

**BGR Turbines Company Private Limited**  
**Balance sheet as at 31 March 2021 (Provisional and Un-audited)**  
*(All amounts are in Indian Rupees (₹), unless otherwise stated)*

	Note	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	504,469,445	504,506,849
Other intangible assets	5	432	792
<b>Financial assets</b>			
- Other financial assets	6	574,256,599	592,049,153
Tax assets	7	9,694,655	16,077,896
Other non-current assets	8	625	5,207,594
		<u>1,088,421,756</u>	<u>1,117,842,684</u>
<b>Current assets</b>			
<b>Financial assets</b>			
- Trade receivables	9	1,086,479,788	1,056,194,911
- Cash and cash equivalents	10	154,564,297	148,446,668
- Other financial assets	6	717,487,763	735,280,317
Other current assets	8	56,903	60,036
		<u>1,958,588,751</u>	<u>1,939,981,932</u>
<b>Total</b>		<u><u>3,047,010,506</u></u>	<u><u>3,057,824,615</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	1,840,044,000	1,840,044,000
Other equity	12	(613,820,270)	(601,711,066)
		<u>1,226,223,730</u>	<u>1,238,332,934</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liability</b>			
- Other financial liability			
<b>Provisions</b>			
	13	568,343,882	585,953,238
	14	227,679	236,078
		<u>568,571,561</u>	<u>586,189,316</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Trade payables			
- Total outstanding dues of micro and small enterprises	15	-	-
- Total outstanding dues of creditors other than micro and small enterprises	15	655,060,044	618,856,795
- Other financial liabilities	13	572,399,730	590,010,386
Other current liabilities	16	70,058	36,091
Provisions	14	24,685,383	24,399,092
		<u>1,252,215,215</u>	<u>1,233,302,364</u>
<b>Total</b>		<u><u>1,820,786,776</u></u>	<u><u>1,819,481,680</u></u>
		<u><u>3,047,010,606</u></u>	<u><u>3,057,824,614</u></u>

Notes 1 to 32 form an integral part of these financial statements

BGR Turbines Company Private Limited  
Statement of Profit and Loss for the period ended 31 March 2021 (Provisional and Un-audited)  
(All amounts are in Indian Rupees (₹), unless otherwise stated)

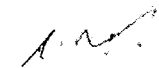
	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	17	54,516,657	102,024,613
Other income	18	6,680,849	8,881,785
<b>Total Income</b>		<b>61,197,506</b>	<b>110,906,398</b>
<b>Expenses</b>			
Purchase of stock in trade	19	54,353,589	102,415,667
Employee benefits expense	20	3,424,172	4,383,060
Depreciation and amortisation expense	21	37,764	57,385
Other expenses	22	8,223,753	2,360,570
<b>Total expenses</b>		<b>66,039,278</b>	<b>109,216,682</b>
<b>Profit before tax</b>		<b>(4,841,772)</b>	<b>1,689,716</b>
<b>Tax expense</b>	23		
- Current tax (MAT)		166,609	263,613
- Tax for earlier periods		7,112,065	59,438,565
		<b>7,278,674</b>	<b>59,702,178</b>
<b>(Loss)/ Profit for the year</b>		<b>(12,120,446)</b>	<b>(58,012,462)</b>
<b>Other comprehensive income</b>			
<b>1) Items that will not be reclassified to profit or loss</b>			
- Re-measurement (loss) on defined benefit plans		11,242	(1,616)
<b>Other comprehensive income for the year, net of tax</b>		<b>11,242</b>	<b>(1,616)</b>
<b>Total comprehensive income for the year</b>		<b>(12,109,204)</b>	<b>(58,014,078)</b>
<b>Earnings per equity share</b>			
- Basic and diluted	25	(0.32)	(0.32)

