the year	Deductions	As at 31st Mar 2024	As at 31st Mar 2024	As at 31st Mar 2023
Buildings	174.74	-	-	174.74	51.05	6.14	-	57.19	117.55	123.69
Plant and equipment	732.64	-	1.99	730.65	401.24	39.40	1.51	439.13	291.52	331.40
Computers	2.80	0.10	0.01	2.89	2.21	0.24	0.01	2.44	0.45	0.59
Office equipment	0.49	0.02	-	0.51	0.32	0.07	-	0.39	0.12	0.17
Furniture and fixtures	7.82	-	-	7.82	7.81	0.01	-	7.82	-	0.01
Vehicles	0.32	-	-	0.32	0.13	0.04	-	0.17	0.15	0.19
TOTAL	**918.81**	**0.12**	**2.00**	**916.93**	**462.76**	**45.90**	**1.52**	**507.14**	**409.79**	**456.05**

₹ crore

Class of Assets	Cost				Depreciation				Book Value	
	As at 01st Apr 2022	Additions	Deductions	As at 31st Mar 2023	As at 01st Apr 2022	For the year	Deductions	As at 31st Mar 2023	As at 31st Mar 2023	As at 31st Mar 2022
Buildings	174.74	-	-	174.74	44.91	6.14	-	51.05	123.69	129.83
Plant and equipment	732.64	-	-	732.64	361.40	39.84	-	401.24	331.40	371.24
Computers	2.73	0.07	-	2.80	1.90	0.31	-	2.21	0.59	0.83
Office equipment	0.47	0.02	-	0.49	0.25	0.07	-	0.32	0.17	0.22
Furniture and fixtures	7.82	-	-	7.82	7.35	0.46	-	7.81	0.01	0.47
Vehicles	0.53	-	0.21	0.32	0.24	0.06	0.17	0.13	0.19	0.29
TOTAL	**918.93**	**0.09**	**0.21**	**918.81**	**416.05**	**46.88**	**0.17**	**462.76**	**456.05**	**502.88**

3 : OTHER INTANGIBLE ASSETS

₹ crore

Class of Assets	Cost				Amortisation				Book Value	
	As at 01st Apr 2023	Additions	Deductions	As at 31st Mar 2024	As at 01st Apr 2023	For the year	Deductions	As at 31st Mar 2024	As at 31st Mar 2024	As at 31st Mar 2023
Computer software	3.25	-	-	3.25	2.91	0.07	-	2.98	0.27	0.34
Engineering and technical know-how fees	40.14	-	-	40.14	40.14	-	-	40.14	-	-
TOTAL	**43.39**	**-**	**-**	**43.39**	**43.05**	**0.07**	**-**	**43.12**	**0.27**	**0.34**

₹ crore

Class of Assets	Cost				Amortisation				Book Value	
	As at 01st Apr 2022	Additions	Deductions	As at 31st Mar 2023	As at 01st Apr 2022	For the year	Deductions	As at 31st Mar 2023	As at 31st Mar 2023	As at 31st Mar 2022
Computer software	3.06	0.19	-	3.25	2.80	0.11	-	2.91	0.34	0.26
Engineering and technical know-how fees	40.14	-	-	40.14	40.14	-	-	40.14	-	-
TOTAL	**43.20**	**0.19**	**-**	**43.39**	**42.94**	**0.11**	**-**	**43.05**	**0.34**	**0.26**

4 : RIGHT - OF - USE ASSETS

₹ crore

Class of Assets	Cost/Valuation				Amortisation				Book Value	
	As at 01st Apr 2023	Additions	Deductions	As at 31st Mar 2024	As at 01st Apr 2023	For the year	Deductions	As at 31st Mar 2024	As at 31st Mar 2024	As at 31st Mar 2023
Leasehold land	35.08	-	-	35.08	2.66	0.37	-	3.03	32.05	32.42
TOTAL	**35.08**	**-**	**-**	**35.08**	**2.66**	**0.37**	**-**	**3.03**	**32.05**	**32.42**

₹ crore

Class of Assets	Cost/Valuation				Amortisation				Book Value	
	As at 01st Apr 2022	Additions	Deductions	As at 31st Mar 2023	As at 01st Apr 2022	For the year	Deductions	As at 31st Mar 2023	As at 31st Mar 2023	As at 31st Mar 2022
Leasehold land	35.08	-	-	35.08	2.29	0.37	-	2.66	32.42	32.79
TOTAL	**35.08**	**-**	**-**	**35.08**	**2.29**	**0.37**	**-**	**2.66**	**32.42**	**32.79**

5 : NON-CURRENT ASSETS - TRADE RECEIVABLES

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Unsecured		
Considered Good	-	109.65
Less : Allowance for expected credit loss	-	(30.70)
TOTAL	**-**	**78.95**

Note: Refer note no: 35.02 for ageing

6 : NON-CURRENT ASSETS - FINANCIAL LOANS

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Other loans, Considered good:		
Advance to employees	1.05	0.61
TOTAL	**1.05**	**0.61**

7 : NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Other financial assets		
Deposits	0.04	0.04
Fixed deposits with bank (maturity more than 12 months)	0.16	0.15
TOTAL	**0.20**	**0.19**

8 : OTHER NON-CURRENT ASSETS

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Non-current assets for current tax		
TDS receivables	4.01	7.53
Financial guarantee asset	0.06	0.70
TOTAL	**4.07**	**8.23**

9 : INVENTORIES

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Raw Material	3.15	4.20
Components	12.98	29.97
Stores-tools, jigs & fixtures	1.12	1.33
TOTAL	**17.25**	**35.50**

10 : CURRENT INVESTMENTS

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Mutual funds	128.39	210.31
TOTAL	**128.39**	**210.31**

PARTICULARS OF INVESTMENT PURCHASED AND SOLD DURING THE YEAR

Particulars	Face Value	No of Units As at 31st March 2024	Value as at 31st March 2024 (₹ crore)	Value as at 31st March 2023 (₹ crore)
Mutual Funds:				
ICICI Prudential Short Term Fund- Regular	10	-	-	35.87
ICICI Prudential Corporate Bond Fund	10	-	-	14.23
HDFC Banking & PSU Fund	10	-	-	14.85
HDFC Low Duration Fund	10	4,168,687	21.95	-
Kotak Bond Short Term Fund	10	4,906,087	23.18	51.11
Kotak Low Duration Fund	1,000	10,904	3.33	35.08
Nippon India Low Duration Fund	1,000	57,780	19.73	13.00
Nippon India Short Term Fund	10	12,634,994	60.20	46.17
TOTAL			**128.39**	**210.31**

11 : TRADE RECEIVABLES

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Unsecured		
Considered good	101.72	204.89
Less : allowance for expected credit loss	(1.03)	(1.88)
TOTAL	**100.69**	**203.01**

