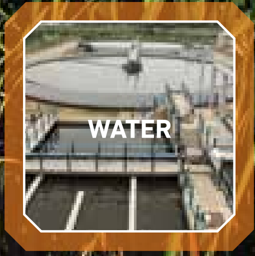
Triveni ENGINEERING & INDUSTRIES LTD.

POSITIVE APPROACH. POWERFUL PERFORMANCE.



Annual Report 2019-20

INSIDE THIS REPORT

Visit:
www.trivenigroup.com
for more details on the Company

Forward-looking statement
This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified those information independently.

A YEAR OF **RECORD-BREAKING ACHIEVEMENTS.**

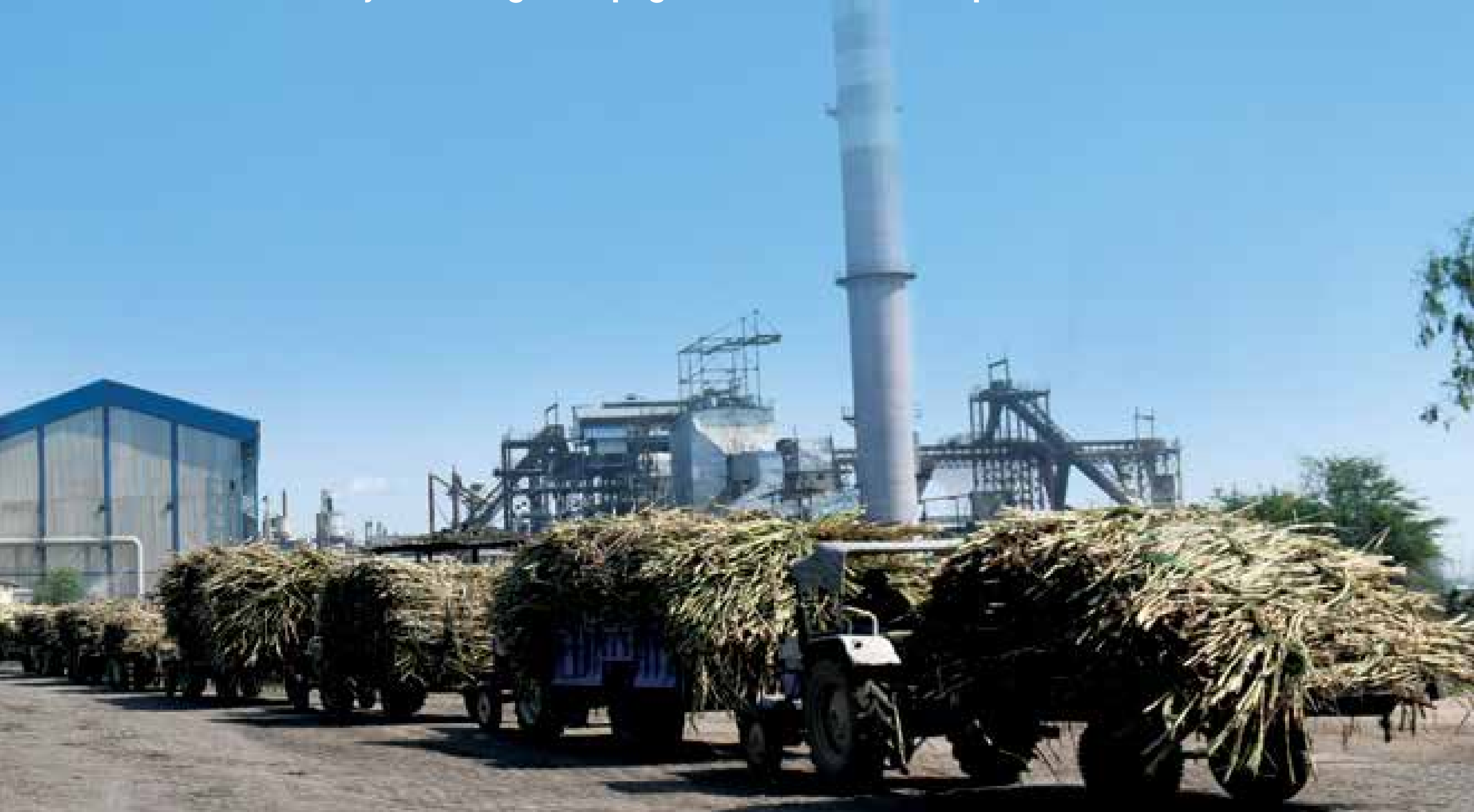
A YEAR OF **NEW HIGHS.**

FY 20 was a landmark year in the history of Triveni Engineering. A year of hopes fulfilled, with hard work bearing fruit and plans realised. A year of opportunities harnessed and ambitions attained.

Led by our strong positive outlook, we powered our way through the year to boost revenue, ensure profitability and drive success. And we did it across business segments and across sectors.

Pushing the frontiers of our strengths, we moved proactively and progressively to seize the opportunities of tomorrow, to deliver an exceptionally powerful performance today!

A performance that we are pleased to share with you through the pages of this Annual Report.