Notes 1 to 32 form an integral part of these financial statements

BGR Turbines Company Private Limited  
Statement of Cash flow for the year ended 31 March 2021 (Provisional and Un-audited)  
(All amounts are in Indian Rupees (₹), unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>A. Cash flows from operating activities</b>		
Profit before tax	(4,841,772)	1,689,716
<i>Adjustments</i>		
Depreciation and amortisation expense	37,764	57,385
Provision for gratuity	32,106	29,982
Provision for compensated absences	(6,586)	41,355
Interest income	(6,680,849)	(8,881,785)
<b>Operating (loss) before working capital changes</b>	<b>(11,459,337)</b>	<b>(7,063,347)</b>
<b>Changes in working capital:</b>		
(Increase) in other financial assets	35,585,108	(102,243,500)
(Increase) in other non-current assets	5,207,369	(3,661,100)
(Increase) in trade receivables	(30,284,877)	(145,924,700)
(Increase) in other current assets	3,133	(18,400)
Increase in trade payables	36,203,249	156,176,200
Increase in other financial liabilities	(35,220,012)	104,737,276
(Decrease) in other current liabilities	33,967	(10,400)
<b>Cash from operating activities</b>	<b>68,600</b>	<b>1,992,029</b>
Direct taxes paid, net	(631,820)	(6,679,600)
<b>Net cash (used) in operating activities</b>	<b>(563,220)</b>	<b>(4,687,571)</b>
<b>B. Cash flow from investing activities</b>		
Interest received	6,680,849	8,881,785
<b>Net cash from investing activities</b>	<b>6,680,849</b>	<b>8,881,785</b>
<b>C. Net change in cash and cash equivalents</b>	<b>6,117,629</b>	<b>4,194,214</b>
D. Cash and cash equivalents at the beginning of the year	148,446,668	144,252,300
<b>E. Cash and cash equivalents at the end of the year</b>	<b>154,564,297</b>	<b>148,446,668</b>
<b>Cash and cash equivalents Included in:</b>		
Cash on hand	15,053	20,787
Balances with banks		
- in current accounts	1,219,827	1,072,932
- in deposit account (with maturity upto 3 months)	153,329,417	147,352,949
<b>Cash and cash equivalents at the end of the year (Also, refer note 10)</b>	<b>154,564,297</b>	<b>148,446,668</b>

Notes 1 to 32 form an integral part of these financial statements



**BGR Turbines Company Private Limited**  
**Summary of significant accounting policies and other explanatory information for the period ended 31 March 2021**  
**(Provisional and Un-audited)**  
*(All amounts are in Indian Rupees (₹), unless otherwise stated)*

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**1 Corporate Information**

BGR Turbines Company Private Limited ("the Company") was incorporated on 23 January 2009. Subsequently, on 30th September 2010, upon Hitachi, Ltd (HTC) subscription to the shares of the Company, the Company became a Joint Venture. The shareholding pattern between BGR Energy Systems Limited (BGRE) and HTC is 74:26 for Designing, Manufacture, Inspection, Installation, Commission, Sale and/or Service of Steam Turbines and Generators of 660MW/800MW/1000MW Super Critical Technology. The Company was awarded contract for design, engineering, transportation to site, testing and conduct guarantee tests for the Steam Turbine Generator package ("the project") by BGRE for projects with National Thermal Power Corporation Limited (NTPC.)

- 1.1** Upon execution of Settlement and Separation Agreement (SSA), by and amongst HTC, Hitachi Power Europe GmbH, BGRE, BGR Boilers Private Limited and the Company on 30th March 2016 and with legal effect from 29 April 2016, envisaging successful completion of the existing NTPC contract for Lara (2X800 MW) of Supercritical Steam Turbine and Generators Projects (NTPC projects) by HTC and BGRE, the Company anticipates that it shall carry on its existing business of executing the NTPC contract in accordance with the terms of the relevant sub contracts. Accordingly, based on an assessment carried out by the management, the entity will be able to realise its assets and discharge its liabilities in the normal course of business, and therefore these financial statements have been prepared on a going concern basis.

**2 Basis of preparation of financial statements**

**2.1 General information and statement of compliance with Indian Accounting Standards (Ind AS)**

The financial statements of the Company have been prepared in accordance with Ind AS per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2016 (the "Act") and other relevant provisions of the Act.

The financial statements as at and for the year ended 31 March 2021 are approved and authorized for issue by the board of directors on XXXX.

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. These financial statements are presented in hundreds of Indian rupees (₹) which is also the Company's functional currency. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the current year, classification.

**2.2 Use of Estimates and Judgements**

The preparation of the financial statements in conformity with IndAS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The Company has considered the possible effects that may result from the pandemic relating to COVID 19 on the carrying amounts of receivables. The company does not foresee any major impact of Covid 19 as the company's receivable is only from the holding company. Hence no additional provisions have been made for doubtful assets.

**3 Summary of accounting policies**

**3.1 Overall considerations**

These financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These accounting policies have been used throughout all the periods presented in the financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**3.2 Foreign currency translation**

**Foreign currency transactions and balances**

A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on actual payments/realisations and year-end restatements are recognised in the Statement of profit and loss.

Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date).

### 3.3 Revenue from contracts with customers

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process:

- 1 Identifying the contract with customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied

Revenue from contracts with customers for products sold and service provided is recognised when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made as per the payment terms agreed as per the contract, which is consistent with market practice. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

These activity-specific revenue recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below -

#### i) Sale of products

Revenue from sale of products is recognised when control of the product is transferred to the customer, i.e., when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product. The company recognizes revenue when the High Sea Sales(HSS) agreement is entered into with the customer as the control of the products are deemed to be transferred to the customer with effect from the date of High Sea Sales agreement.