Note: Refer note no: 35.02 for ageing

12 : CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Balance with banks		
Balances with scheduled banks	6.10	10.33
Cash on hand	0.00	0.00
TOTAL	**6.10**	**10.33**

Note: Cash on Hand balance as on 31st March 2024 is ₹ 43,693 (Previous year: ₹ 43,693)

13 : OTHER BANK BALANCES

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Balance with banks		
Fixed deposits with bank (maturity less than 12 months)	0.76	0.72
Unspent CSR bank balance	0.08	0.20
TOTAL	**0.84**	**0.92**

14 : CURRENT LOANS

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Loans to related parties (inter corporate deposits)	43.62	40.01
TOTAL	**43.62**	**40.01**

15 : CURRENT - OTHER FINANCIAL ASSETS

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Advance to employees	0.63	0.65
Forward contract receivable	1.13	0.96
Other receivables	-	0.13
Security deposits - unsecured	0.44	0.37
Embedded derivative receivable (ED asset)	0.09	-
TOTAL	**2.29**	**2.11**

16 : OTHER CURRENT ASSETS

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Unbilled revenue (project related activity)		
Work-in-progress at cost	51.39	4.02
Work-in-progress at realisable sales value	39.82	105.04
Work-in-progress at realisable sales value ICO	13.12	57.79
	104.33	**166.85**
Contract asset (retention money)	137.63	104.12
Advance recoverable other than in cash		
Balance with government authorities	10.66	19.52
Advances to suppliers	2.61	8.74
Gratuity asset	(0.71)	(0.03)
Prepaid expenses	1.47	1.57
Financial gurantee asset	0.63	1.32
	14.66	31.12
TOTAL	**256.62**	**302.09**

17 (i) : EQUITY SHARE CAPITAL

Particulars	As at 31st Mar 2024		As at 31st Mar 2023	
	No. Of Shares	₹ in crore	No. Of Shares	₹ in crore
Authorised:				
Equity shares of ₹ 10 each	72,00,00,000	720.00	72,00,00,000	720.00
Issued, subscribed and fully paid-up:				
Equity shares of ₹ 10 each	71,06,00,000	710.60	71,06,00,000	710.60
TOTAL	**71,06,00,000**	**710.60**	**71,06,00,000**	**710.60**

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

Particulars	As at 31st Mar 2024		As at 31st Mar 2023	
	No. Of Shares	₹ in crore	No. Of Shares	₹ in crore
Issued, subscribed and fully paid up equity shares outstanding at beginning of the year	71,06,00,000	710.60	71,06,00,000	710.60
Add: shares issued during the year	-	-	-	-
Issued, Subscribed and fully paid up equity shares outstanding at the end of the year	**71,06,00,000**	**710.60**	**71,06,00,000**	**710.60**

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

Particulars	As at 31st Mar 2024		As at 31st Mar 2023	
	No. Of Shares	Shareholding %	No. Of Shares	Shareholding %
Larsen & Toubro Ltd.	36,24,06,000	51	36,24,06,000	51
Mitsubishi Heavy Industires, Ltd.	27,71,34,000	39	27,71,34,000	39
Mitsubishi Electric Corporation	7,10,60,000	10	7,10,60,000	10
TOTAL	**71,06,00,000**	**100**	**71,06,00,000**	**100**

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

Other disclosures:
For the period of five years immediately preceding the date at which the balance sheet is prepared:
- there are no shares alloted as fully paid pursuant to contract(s) without payment being received in cash.
- there are no shares alloted as fully paid up by way of bonus shares, and
- there are no shares bought back.

17 (iv) : SHAREHOLDING OF PROMOTERS

Shares held by promoters at March 31, 2024				% Change during the year
S. No.	Promoter Name	No. of Shares	% of total Sahres	
1	Larsen & Toubro Ltd.	36,24,06,000	51%	Nil
2	Mitsubishi Heavy Industires, Ltd.	27,71,34,000	39%	Nil
3	Mitsubishi Electric Corporation	7,10,60,000	10%	Nil
	Total	**71,06,00,000**	**100%**	

18 : OTHER EQUITY

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Equity component of financial instruments	17.92	17.92
Retained earnings	(409.84)	(389.21)
Hedging reserve	1.29	0.79
TOTAL	**(390.63)**	**(370.50)**

19 : FINANCIAL LIABILITIES - LONG TERM BORROWINGS

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Unsecured		
Long term unsecured loan from banks	412.86	542.32
Less: Current maturities of long term borrowings (included in Note: 22)	275.24	135.58
TOTAL	**137.62**	**406.74**

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

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

Particulars	As at 31st March 2024 (₹ crore)	As at 31st March 2023 (₹ crore)	Rate of Interest	Terms of repayment of term loan outstanding as on 31st March 2024
External Commercial Borrowings from Sumitomo Mitsui Banking Corporation	412.86	542.32	USD SOFR + CAS + Spread	Repayable in 4 equal half yearly installments commencing from 15/12/2023 and ending on 15/06/2025
TOTAL	**412.86**	**542.32**		

Note: 1. ECB has been hedged through currency forward as disclosed in Note 35.12

2. We have transited to SOFR from LIBOR from December'23.

20 : PROVISIONS - NON CURRENT

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Provisions for employee benefits		
Compensated absences	6.79	9.32
Provisions for product warranties	62.97	57.68
TOTAL	**69.76**	**67.00**

21 : SHORT TERM BORROWINGS

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Unsecured (repayable on demand)		
Working capital demand loan from bank	7.35	147.15
TOTAL	**7.35**	**147.15**

22 : CURRENT MATURITIES OF LONG TERM BORROWINGS

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Unsecured		
Term loans from banks	275.24	135.58
TOTAL	**275.24**	**135.58**

23 : TRADE PAYABLES

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Due to micro and small enterprises	3.06	4.69
Other trade payables	25.36	30.71
TOTAL	**28.42**	**35.40**

Note: Refer note no: 35.03 for ageing

24 : CURRENT - OTHER FINANCIAL LIABILITIES

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Embedded derivative payables	-	1.18
Accrued interest on borrowing	8.25	9.75
Security deposit received	0.06	0.08
Other payables	0.42	10.35
Tender deposit received	0.16	0.21
Performance linked rewards	4.52	5.13
Forward Contract payable (designated as cash flow hedge)	3.29	0.57
Unbilled costs - contracts	48.46	52.50
Other liabilities	46.91	45.14
TOTAL	**112.07**	**124.91**

25 : OTHER CURRENT LIABILITIES

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Advances from customers	41.48	112.15
Other payables	7.69	9.37
TOTAL	**49.17**	**121.52**

26 : PROVISIONS - CURRENT

₹ crore

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Provisions for employee benefits		
Compensated absences	3.63	2.67
TOTAL	**3.63**	**2.67**