A DIVERSIFIED BUSINESS PORTFOLIO

At a glance

We employ over 6,500 people (including contractual) and operate 17 facilities in India for producing Sugar, Power, Alcohol, Industrial Gears and Gearboxes, besides providing Water and Wastewater Treatment solutions. We have integrated operations to produce sugar, ethanol and power. We produced over 1 million tonnes of sugar and 94 million litres of alcohol, and exported ~145.34 million units of power. Our products from sugar business are sold to several industry sectors, including Food and Beverages, Pharmaceutical, Power, Oil and Gas, and Retail. Our industrial gears and gearboxes are supplied to various industries like Steel, Refineries, Fertilisers, Cement, Textiles, Mining, Defence etc. Our water and wastewater management solutions are offered to large industrial and municipal sectors.

SUGAR

We are one of the largest integrated sugar manufacturers in India.

Our association with the Sugar industry is as old as the industry itself.

- **7** Sugar units in Uttar Pradesh
- Multi-grade - Large, Medium and Small Crystal - Sugar, Refined Sugar, Raw Sugar, Pharmaceutical-grade Sugar
- Food Safety System Certification (FSSC) -2000:2010 certified
- **3,00,000+** Associated farmers

POWER

We produce power from the co-product bagasse, a residue generated after sugarcane crushing, to fulfil the energy demand of our plant and sell the surplus to the power grid

- **6** Power plants
- Power export to Uttar Pradesh Power Corporation Limited (UPPCL)
- **104.5** MW grid connected co-generation capacity

ALCOHOL

We manufacture Extra Neutral Alcohol, which is used to produce potable alcohol and fuel-grade ethanol at our state-of-the-art distilleries at two locations

- **2** distilleries with 320 Kilo Litres Per Day (KLPD) combined capacity located at Muzaffarnagar (MZN) and Sabitgarh (SBT)
- MZN distillery has flexible product manufacturing capability - Ethanol, Extra Neutral Alcohol (ENA), Rectified Spirit (RS) and Denatured Spirit (SDS)
- SBT produces high quality Ethanol
- Hand Sanitizers manufacturing facility at MZN
- World-class technology employed to achieve Zero Liquid Discharge (ZLD)
- Highest standards of environmental norms followed from both water and air quality perspective

GEARS

World-class Integrated manufacturing facility

India's largest manufacturer of industrial high speed gears and gearboxes; Known for the reliability and technical excellence of our products

Unmatched world-class delivery time

Incubated a Defence Business segment at the Mysuru facility

Currently supporting a variety of defence solutions for the Indian Navy

- Largest engineered-to-order turbo gearbox manufacturer in India
- 3 different business segments – Gears, Defence, Built to Print
- Defence business solutions include –
  - Above and below deck mechanical equipment
  - Platform level support, including propulsion design, propulsion systems, Auxiliary part systems and individual equipment such as pumps, compressors and turbines

WATER TREATMENT SOLUTIONS

We provide complete and sustainable water technology solutions across the water usage segments

- **>2,000** process equipment supplied and commissioned
- **~10,000** Million Litres Per Day (MLD) water treated through our projects & equipment
- Embraced every type of technology
- Executed some of the largest projects in India
- Providing innovative solutions to a variety of customers to meet their technological requirements

OUR MISSION

We are committed to providing premium quality products, innovative and sustainable solutions that create value for our customers. We continue to look at ways we can make a positive environmental, societal and economic difference for the community at large. We build diverse teams and provide equal growth opportunities to all our employees.

OUR VISION

We strive to maintain sustainable business growth through continuous innovation, market development and customer retention while creating long-term value for all our stakeholders.

OUR VALUES

Open - We believe in open communication. We listen to our stakeholders and respond to their suggestions.
Pro-active - We understand customers' needs, offer new solutions customised to their requirements and exceed their expectations.
Commitment - We are committed to our customers and live up to promises.
Innovation - We are always willing to improve our products and service through continuous research and development.

OUR RESPONSIBLE GROWTH

In line with our focus on responsible growth, we adhere to sustainable business practices and are sensitive to the needs of the society. In view of the grave situation arising from COVID-19 pandemic, we promptly switched to bottling hand sanitizers, using the ethyl alcohol produced in our facility, to meet the acute shortage of alcohol-based sanitizers. Our wide variety of Corporate Social Responsibility (CSR) efforts, over and beyond what are statutorily required, span outreach programmes across all our businesses. Since we have a multi-state footprint of operations, we undertake CSR activities to address areas such as healthcare, education, hygiene etc. in and around our operating areas.

KEY PERFORMANCE

FY 20 witnessed the Company achieve remarkable performance across its business segments, with several significant achievements to mark a milestone year in its journey.

41%
Growth in Revenue in Operations (Consolidated)

55%
Growth in Profits after Tax (Consolidated)

₹ 1,147.28 Crore
Outstanding Order Book (Gears and Water Businesses)

100%
Zero Liquid Discharge at both Distilleries

1,91,829
Hectares
Total Sugarcane Area

1.01
Million Tonnes Sugar Production

31,500 MW
Gears Capacity Installed Globally

₹ 995.3
Crore
Water Business Order Book as on March 31, 2020

~10,000
MLD
Water Treated

AA- long-term and A1+ short-term rating accredited by ICRA

STRATEGY DRIVES POSITIVITY

We operate in a diverse and continually changing market environment with several opportunities and challenges. Our strategy is to keep evolving and responding with agility and speed to meet the changing needs of our customers, farmers and other stakeholders, while ensuring financial stability. Our ability to rapidly align to key policy interventions in the industry, while ensuring that we use resources responsibly, enables us to keep strengthening our businesses.