#### ii) Interest Income

Interest is recognised using the time-proportion basis taking into account the amount outstanding and the applicable interest rate.

### 3.4 Property, plant and equipment

Land held for use in the business is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated. Cost of land also includes consideration for land development, resettlement payments, compensation for standing/plantation crops at the time of acquisition and other ancillary cost incidental thereto.

Furniture and fitting vehicles, computers and office equipments are initially recognised at acquisition cost. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the asset. Other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses.

Depreciation on tangible assets, excluding land has been provided on a pro-rata basis, on written down value method based on the useful life of the assets, as prescribed in Schedule II to the Companies Act, 2013.

Assets category	Estimated useful life (years)	Rate of Depreciation
Furniture and fixtures	10	25.89%
Vehicles	8	31.23%
Office equipment	5	45.07%
Computers	3	63.16%

### 3.5 Impairment testing of other intangible assets and property, plant and equipment

An assessment is undertaken at each Balance sheet date as to whether there is any indicator that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of recoverable amount of such assets is made and impairment losses, if any is recognised, when the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and value in use of the assets. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of profit and loss, except in case of revalued assets.

### 3.6 Income taxes

Tax expense recognised in Statement of profit and loss account comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted for the reporting period. Deferred income taxes are calculated based on tax rates in accordance with tax laws that have been enacted or substantively enacted using the Balance Sheet approach on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognised in other comprehensive income are disclosed under the same. A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

### 3.6 Income taxes (continued)

In computing current taxes the Company takes into consideration the benefits admissible under the provisions of the Income Tax Act, 1961. In cases wherever the tax liability computed as per above is less than the Minimum Alternate Tax, the Company is liable to pay the Minimum Alternate Tax (MAT), in accordance with Section 115JB of the Income Tax Act, 1961. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

### 3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.8 Financial assets and financial liabilities

#### Classification of financial asset, subsequent measurement and derecognition.

Financial assets of the Company primarily comprise of loans and receivable measured at amortised cost. At initial recognition these financial assets are measured at its fair value and subsequently measured at amortised cost using the effective interest method. A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

#### Classification of financial liabilities, subsequent measurement and derecognition.

Financial liabilities of the Company primarily comprise of trade payable, retention payable and other payables measured at amortised cost. At initial recognition these financial liabilities are measured at its fair value and subsequently measured at amortised cost using the effective interest method. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### 3.9 Retirement and other employee benefits

#### (A) Defined Contribution Plan

Contribution to Provident Fund is in the nature of defined contribution plan and are made to a recognised fund.

The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

#### Provident fund

The Company's contribution to provident fund is considered as a defined contribution plan and is charged as an expense as it falls due based on the amount of contribution required to be made in accordance with relevant rules. The Company has no further obligation other than its monthly contributions, to the fund.

#### (B) Defined benefit Plan

Under the Company's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company and the same is unfunded.

#### Gratuity

The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date. The defined benefit obligation is determined at the Balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

### 3.10 Provisions, contingent assets and contingent liabilities:

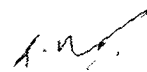
Provisions for warranties, legal disputes, or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company is virtually certain to collect from the other party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision, if any;

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities where the outflow of resources is remote.

The Company does not recognize any assets of contingent nature unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the financial statements.



### 3.11 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares), if any. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 3.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments and items of income or expense associated with investing or financing cash flows. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of 90 days or less, as applicable.

### 3.13 Segment reporting

An operating segment is a component of the business activities from which it may earn revenues and incur expenses, for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Company operates in a single operating segment, viz. "Trading of Steam Turbine and Generator" in only one geographic segment i.e. as per "Indian Accounting Standard 108" Operating Segments. Since the Company's entire business is "Trading of Steam Turbine and Generator" connection with ongoing project and the Chief operating decision maker review the financial statement as one segment for making operating and financial decision accordingly, there are no other primary segment. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of depreciation and amortisation during the year are all as reflected in the financial statement as at and for the year ended 31 March 2021.

### 3.14 Transfer pricing

As per the Transfer Pricing Rules, the Company is required to use certain specified methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, as prescribed. The transfer pricing study for the fiscal year ended 31 March 2021 is yet to be completed. However, based on the self-assessment of the operations by the Management during the year and review carried out by an independent accountant in the previous years, the Management does not expect any material impact of the aforesaid study on the Company's financial statements for the year ended 31 March 2021.