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

27 : REVENUE FROM OPERATIONS

₹ crore

Particulars	FY 2023-24	FY 2022-23
Revenue from operations		
Manufacturing, construction and project related activity	174.08	262.55
Engineering and service fees	99.01	83.64
	273.09	**346.19**
Other operating revenue		
Premium on forward contracts	2.69	5.24
	2.69	**5.24**
TOTAL	**275.78**	**351.43**

28 : OTHER INCOME

₹ crore

Particulars	FY 2023-24	FY 2022-23
Interest income	1.23	2.37
Profit on Sale of current investments (net)	13.34	3.57
(Loss)/profit on sale of property, plant and equipment (net)	0.11	(0.00)
Gain/(loss) on fair valuation of investments	1.42	3.12
Project Claim Settlement	30.00	-
Other income	5.56	0.72
TOTAL	**51.66**	**9.78**

Note: Net loss on sale of property, plant and equipment for FY23 is ₹ 2,512

29 : COST OF MATERIALS CONSUMED

₹ crore

Particulars	FY 2023-24	FY 2022-23
Materials consumed		
Raw materials	8.68	38.55
Components	72.18	82.86
Freight inward	1.92	2.65
	82.78	**124.06**
Less: Manufacturing scrap sales	(5.65)	(5.40)
Sub contracting charges	21.54	18.21
TOTAL	**98.67**	**136.87**

30 : MANUFACTURING AND OPERATING EXPENSES

₹ crore

Particulars	FY 2023-24	FY 2022-23
Stores, spares & tools	24.51	23.31
Power and fuel	11.06	11.90
Royalty and technical knowhow fees	0.64	6.13
Packing and forwarding charges	2.36	2.72
Hire charges - plant machinery and others	0.39	0.33
Engineering, technical and consultancy fees	2.88	8.27
Repairs and maintanence	2.94	1.81
Other manufacturing expenses	1.95	2.02
TOTAL	**46.73**	**56.49**

31 : EMPLOYEE BENEFITS EXPENSE

₹ crore

Particulars	FY 2023-24	FY 2022-23
Salaries, wages and bonus	69.38	70.64
Contribution to and provision for		
Provident fund	2.36	2.17
Employee's pension scheme	1.14	1.19
Gratuity fund	1.08	1.05
Leave encashment	(0.45)	1.34
Employee deposit linked insurance	0.05	0.05
Group insurance	1.28	1.47
Employee welfare expenses	7.08	4.28
TOTAL	**81.92**	**82.19**

32 : OTHER EXPENSES

₹ crore

Particulars	FY 2023-24	FY 2022-23
Insurance	1.78	1.85
Rent	0.05	0.09
Rates and taxes	0.68	0.71
Travelling and conveyance	1.89	1.44
General repairs and maintenance	5.93	5.57
Audit fees	0.10	0.09
Cost audit fees	0.02	0.02
Professional fees	1.61	1.29
Directors' fees	-	0.06
Telephone, postage and telegrams	0.21	0.17
Bank charges	2.65	1.09
Security charges	0.98	0.98
Cost of software	1.47	1.92
Corporate social responsibility	-	0.63
Expected credit loss	(31.54)	1.53
Loss on fair valuation of loans towards financing activities	4.18	13.19
Liquidated Damages	29.08	-
Other expenses	1.15	1.66
Foreign exchange (gain) / loss (net)	(0.66)	(3.00)
Provisions for warranties and liquidated damages	5.30	8.28
TOTAL	**24.88**	**37.57**

33 : FINANCE COSTS

₹ crore

Particulars	FY 2023-24	FY 2022-23
Interest expenses	46.93	39.84
Other borrowing costs	2.58	2.11
Exchange (gain)/loss	0.69	12.04
TOTAL	**50.20**	**53.99**

34 : DEPRECIATION AND AMORTISATION

₹ crore

Particulars	FY 2023-24	FY 2022-23
Depreciation on property, plant and equipment	45.90	46.88
Amortisation of other intangible assets	0.07	0.11
Depreciation on right-of-use assets	0.37	0.37
TOTAL	**46.34**	**47.36**

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

a) Disaggregation of Revenue:-

F.Y.2023-24

₹ Crore

Particulars	Revenue (As Per Ind AS-115)			Other Revenue	Total
	Domestic	Foreign	Total		
Revenue recognized based on performance obligaions satisfied					
(i) Over a period of time	112.57	2.41	114.98	-	114.98
(ii) At a point of time	132.58	28.22	160.80	51.66	212.46
Total (i+ii)	**245.15**	**30.63**	**275.78**	**51.66**	**327.44**

F.Y.2022-23

₹ Crore

Particulars	Revenue (As Per Ind AS-115)			Other Revenue	Total
	Domestic	Foreign	Total		
Revenue recognized based on performance obligaions satisfied					
(i) Over a period of time	252.96	-	252.96	-	252.96
(ii) At a point of time	72.39	26.08	98.47	9.79	108.25
Total (i+ii)	**325.35**	**26.08**	**351.43**	**9.79**	**361.21**

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

₹ crore

Particulars	Trade Receivables (Covered under Ind AS-115)	
	2023-24	2022-23
Opening Balance	32.58	31.05
Change in Loss Allowances	-	-
Loss allowance based on ECL	-	-
Additional Provisions (Net)	(31.54)	1.53
Written off as Bad debts	-	-
Closing Balance	1.03	32.58

c) Movement in contract assets & contract liabilities during the year:-

₹ crore

Particulars	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
	2023-24		2022-23	
Opening Balance	166.86	112.15	383.89	126.66
Add/(Less): Revenue recognised during the year	114.98	-	252.96	-
Add/(Less): Physical Billing during the year	(177.50)	-	(470.00)	-
Add/(Less): Progress Bills raised during the year	-	-	-	-
Add/(Less): Advance received during the year (Net of Adj.)	-	(70.67)	-	(14.51)
Add/(Less): Impairment of Contract Assets	-	-	-	-
Foreseeable Loss on Contract Assets (Net of Reversal)	-	-	-	-
ECL on Contract Assets (Net of Reversal)	-	-	-	-
Closing Balance	**104.33**	**41.48**	**166.86**	**112.15**

d) Reconciliation of contract price with revenue during the year:-

₹ crore

Particulars	2023-24	2022-23
Opening Contracted Price of orders at the start of the year (incl. full value of partially executed contracts)	1,034.22	837.54
Changes during the year on account of:		
Add: Fresh Orders Received (incl. revaluation)	467.16	229.71
Add: Additional Claims / Bonus	-	-
Less: Orders Completed	(115.15)	(33.03)
Less: Penalty		-
Closing Contracted Price of orders at the end of the year (including full value of partially executed contracts)	**1,386.23**	**1,034.22**