The bedrock of our strategy is founded on three principles - ethics, sustainability and efficiency. We are focussed on delivering exceptional product quality and customer service. With decades of experience as a sugar producer, we continue to embrace innovation, extensively use technology, and strive to create value by working collaboratively across our group and with all our stakeholders.

Our success has been built on our relentless efforts to continually improve our operating efficiencies, working with all our supply chain partners while focussing on continuous development and innovation to meet the changing priorities of the market and our customers.

OUR SUGAR STRATEGY

In the Sugar and Co-product businesses, we have a comprehensive business strategy that leverages external opportunities while employing our internal strengths. It is a strategy woven into three key components:

- Continuously strengthening our long-term relationships with sugarcane growers
- Leveraging the external opportunity matrix interjected with positive policy initiatives
- Strengthening our capabilities & capacities in the co-products businesses

For most part of FY 20, the Sugar industry in India was nurtured in a largely controlled and protected market environment, pillared on:

- A Minimum Selling Price (MSP) of sugar
- Regulated monthly release mechanism of sugar
- No increase in sugarcane prices
- The Government's fiscal stimulus towards creation of buffer stock of 4.0 million tonnes of sugar for one year from August 1, 2019 to July 31, 2020, and export of 6 million tonnes of sugar. Export subsidy @ ₹ 10,448 per tonne announced for sugar mills for the Sugar Season 2019-20 (Maximum Admissible Export Quantity – MAEQ) to lower the sugar stocks in the country
- Wide Global deficit, with continuous supply shocks coming from major sugar producing markets such as Thailand and large drops in production in other parts of the world

Further strengthening the Sugar business proposition was our **SHARING PHILOSOPHY:**

The long-standing relations we have with the sugarcane growers remain a powerful engine of growth for our Sugar business. Our ability to partner successfully with sugarcane farmers and our extensive sugarcane development programme has resulted in mutual benefit – higher crush and recovery for us, with maximisation of yield leading to accrual of higher disposable income for the farmers, thus enabling the creation of a better tomorrow.

Collaborating with partners and investments in technology in Co-products to improve efficiencies, coupled with vertical integration in areas like capturing of CO_2 and potash rich granulated ash in the distilleries, would further help the Company to improve profitability.

On the **Alcohol** front, the industry witnessed several promising positive policy interventions by the Government of India, including:

- Scheme of interest subvention to promote the growth of ethanol manufacturing infrastructure in the country
- Implementing faster processes for speedy environmental clearance
- Fixing of higher ethanol price derived from B-heavy molasses and directly from sugarcane juice to encourage higher production of ethanol

We responded to these developments effectively and expeditiously, with doubling of our manufacturing capacity. As a key component of the agri-business value chain, we continue to augment our presence across the Sugar and Co-product business to contribute significantly to the rural economy across our locations.

COVID-19 AND SUGAR BUSINESS

Within 72 hours of the lockdown across the country, with our operations designated as essential commodity manufacturing, we were able to go contactless with over 3,00,000 farmers that we interact with, and thousands of other people who form a part of our supply chain. This, coupled with detailed processes for social distancing and safety in place, allowed us to operate our units in an environment of great safety and security for all individuals concerned.

The need for a responsive strategy was required during the COVID-19 outbreak that impacted industries and businesses across the country in the last quarter of the fiscal year. The Sugar industry, given its classification as an essential commodity, continued to get Government support during the lockdown period and, therefore, continued its operations unabated. However, the impact on demand was palpable as the demand from the institutional buyers declined severely. A total impact of ~0.5 million tonnes is estimated on all India sugar consumption for the current sugar year.

Distilleries continued to operate at full capacity during the challenging lockdown period due to support from Oil Marketing Companies despite pruned fuel consumption.

In view of the grave situation prevailing due to COVID-19, the Government of India permitted sugar industry to manufacture hand sanitizers to meet the unprecedented demand in the country to combat the spread of Coronavirus. We started manufacturing hand sanitizers based on WHO recommended formulation at our state-of-the-art distillery at Muzaffarnagar within a short span after the Government's announcement. We supplied our hand sanitizer, "GermCare", free of cost to the District Administrations and various bodies in the regional ecosystem.

We accord the highest priority to the safety and health of our employees, customers and partners. We follow very strict and advanced protocols at all our offices and manufacturing facilities, and have implemented stringent processes for ensuring preventive measures for COVID-19 at all levels to keep the risk under control. By leveraging digital technology, we successfully shifted our work online, while ensuring our availability to all our stakeholders at all times.

OUR ENGINEERING STRATEGY

In the Engineering businesses, our clear and comprehensive strategy remains focussed on enhancement of our product range as well as expansion into new markets and segments of growth, in India and internationally. Our strategic thrust in this business is on recognising the opportunities with growth potential and seizing the relevant ones. Our continuous thrust on technology leads to developing improved and more cost-effective products, solutions and services for our customers.

In our Gears business, we are focussed on identifying and leveraging growth avenues in terms of product offerings as well as new markets. In the aftermarket business, we are providing expert service solutions for our own brand as well as for other makes of gearboxes. We are expanding our reach globally, targeting new geographies and markets.