### 4 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

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BGR Turbine Company Private Limited  
 Statements of Changes in Equity for the year ended 31 March 2021 (Provisional and Un-audited)  
 (All amounts are in Indian Rupees (₹), unless otherwise stated)

Particulars	Equity Share Capital	Other equity attributable to owners of the company		Total Equity
		Reserves & Surplus	Accumulated other comprehensive Income	
Balance as at 31 March 2019	1,840,044,000	(5,444,957)	7,988	1,834,607,031
Profit for the year ended 31 March 2020	-	(58,012,462)	-	(58,012,462)
Other comprehensive income for the year ended 31 March 2020	-	-	(1,616)	(1,616)
Balance as at 31 March 2020	1,840,044,000	(63,457,419)	6,372	1,776,592,953
Loss for the year ended 31 March 2021	-	(12,120,446)	-	(12,120,446)
Other comprehensive income for the year ended 31 March 2021	-	-	11,242	11,242
Total comprehensive income for the year	-	(12,120,446)	11,242	(12,109,204)
Balance as at 31 March 2021	1,840,044,000	(75,577,865)	17,614	1,764,483,749

Notes 1 to 32 form an integral part of these financial statements



BGR Turbines Company Private Limited  
 Summary of significant accounting policies and other explanatory information for the period ended 31 March 2021  
 (Provisional and Un-audited)  
 (All amounts are in Indian Rupees (₹), unless otherwise stated)

*Handwritten signature*

5 Property, plant and equipment

Particulars	Tangible assets						Other Intangible assets Computer software
	Free hold land	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	
<b>Gross block</b>							
As at 01 April 2019	504,396,572	852,233	-	3,097	8,867	505,260,769	17,179
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at 31st March 2019	504,396,572	852,233	-	3,097	8,867	505,260,769	17,179
Additions	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-
As at 31st March 2019 and 31st March 2020	504,396,572	852,233	-	3,097	8,867	505,260,769	17,179
<b>Accumulated depreciation/ amortisation</b>							
As at 01 April 2019	-	601,731	-	318	8,867	610,916	14,487
Depreciation/amortisation for the year	-	85,284	-	1,008	-	85,292	1,248
As at 31 March 2019	-	687,015	-	1,326	8,867	697,208	15,715
Depreciation/amortisation for the year	-	56,400	-	312	-	56,712	672
As at 31st March 2020	-	743,415	-	1,638	8,867	753,920	16,387
<b>Net block</b>							
As at 31 March 2019	504,396,572	185,218	-	1,771	-	504,563,561	1,464
As at 31st March 2020	504,396,572	108,819	-	1,459	-	504,606,849	792

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 Summary of significant accounting policies and other explanatory information for the period ended 31 March 2021  
 (Provisional and Un-audited)  
 (All amounts are in Indian Rupees (₹), unless otherwise stated)

5 Property, plant and equipment

Particulars	Tangible assets					Total	Other intangible assets
	Free hold land	Furniture and fixtures	Vehicles	Office equipment	Computers		Computer software
Gross block							
As at 31st March 2020 and 31st March 2021	504,396,572	852,233	-	3,097	8,867	505,260,769	17,179
Accumulated depreciation/ amortisation							
As at 01 April 2019	-	687,015	-	1,326	8,867	697,208	15,715
Depreciation/amortisation for the year	-	56,400	-	312	-	56,712	672
As at 31 March: 2020	-	743,415	-	1,638	8,867	753,920	16,387
Depreciation/amortisation for the year	-	37,308	-	96	-	37,404	360
As at 31st March 2021	-	780,723	-	1,734	8,867	791,324	16,747
Net block							
As at 31 March 2020	504,396,572	108,818	-	1,459	-	504,506,849	792
As at 31st March 2021	504,396,572	71,510	-	1,363	-	504,469,445	432

*[Handwritten Signature]*

**BGR Turbines Company Private Limited**  
**Summary of significant accounting policies and other explanatory information for the period ended 31 March 2021**  
**(Provisional and Un-audited)**  
*(All amounts are in Indian Rupees (₹), unless otherwise stated)*