₹ crore

Particulars	2023-24	2022-23
Revenue recognised during the year		
Out of Orders completed during the year	23.80	33.03
Out of Continuing Orders at the end of the year (I)	88.34	194.55
Revenue recognised upto P.Y. towards Continuing Orders at the end of the year (II)	798.15	694.53
Balance Revenue to be recognised in Future years (III)	499.74	145.15
Closing contracted price of orders on hand at the end of the year (including full value of partially executed contracts) (I+II+III)	**1,386.23**	**1,034.22**

e) Remaining performance obligations:-

₹ crore

Particulars	Total	Likely conversion in revenue			
		Upto Year1	From 1 to 2 Years	From 2 to 3 Years	Beyond 3 years
Transaction price allocated to the remaining performance obligation	499.74	396.97	102.77	-	-
Total	**499.74**	**396.97**	**102.77**	**-**	**-**

35.02 Trade receivables ageing schedule

₹ crore

Particulars	Not Due	2023-24					
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	60.32	26.78	1.11	(0.44)	2.05	7.03	96.85
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired			(5.13)	8.81	0.51	0.68	4.88
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired							
Gross Trade Receivables	**60.32**	**26.78**	**(4.02)**	**8.37**	**2.56**	**7.72**	**101.73**
Less: Allowance for expected credit loss							**1.03**
Total Trade Receivables							**100.69**

₹ crore

Particulars	Not Due	2022-23					
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	59.66	6.54	20.30	9.73	0.28	89.88	186.39
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired			7.15	10.65	0.06	110.29	128.14
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired							
Gross Trade Receivables	**59.66**	**6.54**	**27.45**	**20.38**	**0.34**	**200.16**	**314.53**
Less: Allowance for expected credit loss							**32.58**
Total Trade Receivables							**281.96**

35.03 Trade payables ageing schedule

₹ crore

Particulars	2023-24					
	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.91	0.07	0.03	0.05	-	3.06
(ii) Others	8.33	17.18	(1.01)	0.07	0.80	25.37
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total Trade Payables	**11.24**	**17.25**	**(0.98)**	**0.12**	**0.80**	**28.43**

₹ crore

Particulars	2022-23					
	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	4.51	0.13	0.05	0.00	-	4.70
(ii) Others	21.41	4.09	4.33	-	0.87	30.70
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total Trade Payables	**25.91**	**4.23**	**4.38**	**0.00**	**0.87**	**35.40**

35.04 Corporate Social Responsibility (CSR)

₹ crore

	Particulars	As at 31st March 2024	As at 31st March 2023
(i)	Amount required to be spent by the company during the year	-	0.63
(ii)	Amount of expenditure incurred	-	0.63
(iii)	Shortfall at the end of the year	-	-
(iv)	Total of previous years shortfall	0.07	0.07
(v)	Total shortfall at the end of the year (iii + iv)	0.07	0.07
(v)	Reason for shortfall	Pertains to ongoing projects	Pertains to ongoing projects
(vi)	Nature of CSR activities	NA	(1) Contruction of 5 lacs litres UG tank at dandi village (2) Connect check dam with village pond through Pipeline at dandi village
(vii)	Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standard,	NA	NA
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

35.05 Ratios

Particulars	Numerator	Denominator	FY24	FY23	Variance	Remarks
(a) Current Ratio	Current Assets	Current Liabilities	1.2	1.4	-17.6%	
(b) Debt-Equity Ratio	Total Borrowings	Total Equity	1.3	2.0	-35.2%	1
(c) Debt Service Coverage Ratio	Profit before finance cost, tax and exceptional items from continuing operations	Finance cost + Principal repayments made during the period for long term borrowings	0.2	0.0	1035.0%	2
(d) Return on Equity Ratio	Profit after tax	Average Shareholders' Equity	-6.5%	-14.7%	-56.1%	2
(e) Inventory turnover ratio	Cost of Goods Sales	Average Inventories	5.51	5.43	1.5%	
(f) Trade Receivables turnover ratio	Revenue from operations	Average gross trade receivables	0.8	0.7	20.2%	
(g) Trade payables turnover ratio	Total Purchases (Manufacturing, construction and operating expenses)	Average Trade Payables	4.6	2.3	99.8%	2
(h) Net capital turnover ratio	Revenue from operations	Average working capital (working capital = Current Assets - Current Liabilities (Excluding current maturities of long term borrowings))	0.8	1.0	-25.3%	2
(i) Net profit ratio	Profit after tax	Revenue from operations	-7.7%	-15.2%	-49.0%	2
(j) Return on Capital employed	PBIT	Average Equity + Average loan funds	3.6%	0.1%	4234.4%	2
(k) Return on investment	Treasury income	Average treasury investments	9.4%	6.7%	41.7%	2

Remark: 1 - Reflects repayment of External Commercial Borrowings (ECB)

Remark: 2 - Reflects operational performance

35.06 Auditors remuneration and expenses charged to accounts

₹ crore

Particulars	2023-24	2022-23
Audit fees	0.03	0.03
Tax audit fees	0.01	0.01
Other services	0.05	0.04
Total	**0.10**	**0.09**

35.07 Micro, Small and Medium Enterprises

The Company has amounts due to suppliers under The micro, small and medium enterprises development Act, 2006 (MSMED) as at March 31, 2024. The disclosure pursuant to the said act is as under

₹ crore

Particulars	2023-24	2022-23
Principal amount due to suppliers under MSMED Act	2.96	4.61
Interest accrued, due to suppliers under MSMED Act	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	5.29	15.00
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payment already made	0.10	0.08
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.10	0.08

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

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

a) The major components of tax expense for the year ended March 31, 2024

₹ crore

Sr. No.	Particulars	2023-24	2022-23
	Statement of profit and loss:		
(a)	(i) Profit and loss section		
1	**Current income tax :**		
	Current income tax charge	-	-
	Effect of prior period adjustments	-	-
2	**Deferred tax:**		
	Relating to origination and reversal of temporary differences	-	-
	Income tax expense reported in the statement of profit or loss	**-**	**-**
(b)	**Other comprehensive income (OCI) section:**		
	Current income tax :		
	Net loss / (gain) on remeasurement of defined benefit plans	-	-
	Deferred Tax:	**-**	**-**
	Net gain / (loss) on cash flow hedges	-	-
	Unrealised gain / (loss) on debt securities (FVTOCI)	-	-
	Income tax expense reported in the OCI section	**-**	**-**

b) Reconciliation of Deferred tax expense for the year ended March 31, 2024

₹ crore

Sr. No.	Particulars	2023-24	2022-23
1	**Profit/(loss) before tax**	**(21.30)**	**(53.26)**
2	Applicable tax rate	25.168%	25.168%
3	PBT * applicable tax rate (1*2)	**(5.36)**	**(13.40)**
4	**Items forming part of deferred tax expense:**		
(a)	Set off of previously unadjusted tax losses	-	-
(b)	Difference in book and Income tax depreciation	-	-
(c)	Provision for compensated absences disallowed u/s 43B	-	-
(d)	Reversal of deferred tax assets	-	-
(e)	Others	-	-
	Tax expense recognised during the year (Total 3 to 4)	**-**	**-**