We have entered into the Defence and Built to Print business segments in recent years and have been working relentlessly to establish our brand to capture more business opportunities in these two segments.

In the Water business, amid the ever increasing scarcity and pollution of water resources globally, we have been working with industrial companies as well as municipal authorities to provide effective solutions for efficient water management. Our strategy is not only to provide treatment of water but also to monitor its quality at each stage in the cycle - from extraction to discharge and back into the natural environment. Our water technology protects resources and encourages recycling and reuse of water by large cities and industries.

Water market is moving towards recycling and reuse of wastewater, which requires tertiary treatment technologies. Water business is well poised to target recycling, reuse and zero liquid discharge opportunities because of its experience in several projects.

COVID-19 AND ENGINEERING BUSINESSES

Our engineering facilities were also under lockdown as part of a nation-wide plan since March 25, 2020. The Gears facility partially reopened after about 3 weeks and ramped up to normal strength by the 2nd week of May 2020. Likewise, the project sites of our Water Business were also operational by the middle of May 2020. We are strictly following the guidelines issued by the Ministry at all of our facilities to avoid spread of COVID-19 and to keep our employees safe. Usage of digital and other technology tools enabled the Company to continue its business even during the lockdown period, including with our potential customers. The impact on the order booking and cancellation/deferment of orders by our customers would depend on how the disease is kept under check in various geographies and the challenges which our customers may face with respect to return of normalcy, liquidity, pricing pressure, supply chain and logistics etc.

A strong driver of our growth in Water business is our strategic tie-ups with the world's leading technology providers for various products, processes and solutions, such as Ultra Filtration (UF), Reverse Osmosis (RO), Moving Bed Bio Reactor (MBBR) etc.

POSITIVITY STEERS PERFORMANCE

A positive performance is necessarily grounded in a progressive approach. This belief forms the essence of our business strategy. It is why we remain consistently and continuously focussed on capturing the positivity in the external and internal business landscape.

OUR SUGAR PERFORMANCE

Our performance during FY 20 in the Sugar business endorses the success of our positive approach and business strategy. Our ability to think forward, and to do things differently, has helped us stay ahead – an edge that we strengthened further during the year to deliver a better than market performance.

The Sugar business has performed well during the year due to our continuous efforts in reducing the cost of sugar production as well as the stable sugar prices. Our focussed sugarcane development programme led to the achievement of almost 100% high yielding and high sucrose sugarcane varieties in our factory command area across all sugar units, which helped the farmers in procuring higher return from their farm while improving the Company's profitability through improved sugar recoveries. Further, having the right mix of our Co-product capacities helps us to optimise our overall profitability. Our Alcohol business has aggressively participated in all tenders issued by the Oil Marketing Companies (OMCs) for procurement of ethanol, and has secured sizeable quantities. Both our distilleries have operated with B-heavy molasses successfully, encouraged by the Government policies. The performance of the co-generation power plants continued to be excellent, with very high uptime and reliable operations.

Operational performance highlights

Integrated Sugar Business

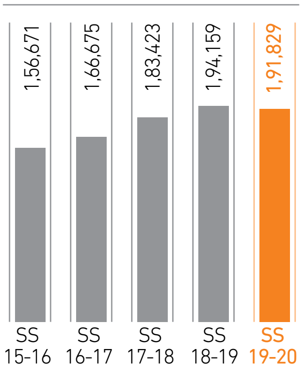
8.74
Million Tonnes
Sugarcane Crushed

1.01
Million Tonnes
Sugar Production

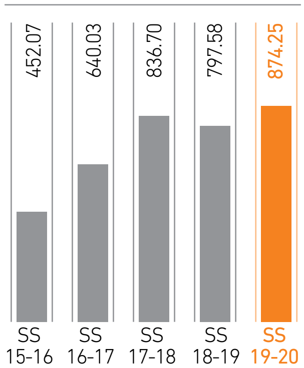
₹33,184
Per Metric Tonnes
Domestic Realisation

2,74,449
Tonnes
Sugar Exported

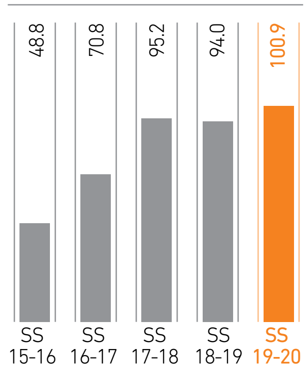
Area under sugarcane (Ha)



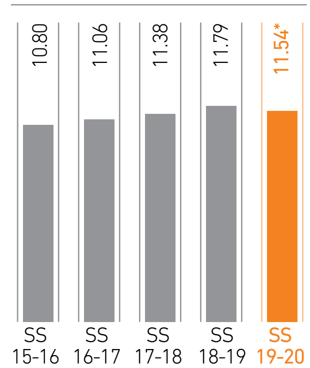
Sugarcane crushed (LQ)



Sugar produced (LQ)



Recovery (%)



SS – Sugar season – Oct – Sept.