	As at 31 March 2021	As at 31 March 2020
<b>6 Other financial assets</b>		
<b>Non-Current</b>		
<i>Unsecured, considered good unless otherwise stated</i>		
Customer retention (Also, refer note 24(c))	574,256,599	592,049,153
	<u>574,256,599</u>	<u>592,049,153</u>
<b>Current</b>		
<i>Unsecured, considered good unless otherwise stated</i>		
Customer retention (Also, refer note 24(c))	574,256,599	592,049,153
Other receivable* (Also, refer note 24(c))	143,081,164	143,081,164
Security deposit with NSDL	150,000	150,000
	<u>717,487,763</u>	<u>735,280,317</u>
	<u>1,291,744,361</u>	<u>1,327,329,469</u>
<p>*Pursuant to settlement agreement entered into by the Company with vendors, the Company had written off certain capital advances during the year ended 31 March 2018 which had been paid by the Company during the previous years. Pursuant to the SSA, as referred in note 1.1, the Company has a contractual right to recover such amounts from BGR Energy Systems Limited. Hence the Company has recognized a receivable for advances written off during the year ended 31 March 2018.</p>		
<b>7 Tax assets</b>		
Tax assets (Also, refer note 23(b))	9,694,655	16,077,896
	<u>9,694,655</u>	<u>16,077,896</u>
<b>8 Other assets</b>		
<b>Non-Current</b>		
<i>Unsecured, considered doubtful</i>		
Balances with government authorities	7,623,434	6,932,264
Less: Provision for impairment of doubtful assets	(7,622,809)	(1,724,270)
	<u>625</u>	<u>5,207,994</u>
<b>Current</b>		
<i>Unsecured, considered good</i>		
Advance to employees	20,000	20,000
Prepaid expenses	36,903	40,036
	<u>56,903</u>	<u>60,036</u>
<b>Total other assets</b>	<u>57,528</u>	<u>5,268,030</u>
<b>9 Trade receivables</b>		
<i>Unsecured, considered good, from related parties</i>		
Receivable from related party (Also, refer note 24(c))	1,086,479,788	1,056,194,911
	<u>1,086,479,788</u>	<u>1,056,194,911</u>
<b>10 Cash and cash equivalents</b>		
Cash on hand	15,053	20,787
Balances with banks		
- In current accounts	1,219,827	1,072,932
- In deposits with original maturity of less than three months	153,329,417	147,352,949
	<u>154,564,297</u>	<u>148,446,668</u>

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**BGR Turbines Company Private Limited**

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2021

(Provisional and Un-audited)

*(All amounts are in Indian Rupees (₹), unless otherwise stated)*

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
<b>11 Equity</b>				
<b>Share Capital</b>				
<b>Authorised</b>				
Equity shares of Rs. 10 each	500,000,000	5,000,000,000	500,000,000	5,000,000,000
<b>Issued, subscribed and paid up</b>				
Equity shares of Rs. 10 each fully paid up	184,004,400	1,840,044,000	184,004,400	1,840,044,000
	<b>184,004,400</b>	<b>1,840,044,000</b>	<b>184,004,400</b>	<b>1,840,044,000</b>

**(a) Reconciliation of total number of shares outstanding**

There has been no fresh issue of equity shares during any of the periods stipulated above.

**(b) Shareholders holding more than 5% of the aggregate shares in the Company**

	Number of Shares	% holding	Number of Shares	% holding
<b>Equity Shares of Rs. 10 each</b>				
BGR Energy Systems Limited	136,162,900	74%	136,162,900	74%
Hitachi Limited, Japan	47,841,500	26%	47,841,500	26%
	<b>184,004,400</b>	<b>100%</b>	<b>184,004,400</b>	<b>100%</b>

**(c) Shares held by the holding company**

	Number of Shares	Amount	Number of Shares	Amount
<b>Holding company</b>				
BGR Energy Systems Limited	136,162,900	1,361,629,000	136,162,900	1,361,629,000

**(d) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of an equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting except for interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shares shall be transferable subject to the provisions contained in the Articles of Association and in the agreements entered / to be entered into with the investors / shareholders from time to time.

**(e) Bonus issue and Buy Back of shares**

There were no bonus issue made by the company and buy back of shares during the last 5 years immediately preceding 31 March 2021.

**(f) Capital Management**

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

There are no borrowings in the Company as at 31 March 2021 and 31 March 2020.

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BGR Turbines Company Private Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2021  
(Provisional and Un-audited)