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

₹ crore

Sr. No.	Particulars	Balance sheet		Statement of profit & loss	
		31-Mar-24	31-Mar-23	2023-24	2022-23
1	Provision for compensated absences disallowed u/s 43B	-	-	-	-
2	Difference in book and income tax depreciation	-	-	-	-
3	Business loss available for offsetting against future taxable income	-	-	-	-
4	Statutory liability claimed on payment basis	-	-	-	-
	Net deferred tax (assets) / liabilities	**-**	**-**	**-**	**-**

d) Reconciliation of Deferred tax (assets) / liabilities net:

₹ crore

Sr. No.	Particulars	2023-24	2022-23
1	Opening balance	-	-
2	Tax income / (expense) during the period recognised in statement of profit and loss	-	-
	Closing balance	**-**	**-**

As per Ind AS-12, DTA is to be created only when there is a convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the company. This meets the requirement of paragraph 35 of Ind AS 12. Management has not accounted for deferred tax asset on the grounds of prudence.

35.09 Disclosures as required by Indian Accounting Standard (Ind AS) 37 provisions, contingent liabilities, contingent assets and commitments

Movement in provisions: product warranties

₹ crore

Particulars	2023-24	2022-23
Opening balance	57.68	49.39
Add:- Additional provision during the year	5.30	8.28
Less:- Provision used/reversed during the year	-	-
Closing balance	**62.97**	**57.68**

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

Contingent liabilities and commitments (to the extent not provided for)

Nature of liability	31-Mar-24	31-Mar-23
	-	-

Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) is Nil (previous year Nil)

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

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

i. Defined contribution plan - Company has contributed ₹ 1.13 Cr. towards employee's pension scheme (previous year : 1.19 Cr.) and ₹ 2.36 Cr. towards provident fund (Previous Year ₹ 2.17 Cr.) , which is recognised as an expense in the statement of profit and loss.

ii. Defined benefit plan :

General description gratuity plans

The company makes contributions to the employees group gratuity-cum-life assurance scheme of the life insurance corporation of india, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to employees at the time of retirement, death while in employment or termination of employment, of an amount equivalent to 15 days salary for every completed year of service or part thereof in excess of six months, provided the employee has completed five years in service, subject to a maximum of ₹ 20 lakh.

Table 1 : Amount recognized in balance sheet - gratuity

₹ crore

Particulars	Gratuity plan	
	31-Mar-24	31-Mar-23
Present value of funded defined benefit obligation	11.29	9.93
Less : Fair value of plan assets	10.59	9.90
Add : Present value of unfunded defined benefit obligation	-	-
Add : Amount not recognized due to asset limit	-	-
Net defined benefit liability / (asset) recognized in balance sheet	**0.71**	**0.03**
Net defined benefit liability / (asset) is bifurcated as follows:		
Current	-	-
Non-current	**0.71**	**0.03**

Table 2 - Current year expense charged to statement of profit & loss

₹ crore

Particulars	Gratuity plan	
	31-Mar-24	31-Mar-23
Current service cost	1.09	1.10
Interest on defined benefit obligation liability / (asset)	(0.02)	(0.05)
Past service cost	-	-
Administration expenses	-	-
(Gain)/loss on settlement	-	-
Expense charged to statement of profit & loss	**1.08**	**1.05**

Table 3 - Current year expense recognised in other comprehensive income ("OCI") ₹ crore

Particular	Gratuity plan	
	31-Mar-24	31-Mar-23
Opening amount recognised in OCI outside statement of profit & loss	(0.36)	0.07
Remeasurements during the period due to :		
Changes in financial assumptions	0.24	(0.44)
Changes in demographic assumptions	-	-
Experience adjustments	(0.02)	0.01
Actual return of plan assets less interest on plan assets	0.45	(0.01)
Adjustment to recognize the effect of asset ceiling		-
Closing amount recognized in OCI outside statement of profit & loss	**0.31**	**(0.36)**

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

₹ crore

Particulars	Gratuity plan	
	31-Mar-24	31-Mar-23
Opening balance of present value of defined benefit obligations	9.93	8.95
Add: Current service cost	1.09	1.10
Add: Interest cost	0.70	0.59
i) Employer		
ii) Employee		
Add/(Less): Actuarial losses/(gains) arising from -		
Changes in financial assumptions	0.24	(0.44)
Changes in demographic assumptions	-	-
Experience adjustments	(0.02)	0.01
Less: Benefits paid	(0.65)	(0.27)
Add: Past service cost	-	-
Add: Liabilities assumed on transfer of employees	-	-
Closing balance of present value of defined benefit obligations	**11.29**	**9.93**

Table 5 - Reconciliation of plan assets ₹ crore

Particulars	Gratuity plan	
	31-Mar-24	31-Mar-23
Opening fair value of plan assets	9.90	9.37
Add: Interest income on plan assets	0.71	0.64
Add: Actual return on plan assets less interest income	(0.45)	0.01
Add: Contributions by employer	1.07	0.16
Add: Assets acquired / (settled)*	-	-
Less: Benefits paid	(0.65)	(0.27)
Less: Assets distributed on settlements	-	-
Closing balance of plan assets	**10.59**	**9.90**

* On account of business combination or inter group transfer

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

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

Table 7: Principal actuarial assumptions of gratuity

Particulars	31-Mar-24	31-Mar-23
Discount rate (p.a.)	7.20%	7.45%
Salary escalation rate (p.a.)	5.00%	5.00%

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

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

Particulars	Gratuity plan	
	31-Mar-24	31-Mar-23
Discount rate		
Impact of increase in 100 bps on defined benefit obligations	-7.92%	-7.85%
Impact of decrease in 100 bps on defined benefit obligations	9.20%	9.12%
Salary escalation rate		
Impact of increase in 100 bps on defined benefit obligations	9.31%	9.25%
Impact of decrease in 100 bps on defined benefit obligations	-8.14%	-8.09%

The provident fund is managed by regional provident fund corporation (RPFC).