** For SS 19-20, on a like-to-like basis, the comparable recovery would have been 11.97%*

33.7%
Ethanol Produced from B-heavy Molasses

93,826
Kilolitres
Total Production from both Distilleries

~100%
Capacity Utilisation at Distilleries

244.20
Million Units
Total Power Generation

145.34
Million Units
Power Exported

The Gears business has a leadership position in High Speed Gears segment in India and enjoys a market share of more than 80% across all major OEMs, supplying Steam Turbines, Pumps and Compressors, FD and ID Fans. This business is also supplying Gearboxes to various OEMs in Japan, Korea, China, Malaysia and Indonesia, and also in Europe (Italy, France, Germany, and Spain), US and Latin America. In the Refurbishment business, we are one of the leading global players in industrial gearboxes with a fleet of over 8,500 Triveni Gears and 900 replacements of more than 80 global brands. There is an increasing acceptance by multinational OEMs and industries for our products for their global projects – both in terms of new products as well as for providing refurbishment/replacement solutions. In our Water business, we are executing 12 Engineering Procurement Commissioning (EPC) jobs located in Delhi, UP, Karnataka, Odisha, West Bengal, Tamil Nadu, Rajasthan and Punjab.

Gears Business

₹ 154.2 Crore
Total Revenue

₹ 48.5 Crore
PBIT

₹ 152 Crore
Outstanding Order Book

Water Business

₹ 305.9 Crore
Total Revenue

₹ 24 Crore
PBIT

₹ 512.4 Crore
Outstanding Order Book (Product and EPC)

₹ 482.9 Crore
Operations and Maintenance Contracts Outstanding Order Book

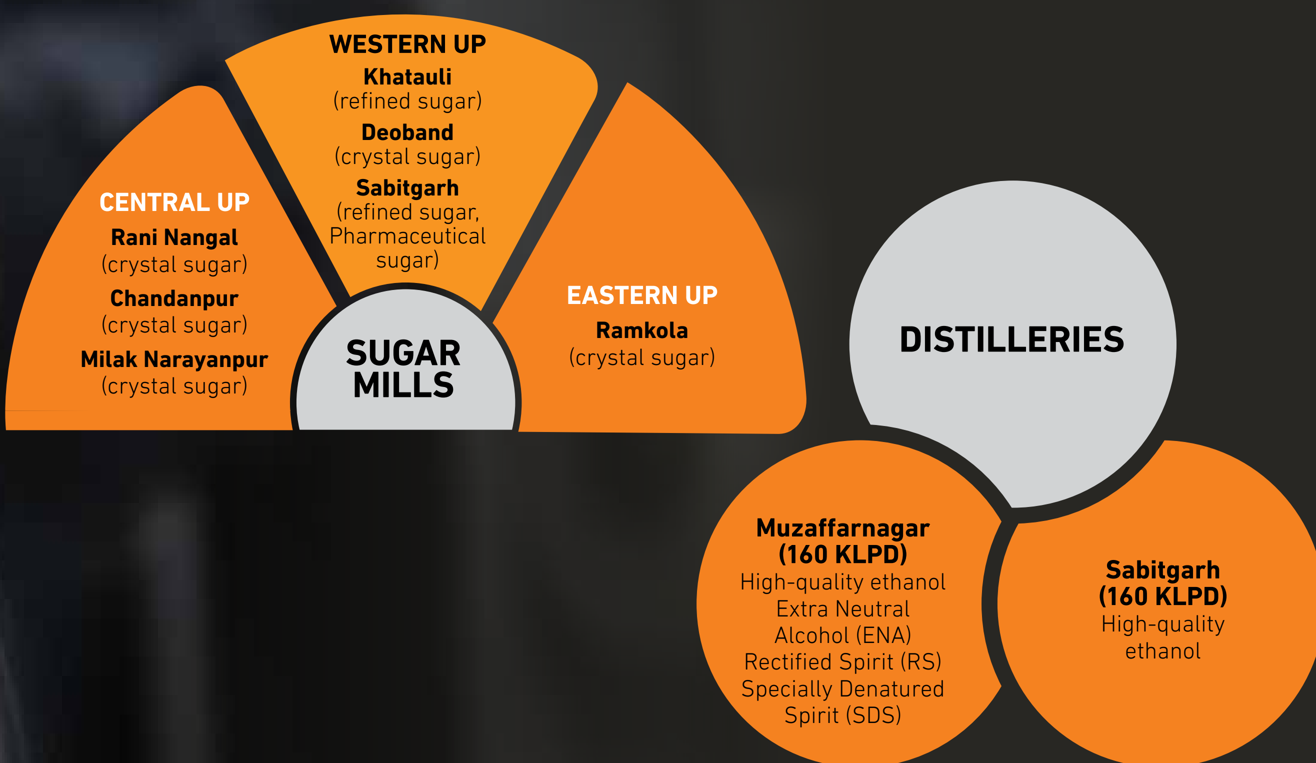
BUSINESS PROFILE
SUGAR

We are one of India's largest integrated sugar manufacturers, with market reach spanning 16 states and a product portfolio of premium quality Multi-grade (Large, Medium and Small) Crystal, Refined and Pharmaceutical-grade Sugar. The Company also produced raw sugar in FY 20 for exports. We process and produce high quality sugar at our seven sugar mills.

With six power plants (full co-generation plants and incidental co-generation facilities), as well as two large distilleries, we have integrated our sugar operations through value addition of co-products generated in the manufacturing of sugar. This has helped the Company achieve financial and operational stability for the Sugar business.