(All amounts are in Indian Rupees (₹), unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>12 Other Equity</b>		
<b>Reserves &amp; Surplus</b>		
Balance at the beginning of the year	(602,508,250)	(544,495,711)
Add: (Loss)/ profit for the year	(12,120,446)	(58,012,539)
Balance at the end of the year	<u>(614,628,696)</u>	<u>(602,508,250)</u>
<b>Accumulated other comprehensive Income</b>		
Balance at the beginning of the year	797,184	798,800
Add: Transfer from other comprehensive income	11,242	(1,616)
Balance at the end of the year	<u>808,426</u>	<u>797,184</u>
<b>Total other equity</b>	<u>(613,820,270)</u>	<u>(601,711,066)</u>
<b>(a) Reserves &amp; Surplus</b>		
Reserves & Surplus represents the amounts of accumulated earnings of the company		
<b>(b) Accumulated other comprehensive Income</b>		
Represents remeasurement of defined benefit liability which comprises of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability.		
<b>13 Other financial liabilities</b>		
<b>Non current</b>		
Retention payable (Also, refer note 24(c))	568,343,882	585,953,238
	<u>668,343,882</u>	<u>685,963,238</u>
<b>Current</b>		
Retention payable (Also, refer note 24(c))	568,343,882	585,953,238
Other payable	4,055,848	4,057,148
	<u>572,399,730</u>	<u>590,010,386</u>
<b>Total financial liabilities</b>	<u>1,140,743,612</u>	<u>1,175,963,624</u>
<b>14 Provisions</b>		
<b>Non current</b>		
Provision for employee benefits		
Gratuity (Also, refer note 14.1 below)	192,307	174,142
Compensated absences (Also, refer note 14.2 below)	35,372	61,936
	<u>227,679</u>	<u>236,078</u>
<b>Current</b>		
Provision for employee benefits		
Gratuity (Also, refer note 14.1 below)	27,282	24,582
Compensated absences (Also, refer note 14.2 below)	29,997	10,019
Provision for tax (Also, refer note 23(b))	24,628,104	24,364,491
	<u>24,685,383</u>	<u>24,399,092</u>
<b>Total provisions</b>	<u>24,913,062</u>	<u>24,635,170</u>
<b>14.1 Gratuity</b>		
In accordance with the Payments of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, termination of employment (subject to completion of five years of continuous employment) death or incapacitation or equivalent to fifteen days of salary last drawn for each completed year of service. The plan is unfunded		
<b>(a) Change in present value of defined benefit obligation</b>		
Obligation at the beginning of the year	198,724	167,100
Interest cost	13,076	10,848
Current service cost	19,031	19,136
Benefits paid	-	-
Actuarial loss	(11,242)	1,615
Obligation at the end of the year	<u>219,589</u>	<u>198,699</u>
<b>Classified as (Refer note 14)</b>		
Non-current	192,307	174,142
Current	27,282	24,582
<b>(b) Components of net gratuity costs are</b>		
Current service cost	19,031	19,136
Interest cost	13,076	10,848
<b>Expense recognised in the statement of profit and loss</b>	<u>32,107</u>	<u>29,984</u>
<b>(c) Principal actuarial assumptions used</b>		31 March 201
Discount rate	6.58%	6.49%
Long-term rate of compensation increase	6.00%	6.00%
Attrition rate	12.00%	12.00%

BGR Turbines Company Private Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2021  
(Provisional and Un-audited)

(All amounts are in Indian Rupees (₹), unless otherwise stated)

14.1 Gratuity (Continued)

- (d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (e) The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2021.

(f) Gratuity plan

	Sensitivity level	Impact on defined benefit obligations	
		As at 31-Mar-21	As at 31-Mar-20
<b>Discount rate</b>			
-Increase	1%	(12,237)	(11,526)
-Decrease	-1%	13,395	12,692
<b>Salary growth</b>			
-Increase	1%	12,416	11,737
-Decrease	-1%	(11,522)	(10,828)
<b>Attrition Rate</b>			
-Increase	1%	(125)	(96)
-Decrease	-1%	157	124

(g) Maturity analysis

The expected maturity analysis of undiscounted gratuity benefit obligation after balance sheet date is as follows:

Year	31-Mar-21	31-Mar-20
1	28,618	25,769
2	26,680	24,031
3	24,874	22,412
4	19,463	20,903
5	18,570	15,538
6 to 10	71,815	64,885
More than 10	145,237	135,801

14.2 Compensated absences

The Company allows encashment of compensated absences of maximum of 54 days of accumulated leave balance at the time of separation. The Company does not maintain any plan assets to fund its obligation with respect to compensated absences.

	As at 31 March 2021	As at 31 March 2020
<b>Principal actuarial assumptions used :</b>		
Discount rate	6.58%	6.49%
Long-term rate of compensation increase	6.00%	6.00%
Attrition rate	12.00%	12.00%

15 Trade payables

- Total outstanding dues of micro and small enterprises (Also, refer note (a) below)
- Total outstanding dues of creditors other than micro and small enterprises
- Due to others
- Dues to related parties (Also, refer note 24(c))

	As at 31 March 2021	As at 31 March 2020
-Total outstanding dues of micro and small enterprises (Also, refer note (a) below)		-
-Total outstanding dues of creditors other than micro and small enterprises	0	-
-Due to others	655,060,044	618,856,795
-Dues to related parties (Also, refer note 24(c))	655,060,044	618,856,795

- (a) There are no amounts due to the suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006. This information has been determined to the extent such parties have been identified by the management on the basis of the information available with the Company.