35.11 Fair value measurements

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

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

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

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

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

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

Level 3: Unobservable inputs for the asset or liability

Financial assets by category:

₹ crore

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	**Measured at fair value through" profit & loss (FVTPL)**		
(a)	Mutual funds	128.39	210.31
(b)	Embedded derivative	0.09	-
(c)	Derivative instruments	1.13	0.96
2	**Measured at amortised cost**		
(a)	Trade receivables	238.32	386.15
(b)	Advances recoverable in cash or kind	1.68	1.27
(c)	Cash and cash equivalents	6.19	10.54
(d)	Other bank balances	0.92	0.87
(e)	Security deposits	0.48	0.40
3	**Measured at fair value through" OCI (FVTOCI)**		
(a)	Embedded derivative	-	-
(b)	Derivative instruments	-	-
	Total financial assets	**377.21**	**610.49**

Financial liabilities by category:

₹ crore

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	**Measured at fair value through" profit & loss (FVTPL)**		
(a)	Embedded derivatives	-	1.18
(b)	Derivative instruments	3.29	0.57
2	**Measured at amortised cost**		
(a)	Borrowings	420.20	689.47
(b)	Trade payables	28.43	35.40
(c)	Other financial liabilities	108.76	123.14
3	**Financial liabilities at fair value through OCI**		
(a)	Embedded derivatives	-	-
(b)	Derivative instruments	-	-
	Total financial liabilities	**560.68**	**849.76**

Disclosures in Statement of profit & loss

₹ crore

Sr. No.	Particulars	2023-24	2022-23
1	**Net gain / (losses) on financial assets and financial liabilities**	41.32	4.60
(a)	Mandatorily measured at fair value through P&L		
	Gain/(Loss) on fair valuation or sale of investment in Mutual Fund	1.42	3.12
(b)	Designated as at fair value through P&L		
	(i) Gain/(Loss) on fair valuation or settlement of forward contract	1.50	(8.13)
	(ii) Gain/(Loss) on fair valuation or settlement of Embedded derivative contract	0.71	(0.38)

₹ crore

Sr. No.	Particulars	2023-24	2022-23
(c)	Financial assets measured at amortised cost		
	(i) Exchange gain/(loss) on revaluation or settlement of items denominated in foreign currency	3.85	5.25
	(ii) (Allowances)/reversal of expected credit loss during the year	31.54	(1.53)
(d)	Financial liabilities measured at amortised cost		
	Exchange gain/(loss) on revaluation or settlement of items denominated in foreign currency	2.29	6.27
(e)	Financial assets measured at FVTOCI:		
(i)	Gains recognized in OCI		
	(a) Gain/(loss) on fair valuation of settlement of forward contracts	-	-
	(b) Gain/(loss) on fair valuation of settlement of embedded derivatives contracts	-	-
(ii)	Gains reclassified to P&L from OCI upon de-recognition	-	-
	(a) on forwards contracts upon underlying hedged assets affecting the P&L account or related assets or liabilities.	-	-
	(b) on embedded derivative contracts upon underlying hedged assets affecting the P&L account or related assets or liabilities.	-	-
2	**Interest revenue**		
	Financial assets measured at amortised cost	-	-
3	**Interest expense**		
	Financial liabilities that are not measured at FVTPL	-	-

Details of outstanding hedge instruments

Information as on 31 March 24

₹ crore

Particulars	Nominal amount	Average rate ₹	Timing	
			Up to 12 months	> 12 months
a. Currency exposure				
Cash flow hedge				
Foreign currency forward covers				
Payable hedges				
USD including USD pegged currency	224.43	84.69	54.61	169.82
EUR including EUR pegged currency	14.09	91.20	14.09	-
JPY			-	-
Receivable hedges				
USD	47.25	83.29	47.25	-
JPY	33.32	0.56	33.32	-
Currency swaps				
USD	-	-	-	-
JPY	-	-	-	-
b. Interest rate exposure				
Cash flow hedge				
Foreign currency forward covers				
USD	-	-	-	-
JPY	-	-	-	-
Currency swaps				
USD	-	-	-	-
JPY	-	-	-	-

Information as on 31 March 23 ₹ crore

Particulars	Nominal Amount	Average Rate ₹	Timing	
			Up to 12 months	> 12 months
a. Currency exposure				
Cash flow hedge				
Foreign currency forward covers				
Payable hedges				
USD including USD pegged currency	223.21	84.23	138.18	85.03
EUR including EUR pegged currency	14.02	88.40	14.02	-
JPY			-	-
Receivable hedges				
USD	86.11	82.51	86.11	-
JPY	36.26	0.62	36.26	-
Currency swaps				
USD	-	-	-	-
JPY	-	-	-	-
b. Interest rate exposure				
Cash flow hedge				
Foreign currency forward covers				
USD	-	-	-	-
JPY	-	-	-	-
Full currency swaps				
USD	-	-	-	-
JPY	-	-	-	-

₹ crore

Financial assets and liabilities measured recurring fair value measurements At 31 March 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Measured at fair value through" profit & loss (FVTPL)				
Investments in mutual funds	128.39	-	-	128.39
Embedded derivative	-	0.09	-	0.09
Derivative instruments	-	1.13	-	1.13
Measured at amortised cost				
Trade receivables	-	238.32	-	238.32
Advances recoverable in cash	-	1.68	-	1.68
Cash and cash equivalents	-	6.19	-	6.19
Other bank balances		0.92	-	0.92
Security deposits	-	0.48	-	0.48
Measured at fair value through" OCI (FVTOCI)				
Embedded derivative	-	-	-	-
Derivative financial instruments designated as cash flow hedges		-	-	-
Total financial assets				**377.21**
Financial liabilities				
Measured at fair value through" profit & loss (FVTPL)				
Embedded derivatives	-	-	-	-
Derivative instruments	-	3.29	-	3.29
Measured at amortised cost				
Borrowings	-	420.20	-	420.20
Trade payables	-	28.43	-	28.43
Other financial liabilities	-	108.76	-	108.76
Financial liabilities at fair value through OCI				
Embedded derivatives	-	-	-	-
Derivative instruments	-	-	-	-
Total financial liabilities				**560.68**

35.12 Financial risk management

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

Any decision w.r.t., above mentioned risk (i.e. credit/counter-party risk, liquidity risk, and currency risk and interest rate risk) is recommended by the treasury committee and approved by the board of directors.

a) Credit/counter-party risk

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

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

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

Expected credit loss (ECL) reconciliation on trade receivable:

₹ crore

Particulars	2023-24	2022-23
ECL on trade receivables		
Opening	32.58	31.05
Changes in loss allowance (provision for doubtful debts):		
Add: Loss allowance based on expected credit loss	-	1.53
Less: Write off as bad debts	-	-
Less: Reduction in provision due to actual receipt from customers	31.54	-
Closing	1.03	32.58

The percentage of revenue from its top two customers (i.e. Larsen & Toubro Ltd. and Mitsubishi Power, Ltd.) is 32% for 2023-24 (53% for 2022-23) . Accordingly, the company's customer credit risk is low. The company's average project execution cycle is around 30 to 36 months. General payment terms include advance, payments against dispatches with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. The company has a detailed review mechanism of overdue customer receivables at various levels within the organisation to ensure proper attention and focus for realisation.