After meeting captive power needs, we export surplus power to UPPCL, whereas we use captive generated molasses in manufacturing biofuel ethanol at our distilleries located in Muzaffarnagar and Sabitgarh. We also produce Extra Neutral Alcohol at Muzaffarnagar Distillery, and in Q1 FY 21, we also started the production of Hand Sanitizers at the same distillery.

SNAPSHOT OF INTEGRATED SUGAR OPERATIONS



- All sugar units are Food Safety System Certification (FSSC) - 2000:2010 certified
- Presence in branded sugar market through brand 'Shagun'
- Produce GermCare Hand sanitizers
- Supply chain relationships with leading multinational Beverage companies, Food and FMCG companies, Pharmaceutical companies and Confectionery producers
- Operating on captive feedstock from sugar units to generate alternate revenue streams
- 97% Ethanol sales in distillery product mix
- 104.5 MW grid connected co-generation capacity, located at five sugar units
- Export of surplus power (60%) to Uttar Pradesh Power Corporation Limited

WHAT SETS US APART!

Our Sugar business has the advantage of strategically located manufacturing units in fertile, sugarcane-rich areas of UP, that are fed through canal irrigation. Proximity to the country's major sugar consuming markets enables better price realisation because of optimal costs of transportation and other logistics.

We share decades old partnerships with over three lakh sugarcane farmers. We support the farmers with dissemination of information, tools and scientific techniques in order to improve their productivity which enhances their income. We have also undertaken many other activities under our sugarcane development programme, such as soil mapping, creating awareness on better irrigation methods, providing mechanised equipment, changes in varietal balance by propagation of high yielding and high sucrose varieties of sugarcane etc. We distribute nutrients, fertilisers and pesticides under crop health management programmes. We also partner with the Government sugarcane research centres to introduce the latest scientific methods of farming, nurturing of seeds, and programmes for eradication of pests and diseases. We do continuous monitoring through real-time data capturing, which leads to on-time and faster decision-making. Our teams are dedicated to ensure that farm-level productivity is higher and we maintain cut-to-crush time, leading to higher gains to the farmers.

Going forward, we shall focus on intensifying this strategy to further augment our differential edge. This will be done through development of new areas under sugarcane cultivation in our command areas, and by consistently improving yields of sugarcane across the units.

Various efficiency changes and R&D initiatives are undertaken continuously on the processing side for enhancing operational efficiencies. We also undertake continuous machinery upgradation at the plants, and regularly monitor the consumption of process materials etc. by following the highest environmental standards.


MADE FROM SUGAR CANE
MANUFACTURED & MARKETED BY
Triveni
ENGINEERING & INDUSTRIES LTD
INDIA- 203129
MONTH & YEAR OF PACKAGING
KEEP AWAY FROM HEAT AND WATER
fssai

BUSINESS PROFILE
GEARS

A LEADING TURBO GEARS COMPANY

The robustness and reliability of our products and solutions can be gauged from the fact that we have supplied over 31,500 MW and 7,800 gearboxes globally to over 6,000 customers. Our lean and agile manufacturing offers optimised lifecycle cost and maximum customisation flexibility to our customers. Whether a customer needs a brand new gearbox for a complex industrial process, or service and repair of an existing installation of our make or other makes, we provide full lifecycle support. Our distinctive business portfolio is built on the foundations of:

- Customised, robust and reliable gears solutions designed to meet the evolving needs of customers
- Focussed strategy of continuous innovation to enhance performance and reduce lifecycle costs

Largest production of engineered-to-order Turbo gearboxes in India

World-class fully integrated plant located in Mysuru, Karnataka

Over 80% of market share in High Speed Segment

Market leadership in high-speed Gears and Gearboxes up to 70 MW capacity and 70,000 rpm speed

900+ gearboxes retrofitted/replaced/overhauled for 80+ global brands

Strong presence in Replacement Market

With more than four decades of experience and technological expertise, we have established Triveni Gears as the preferred partner to Domestic and Multinational OEMs.

DIVERSE PRODUCT SEGMENTS FOR DIVERSE INDUSTRIES

Specialised Applications

High Power and High-Speed Gearboxes (Used in Steam Turbines, Gas Turbines, Pumps, Blowers, ID/FD Fans and Compressors)

Low-Speed Gears (Used in Hydro Turbines, Reciprocating Pumps and Compressors, Mills & Extruder Drives for Metal, Sugar, Rubber & Plastic industries, Marine applications)

Wide range of mechanical power transmission solutions for industrial applications in

- **IPP**
- **Refinery**
- **Petrochemical**
- **Steel**
- **Sugar**
- **Marine Industries**

OPTIMAL SERVICE SOLUTIONS ACROSS CUSTOMER PROFILES

Structured to minimise the downtime for customers and provide lifetime support, Triveni's service solutions encompass:

Drop-in replacements
Of gearbox and gear internals, replacements/development of spare white metal bearings, etc.