16 Other liabilities

- Current
- Statutory dues payable
- Other Current Liability

	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	58,552	36,091
Other Current Liability	11,508	-
	70,058	36,091

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BGR Turbines Company Private Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2021

(Provisional and Un-audited)

(All amounts are in Indian Rupees (₹), unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>17 Revenue from operations</b>		
Sale of Turbines related components (Also, refer note 24(b))	54,516,657	102,024,613
	<u>54,516,657</u>	<u>102,024,613</u>
<b>18 Other income</b>		
Interest income on deposits with banks	6,680,849	8,881,785
	<u>6,680,849</u>	<u>8,881,785</u>
<b>19 Purchase of stock in trade</b>		
Purchases of Turbines related components (Also, refer note 24(b))	54,353,589	102,415,667
	<u>54,353,589</u>	<u>102,415,667</u>
<b>20 Employee benefits expense</b>		
Salaries and wages	3,327,134	4,288,650
Gratuity expense (Also, refer note 14)	32,106	29,982
Contribution to provident and other funds	64,932	64,428
	<u>3,424,172</u>	<u>4,383,060</u>
<b>21 Depreciation and amortization expense</b>		
Depreciation of tangible assets (Also, refer note 5)	37,404	56,713
Amortization of intangible assets (Also, refer note 5)	360	672
	<u>37,764</u>	<u>57,385</u>
<b>22 Other expenses</b>		
Legal and professional charges	1,062,500	1,014,450
Payment to auditors (Also, refer note 26)	935,395	942,876
Bank Charges	1,041	1,827
Rates and taxes	110,410	188,674
Business promotion expenses	-	2,066
Printing and stationery	1,165	5,555
Insurance	13,572	7,156
Traveling and conveyance expenses	3,478	2,438
Communication expenses	14,730	8,897
Miscellaneous expenses	6,081,462	186,631
	<u>8,223,753</u>	<u>2,360,570</u>
<b>23 Tax Reconciliation</b>		
<b>(a) Current tax</b>		
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 26% and the reported tax expense in profit or loss are as under:		
Profit before tax	(4,841,772)	1,689,716
<b>Accounting profit before income tax</b>	<b>(4,841,772)</b>	<b>1,689,716</b>
At India's statutory income tax rate of 26% (31 March 2019: 26%)	(1,258,861)	439,326
Difference in tax rates due to MAT at 15.6% (31 March 2019: 19.24%)	503,544	(175,730)
Savings in taxation on account of unabsorbed depreciation	-	-
	<u>(755,317)</u>	<u>263,596</u>
<b>Tax expense comprises of:</b>		
Current income tax charge	166,609	263,613
<b>Income tax expense</b>	<u>166,609</u>	<u>263,613</u>
<b>(b) Prior year tax</b>		
Tax for earlier periods*	7,112,065	59,438,565
	<u>7,112,065</u>	<u>59,438,565</u>

\*With respect to the pending tax disputes, the management has evaluated the Vivad se Vishwas Scheme ('the scheme') introduced in the budget 2020. The management has approved on 24 March 2020 to opt for the scheme to settle the pending tax disputes, which is ratified in the board meeting dated 30 September 2020. The net payable in this regard is INR 246 lakhs as at 31 March 2021.

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BGR Turbines Company Private Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2021  
(Provisional and Un-audited)

(All amounts are in Indian Rupees (₹), unless otherwise stated)

24 Related party disclosures

As per the Ind AS 24 "Related Party Disclosures" as referred to in Accounting Standard Rules, the disclosure of transactions with the related parties as defined therein are given below. All transactions entered into by the Company with related parties, were in ordinary course of business and on arm's length basis.

(a) List of related parties and nature of relationship

Nature of Relationship	Name of party
i) Controlling party Holding company	BGR Energy Systems Limited
ii) Other related parties with whom transaction have taken place during the year Enterprise having significant influence	Hitachi, Ltd

(b) Transactions during the year

Name of related party	As at 31 March 2021	As at 31 March 2020
<b>BGR Energy Systems Limited</b>		
Sale of products	54,516,657	102,024,613
Forex Difference transferred	(17,143,376.8)	49,421,490
Reimbursement of expenses	1,950,080	3,263,043
<b>Hitachi, Ltd</b>		
Purchase of stock in trade	54,353,589	102,415,667

(c) Balances with related parties

Name of the related party	As at 31 March 2021	As at 31 March 2020
<b>BGR Energy Systems Limited</b>		
Trade receivable	1,086,479,788	1,056,194,911
Customer retention	1,148,513,197	1,184,098,305
Other receivable	143,081,164	143,081,164
<b>Hitachi, Ltd</b>		
Trade payables	655,060,044	618,856,795
Retention payable	1,136,687,764	1,171,906,476
Other payable	985	985

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BGR Turbines Company Private Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2021

(Provisional and Un-audited)

(All amounts are in Indian Rupees (₹), unless otherwise stated)