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

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

b) Liquidity risk

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

The company has project related borrowings as at 31 March 2024 and has credit facilities (both fund based and non-fund based) with banks that will help it to generate funds and other financial facilities for the business.

Maturity profile of financial liabilities as on 31.03.2024 :

₹ crore

Sr. No.	Particulars	Up to 12 months	More than 12 months	31-Mar-24
1	Borrowings	282.59	137.62	420.20
2	Trade payables	28.43	-	28.43
3	Other financial liabilities	108.76	-	108.76

Maturity profile of financial liabilities as on 31.03.2023 :

₹ crore

Sr. No.	Particulars	Up to 12 months	More than 12 months	31-Mar-23
1	Borrowings	282.73	406.74	689.47
2	Trade payables	35.40	-	35.40
3	Other financial liabilities	123.14	-	123.14

c) Market risk

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

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

- Foreign currency risk

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

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

The company's operations have exposures in foreign currencies, with US dollars & japanese yen being the maximum contributors.

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

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

The company has exposure to loans denominated in foreign currency in US dollars. The company has mitigated the risk of foreign exchange fluctuation by forward contracts.

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

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

5% increase or decrease in foreign exchange rates will have following impact on profit before tax

₹ crore

Particulars	Impact on profit before tax expense / (Income)	
	31-Mar-24	31-Mar-23
USD sensitivity (USD and USD pegged currency)		
INR/USD - increase by 5%*	9.89	16.90
INR/USD - decrease by 5%*	(9.89)	(16.90)
JPY sensitivity		
INR/JPY - increase by 5%*	0.01	(1.12)
INR/JPY - decrease by 5%*	(0.01)	1.12
EURO sensitivity (EURO and EURO pegged currency)		
INR/EURO - increase by 5%*	(0.40)	(0.69)
INR/EURO - decrease by 5%*	0.40	0.69

* Holding all other variable constant

- Interest rate risk

The company has obtained loan in US dollars, which has a floating rate of interest at LIBOR plus spread. The Benchmarking has changed to SOFR plus Credit Adjustment Spread from Dec'23

0.25% increase or decrease in interest rates will have following impact on profit before tax

₹ crore

Particulars	Impact on profit before tax expense / (Income)	
	31-Mar-24	31-Mar-23
USD		
Interest rates -increase by 0.25%*	0.02	0.02
Interest rates -decrease by 0.25%*	(0.02)	(0.02)
JPY		
Interest rates -increase by 0.25%*	-	-
Interest rates -decrease by 0.25%*	-	-

* Holding all other variable constant

- Price risk for mutual fund investments

₹ crore

Particulars	Impact on profit before tax	
	31-Mar-24	31-Mar-23
Liquid funds		
NAV - increase by 1%*	(1.28)	(2.10)
NAV - decrease by 1%*	1.28	2.10

* Holding all other variable constant

d) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

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

Primary / secondary segment reporting format :

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

b) In respect of secondary segment information, the company has identified its geographical segments as
(i) Domestic
(ii) Overseas

The secondary segment information has been disclosed accordingly.

₹ crore

Particulars	Domestic		Overseas		Total	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue by location of customers	245.15	325.35	30.63	26.08	275.78	351.43
Trade receivables*	233.63	381.91	4.69	4.24	238.32	386.15
Advances from customers	39.60	112.15	1.88	-	41.48	112.15

* Refer Note No. 5, 11 & 16

35.14 Related party disclosure as required by Indian Accounting Standard (Ind AS) 24

a. List of related parties who exercise control:

Sr. No.	Name of the related party	Country of incorporation	% Equity interest	
			As at 31-03-2024	As at 31-03-2023
1	Larsen & Toubro Limited	India	51%	51%
2	Mitsubishi Heavy Industries Limited	Japan	39%	39%
3	Mitsubishi Electric Corporation Limited	Japan	10%	10%

b. Key management personnel (KMP):

List of key management personnel and payment of salaries, commission and perquisites to KMP

Name	Designation
Ajay Chaudhary	Chief financial officer

Sr. No.	Particulars	2023-24	2022-23
		Ajay Chaudhary	N V Raghunath*
a	Short term employment benefits	0.35	0.44
b	Post employment benefits	0.01	-
	TOTAL	**0.36**	**0.44**

* Resigned w.e.f 15th February 2023

c. Payments made to independent directors

₹ crore

Particulars	2023-24		2022-23	
	Mr. Shekar Viswanathan*	Mrs. Vijaya Sampath#	Mr. Shekar Viswanathan	Mrs. Vijaya Sampath
Sitting fees				
CSR meeting	-	-	0.00	-
Board meeting	-	-	0.02	0.02
Nomination and remuneration	-	-	0.01	0.01
Total sitting fees	**-**	**-**	**0.03**	**0.03**
Commission	-	-	0.05	0.05
Total payment made	**-**	**-**	**0.08**	**0.08**

* Term as independent director completed on 26th Mar'23
# Term as independent director completed on 21st Jan'23

d. List of related parties :

Sr. No.	Related Party	Relationship
1	Larsen & Toubro Limited	Joint venture partner
2	Mitsubishi Heavy Industries Limited	Joint venture partner
3	Mitsubishi Electric Corporation	Joint venture partner
4	L&T-MHI Power Boilers Private Limited	Member of same group
5	L&T Special Steels & Heavy Forgings Private Limited	Member of same group
6	Nabha Power Limited	Member of same group
7	Mitsubishi Power India Private Limited	Member of same group
8	Mitsubishi Electric Trading Coporation	Member of same group
9	L&T Valves Limited	Member of same group
10	L&T Electrolysers Limited	Member of same group

e. Commitment with related parties

₹ crore

Particulars	31-Mar-24	31-Mar-23
Purchase commitment:		
Mitsubishi Heavy Industries Limited	66.08	0.69
L&T-MHI Power Boilers Private Limited	0.03	0.03
Mitsubishi Electric Corporation	2.44	0.48
Mitsubishi Power India Private Limited	0.16	0.17
L&T Valves Limited	0.03	0.26
Mitsubishi Electric Trading Coporation	0.06	0.46
Total	**68.79**	**2.08**

₹ crore

Particulars	31-Mar-24	31-Mar-23
Sale Commitment		
Larsen & Toubro Limited	20.63	20.16
Mitsubishi Heavy Industries Limited	6.49	7.24
L&T-MHI Power Boilers Private Limited	0.00	-
L&T Special Steels & Heavy Forgings Private Limited	0.01	-
Mitsubishi Electric Corporation	0.50	0.49
Mitsubishi Electric Trading Coporation	-	-
Nabha Power Limited	0.01	0.82
L&T Electrolysers Limited	0.00	-
Total	**27.64**	**28.70**

f. Disclosure of related party transactions

₹ crore

Sr. No.	Particulars	2023-24	2022-23
1	**Purchase of goods & services:**	**8.66**	**9.90**
(i)	Mitsubishi Heavy Industries Limited	5.46	1.81
(ii)	Larsen & Toubro Limited	-	0.46
(iii)	L&T-MHI Power Boilers Private Limited	0.02	0.84
(iv)	Mitsubishi Electric Corporation	0.37	0.64
(v)	Mitsubishi Electric Trading Coporation	1.43	2.00
(vi)	L&T Valves Limited	0.26	1.38
(vii)	Mitsubishi Power India Private Limited	1.12	2.77