Emergency breakdown support
Including rush delivery of parts, diagnostics & troubleshooting support, reverse engineering and dimensioning expertise at site or in-house

Refurbishment solutions
Across applications - Industrial, Oil and Gas - covering High-speed to Low-speed, as per AGMA, API-613 & API-677 standards

Health monitoring
For all types of critical gearboxes - high-speed and low-speed; Also maintains inventory of dimension-ready sites for immediate solution

QUALITY THAT BESPEAKS 'MAXIMUM PERFORMANCE WITH MINIMUM DOWNTIME'

With all critical functions designed to be handled in-house, our Gears manufacturing facility is certified to the highest quality standards of:

- ISO 9001-2015
- ISO 45001:2018
- ISO 14001-2015
- CE self-certification

Our products are designed, manufactured and commissioned in adherence with international quality norms, such as DIN/AGMA/API/ISO standards, by a professional and experienced team of engineers. Stringent customised and structured QAPs are followed at every stage of the business supply chain to ensure total customer satisfaction.

WHAT MAKES US EXCEPTIONAL?

Design Innovation

The key to our exceptional product portfolio lies in understanding the present needs of customers and pre-empting their future requirements. Regular mapping and analysis of the market trends, coupled with regular customer feedback, further reinforces our innovation edge. It enables us to design efficient and cost-effective products and solutions with the help of the most advanced software design tools. Our product designs are CAPEX/OPEX optimised, and structured to reduce ownership and life cycle costs, thus giving us a powerful competitive edge. Our design teams use the latest design tools - CREO for 3D modelling, WINDCHILL for data management, ANSYS for structural analysis, XLROTOR for rotor dynamic analysis, and KISS soft for machine elements design.

Supply Chain and Service Efficiencies

Our robust supply chain is structured around the key parameters of a stringent code of conduct, cost controls, quality assurance, timely delivery, along with high levels of consistency and transparency. Strict adherence to these parameters by all supply chain partners is ensured to drive efficiencies at every level, through optimal 360-degree service solutions.

Manufacturing Strength

World-class quality assurance at our manufacturing facility lends our products the market-leading ability to serve diverse customer needs across industries.

Our manufacturing **STRENGTH** is built on:

- Total integration of the manufacturing systems, with in-house core processes up to 2 metre diameter and in-house heat treatment facility
- High-end centres for grinding, hobbing, horizontal and vertical grinding, horizontal boring machines, plano-milling machines, as well as vertical machining
- Powerful in-house capabilities at the CMM facility, comprising a Metallurgical Lab with Carl Zeiss
- Precision testing and assembly bay, equipped with multiple workstations and three test benches to test gearboxes up to 90 MW capacity
- Flexible manufacturing capability served through a multi-modal bay
- Mesh capability for load gear internals ensured through Flexi Mesh stand

Defence Segment

The Triveni Defence business is focussed on providing solutions to the Indian Navy and Coast Guard in line with the Government of India's 'Make in India' guidelines. Leveraging our technological and engineering expertise, best-in-class manufacturing infrastructure, and years of expertise in supplying superior technology products, we exhibit unmatched levels of dynamism, professionalism and quest for robust product development. The Defence business is based at Mysuru, and focusses on design, development and manufacturing of a wide range of defence products. The business has partnered with strategic global technology majors for many of the products, not only for indigenous manufacturing to provide competitive solutions but also to provide lifecycle support as per the strategic needs of our armed forces.

Products that this **BUSINESS** deals in are:

- Propulsion Gearboxes and other critical Gearboxes
- Critical Turbo and Motor driven Pumps for sub surface and surface ships
- Gas Turbine Generators for auxiliary power for warships
- Fin Stabilisers
- Propulsion Gas Turbines Packages
- Propulsion Shafting
- Propulsion System Integration
- Water Jets and its components
- Application based EPC solutions
- Solutions for Steering Systems / Stabilisers

BUSINESS PROFILE
WATER TREATMENT SOLUTIONS

EFFECTIVE SOLUTIONS FOR EFFICIENT WATER MANAGEMENT

Amid escalating demand for water, and the resultant need for judicious water management and treatment, we have emerged as a leading solutions provider for water treatment, wastewater treatment and recycling of water, for industrial and municipal applications.

- More than 2,000 process equipment supplied & commissioned
- Over 100 successfully operating installations across various segments – infrastructure, industrial and municipal
- ~10,000 MLD of water already treated through our projects & equipment
- Technology associations with the world's leading technology providers for various products, processes & solutions
- Won Water Awards for Innovative project designs

WATER TECHNOLOGY FOR SUSTAINABLE SOLUTIONS ACROSS THE WATER CYCLE

- Water Treatment
- Wastewater / Sewage Treatment
- Recycle & Zero Liquid Discharge
- Water & Wastewater network management
- Desalination for Sea water and Brackish water
- Operation and maintenance

Our **ADVANCED SOLUTIONS** for total water management include:

CUSTOMER CARE & VALUE-ADDED SERVICES	EQUIPMENT SUPPLY FOR UNIT PROCESSES	LIFECYCLE MODELS	WATER TECHNOLOGY FOR SUSTAINABLE SOLUTIONS ACROSS THE WATER CYCLE
Operations and Maintenance, AMCs, Product and Process audit	Intake system	Design, Build, Own and Operate (DBOO)	Water treatment plant
Health check–up, overhauling pilot experiments	Screening (Fine/Medium/Coarse)	Design, Build, Own, Operate and Transfer (DBOOT)	Wastewater/sewage treatment
Refurbishment, upgradation and automation of existing plants	Grit Separation	Build, Own, Operate and Transfer (BOOT)	Common effluent treatment plant
Spares and Service consumables and chemicals	Clarification	Hybrid Annuity Model (HAM)	Sea water desalination
On-site training and assistance	Biological Treatment		Brackish water desalination
	Sludge Handling		Recycle and Zero Liquid Discharge
	Skimming		

SUSTAINABLE WASTEWATER AND SEWAGE TREATMENT SOLUTIONS

We employ the most advanced technologies to offer sustainable solutions for effluent treatment, common effluent treatment and sewage treatment (physical, chemical and biological treatment). Our solutions are designed to meet the stringent demands of cities and industrial clusters to minimise surface water and ground water pollution, in line with the National Green Tribunal (NGT) standards and regulations.