	As At 31 March 2021	As At 31 March 2020
<b>25 Earnings per equity share</b>		
Nominal value of equity shares	10	10
Profit attributable to equity shareholders (A)	(12,109,204)	(58,014,078)
Weighted average number of equity shares outstanding during the year (B)	184,004,400	184,004,400
Basic and diluted earnings per equity share (A/B) (in ₹)	(0.07)	(0.32)
<b>26 Payment to auditors(excluding tax)</b>		
<b>As auditor</b>		
Fees for statutory audit	850,000	850,000
Fees for tax audit	50,000	50,000
Reimbursement of expenses	35,395	42,876
	<b>935,395</b>	<b>942,876</b>

**27 Unhedged foreign currency exposures**

By virtue of the agreement with BGR Energy Systems Ltd, the Company does not have any exposure on account of transactions in foreign currency as the gain/losses arising during the course of transactions in relation to the activities mentioned in note 1 to these financial statements, will be made good by BGR Energy Systems Limited.

**28 Contingent liabilities and commitment**

**(a) Description of the contingent liability**

	As at 31 March 2021	As at 31 March 2020
Estimated amount of contract remaining to be settled not provided for (net of advances paid)	608,754,094	591,211,353
Warehousing charges not acknowledged as debt by the company	50,953,500	49,485,150
	<b>659,707,594</b>	<b>640,696,503</b>

**(b) Commitment**

Future commitments on Technical Service Agreement entered into with Hitachi Limited, Japan (under negotiation).	271,003,358	279,400,025
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\*i) It is not practicable for the Company to estimate the timings of cash outflows, if any in respect of the above, pending resolution of the respective proceedings as at 31 March 2021.

**29** As per the prevailing Transfer pricing regulations, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors as prescribed. The Transfer pricing study for the fiscal year ending 31 March 2021 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, based on the self assessment by the management and review by an independent accountant carried out in previous year, the management does not expect any material impact on the Company's financial statements.

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*[Signature]*

BGR Turbines Company Private Limited  
**Summary of significant accounting policies and other explanatory information for the period ended 31 March 2021**  
**(Provisional and Un-audited)**  
*(All amounts are in Indian Rupees (₹), unless otherwise stated)*

**30 Financial instruments**

The carrying value and fair value of financial instruments by categories are as follows:

	As at 31 March 2021	As at 31 March 2020
<b>Financial assets at amortized cost</b>		
Trade receivables	1,086,479,788	1,056,194,911
Cash and cash equivalents	154,564,297	148,446,668
Other financial assets	1,291,744,361	1,327,329,469
<b>Total</b>	<b>2,532,788,446</b>	<b>2,531,971,048</b>
<b>Financial liabilities at amortized cost</b>		
Trade payables	655,060,044	618,856,795
Other financial liabilities	1,140,743,612	1,175,963,624
<b>Total</b>	<b>1,795,803,656</b>	<b>1,794,820,419</b>

**31 Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies**

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**a) Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, deposits, etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

	As at 31 March 2021	As at 31 March 2020
<b>Classes of financial asset</b>		
Customer retention	1,148,513,197	1,184,098,305
Trade receivables	1,086,479,788	1,056,194,911
Other receivables	143,081,164	143,081,164
Cash and bank balances	154,564,297	148,446,668
	<b>2,532,638,446</b>	<b>2,531,821,048</b>

In respect of trade receivables and retentions, the Company is not exposed to any significant credit risk exposure since the entire trade receivable is from holding Company. Based on historical information about default rates, management consider the credit quality of such receivables that are not past due or impaired, to be good.

The credit risk for cash and cash equivalents and fixed deposits are considered negligible, since the counterparties are reputable public sector banks with high quality external credit ratings.

**b) Liquidity risk**

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring cash inflows and outflows due on a day-to-day basis. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within six months except for retention and long term trade receivables which are governed by the relevant contract conditions.

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BGR Turbines Company Private Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2021  
(Provisional and Un-audited)

(All amounts are in Indian Rupees (₹), unless otherwise stated)

31 Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies  
(continued)

b) Liquidity risk (Continued)

As at 31 March 2021, the Company's non-derivative financial liabilities have contractual maturities as summarised below:

Year ended 31 March 2021	On demand
Trade payables	655,060,044
Retention payable	568,343,882
Other financial liabilities	4,055,848
	<u>1,227,459,774</u>

Year ended 31 March 2020	On demand
Trade payables	618,856,795
Retention payable	585,953,238
Other financial liabilities	4,057,148
	<u>1,208,867,181</u>

32 The company is in the process of appointing internal auditors as required under section 138 of The Companies Act, 2013.

Notes 1 to 32 form an integral part of these financial statements