₹ crore

Sr. No.	Particulars	2023-24	2022-23
2	**Sale of goods & services:**	**130.49**	**426.01**
(i)	Larsen & Toubro Limited	100.25	393.68
(ii)	Mitsubishi Heavy Industries Limited	25.44	23.35
(iii)	Nabha Power Ltd.	1.72	6.44
(iv)	L&T-MHI Power Boilers Private Limited	0.00	0.00
(v)	Mitsubishi Electric Corporation	2.78	2.54
(vi)	L&T Special Steels & Heavy Forgings Private Limited	0.29	-

₹ crore

Sr. No.	Particulars	2023-24	2022-23
3	**Sale of Fixed Assets:**	**0.42**	**-**
(i)	Larsen & Toubro Limited	0.42	-

₹ crore

Sr. No.	Particulars	2023-24	2022-23
4	**Other transactions:**	**5.14**	**13.64**
	Recovery of expenses from:		
(i)	Mitsubishi Power India Private Limited	0.31	0.35
(ii)	L&T-MHI Power Boilers Private Limited	0.00	0.01
(iii)	Larsen & Toubro Limited	1.08	0.56
(iv)	L&T Electrolysers Ltd	4.34	-
	Payables towards expenses incurred by:		
(i)	L&T-MHI Power Boilers Private Limited	0.10	0.07
(ii)	Larsen & Toubro Limited	10.77	12.15
(iii)	Mitsubishi Electric Corporation	-	1.11
(iv)	Mitsubishi Heavy Industries Limited	-	1.22

₹ crore

Sr. No.	Particulars	2023-24	2022-23
5	**Inter corporate deposits (ICD):**		
(i)	ICD to Larsen & Toubro Ltd.	224.11	755.15
(ii)	Receipt on Maturity of ICD from Larsen & Toubro Ltd.	220.51	715.15
(iii)	Interest received on maturity of the ICD	1.17	2.36

g. Amount due to/from related parties

₹ crore

Sr. No.	Particulars	As at 31-03-2024	As at 31-03-2023
1	**Amount due to related parties:**	**4.05**	**16.97**
(i)	Larsen & Toubro Limited	2.71	9.51
(ii)	L&T-MHI Power Boilers Private Limited	0.01	2.43
(iii)	Mitsubishi Electric Corporation	1.19	1.26
(vi)	Mitsubishi Power India Private Limited	-	0.67
(vi)	L&T Valves Limited	-	1.31
(vii)	Mitsubishi Heavy Industries Limited	0.14	1.79

₹ crore

Sr. No.	Particulars	As at 31-03-2024	As at 31-03-2023
2	**Amount due to related parties (towards advances) :**	**5.02**	**79.04**
(i)	Larsen & Toubro Limited	5.01	78.91
(ii)	Nabha Power Ltd.	0.01	0.13

₹ crore

Sr. No.	Particulars	As at 31-03-2024	As at 31-03-2023
3	<u>**Amount due from related parties:**</u>	**195.01**	**375.66**
(i)	Larsen & Toubro Limited	188.56	370.20
(ii)	Mitsubishi Electric Corporation	0.64	0.80
(iii)	Mitsubishi Heavy Industries Limited	4.05	3.43
(iv)	Mitsubishi Electric Trading Coporation	0.22	0.47
(v)	Mitsubishi Power India Private Limited	0.09	-
(vi)	Nabha Power Ltd.	0.52	0.75
(vii)	L&T Special Steels & Heavy Forgings Private Limited	0.28	-
(viii)	L&T Electrolysers Limited	0.65	-

35.15 Disclosure as required by Indian Accounting Standard (Ind AS) 102 Share Based Payments - Employee Stock Option Plan

Pursuant to the employees stock options scheme established by the holding company (i.e. Larsen & Toubro Limited), stock options were granted to the employees of the company. Total cost incurred by the holding company, in respect of the same is ₹ 12.93 Cr. The same is being recovered over the period of vesting by the holding company. Accordingly, cost of ₹ 12.86 Cr. (previous year ₹ 12.78 Cr.) has been recovered by the holding company upto current year, out of which, ₹ 0.08 Cr. (previous year ₹ 0.10 Cr.) was recovered during the year. Balance ₹ 0.07 Cr. will be recovered in future periods.

35.16 Disclosure required by Indian Accounting Standard (Ind AS 33) Earnings Per Share

Particulars	2023-24	2022-23
Profit/(loss) after tax as per accounts (Amount in ₹ Crore)	(21.30)	(53.26)
Weighted average number of shares outstanding (Nos)	71,06,00,000	71,06,00,000
Basic EPS (Amount in ₹)	(0.30)	(0.75)
Diluted EPS (Amount in ₹)	(0.30)	(0.75)
Face value per share (Amount in ₹)	10.00	10.00

35.17 Assets pledged as security

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

₹ crore

Particulars	31-Mar-24	31-Mar-23
Current:		
Financial assets		
Trade receivables	238.32	386.15
Non financial assets		
Inventories	121.58	202.36
Total assets pledged as security	**359.91**	**588.50**

35.18 Disclosure of struck off companies

The company not have any transactions with companis struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

35.19 Other information

a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) The Company has not declared or paid any dividend during the year.

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

35.20 Previous year figures have been re-grouped/reclassified, wherever necessary.

As per our report attached of even date
Sharp & Tannan
Chartered Accountants
Firm's Registration No. 109982W

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

Firdosh D. Buchia Partner Membership no. 038332	**Deepak Kumar Sinha** Chief Executive & Whole-Time Director DIN: 10447442 Faridabad	**Kazuhisa Kanda** Chief Operating Officer & Whole-Time Director DIN: 10420562 Faridabad	**Derek Michael Shah** Chairman DIN: 06526950 Faridabad
	Ajay Chaudhary Head - Finance & Accounts Faridabad	**Raju Iyer** Company Secretary Mumbai	
Faridabad Date: 23rd April 2024	Date: 23rd April 2024		

L&T-MHI Power Turbine Generators Private Limited

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

Manufacturing Facility : A. M. Naik Heavy Engineering Complex, Surat-Hazira Road, P.O. Bhatha, Surat 394510

Website : www.Lmtg.in

CIN: U31101MH2006PTC166541