We have today **more than 100** successfully operating water & sewage treatment installations, which are designed to offer:

- Cost efficiencies
- Low footprint area
- Minimal waste generation
- Adherence to specific standards/ norms

EFFICIENT AND SUSTAINABLE RECYLCE & REUSE OF WASTEWATER

Recycling and reuse of wastewater is a major challenge for India today in view of the large-scale wasteful and non-judicious usage of the resource, particularly by industry. Our recycle plants, designed, delivered and installed through our efficient and cost-effective model, provide comprehensive solutions for Recycle, Reuse and Zero Liquid Discharge (ZLD), thus ensuring sustainable reuse of water.

Our **TECHNOLOGICALLY** advanced equipment includes:

- Grit Separation
- Clarification and Thickening Aeration Systems
- Anaerobic Digestion Systems
- Bio Gas Handling Systems
- Solid-Liquid Filtration Systems
- Oil-Water Separation Systems
- Screening

OPERATIONS AND MAINTENANCE FOR SUSTAINABLE PLANT OPERATIONS

Operations and Maintenance (O&M) of water and wastewater system is critical to ensure sustainable plant operations. We provide efficient and effective O&M services, customised to client requirements, for water and wastewater treatment plants. Optimised operations enable significant energy savings, while asset management helps in minimising, or even eliminating plant shutdowns, thus preventing any interruption in operations and extending the life of the clients' mechanical equipment. O&M is also the key to deferment of expensive mechanical equipment replacement.

Technology Edge

- Moving Bed Bio Reactor – Technology arrangement with Aqwise of Israel
- Sequential Batch Reactor – Technology arrangement with GAA of Germany and Premier Tech of Canada
- Activated Sludge Process (ASP)
- Conventional Technologies Filters – Sand or Membranes High rate Clarifiers
- Anaerobic / Anoxic / Oxic (A_2O) and Membranes
- Recycling / Reuse
- Zero Liquid Discharge

What sets us apart...

In the challenging water management and treatment scenario, we have set ourselves apart as industry and technological leaders. We have established strong credentials in the market as providers of value-added treatment solutions across a wide spectrum of applications in various segments. Our state-of-the-art manufacturing process equipment, backed by deployment of modern conventional and latest technologies, has positioned us uniquely as a leading integrated solution provider in the Water Business. The fact that our major EPC competitors buy process equipment from us clearly underlines the exceptional quality and reliability of our equipment, while our innovative design and engineering solutions make us the preferred partner for providing optimised solutions to our customers. Our advanced project management skills, coupled with expert in-house engineering and design teams, lend us the capabilities needed to deliver cutting-edge solutions and value engineering to our customers.

Mathura Waste Water Project

The Mathura Waste Water Project, a key enabler of our Water Business growth story, stands testimony to our competitive capabilities in this business. We are executing the Mathura Sewage Scheme under a Hybrid Annuity Model (HAM) based Public Private Partnership (PPP), as part of a new initiative by the Government under Namami Gange Programme. Aligned to the Government of India's strong commitment and action plan to clean river Ganga and its 40 tributaries and major drains, the project is aimed at integrating the rehabilitation and operation of existing infrastructures, along with the development of new infrastructures and Sewage Treatment Plants (STPs). On completion, the project will augment the existing available capacities of STPs in Mathura city from the current 37 MLD to 67 MLD, which will be sufficient to meet the treatment capacity of sewage generation up to 2035. Expected to be completed within the contractual timelines, the project is being executed with the approach of One-City-One Operator and Reuse of treated sewage water in Indian Oil Corporation Limited (IOCL) - Mathura Refinery. Besides scaling up the treatment capacities, it will also generate significant revenue.

MESSAGE FROM THE CHAIRMAN

Our major business portfolio - Sugar and Co-products, being essential goods, were not impacted during the lockdown period and operated normally.

Dear Shareholders,

It is with mixed emotions that I am addressing you at this critical juncture: At the one end of the spectrum, there is a sense of pride and accomplishment over the record performance posted by the Company during the year, whereas at the other end is the COVID-19 pandemic which has caught the world under its fold, costing countless human lives and disrupting the entire cycle of global economy. We have not faced a more uncertain environment before, but I do believe that we have the ability to combat the pandemic, and emerge as the winner, even stronger than before.

Our major business portfolio - Sugar and Co-products, being essential goods, were not impacted during the lockdown period and operated normally. During the lockdown period, the businesses were managed with extensive use of digital technology, which will now replace the conventional ways of working in many ways. These are expected to bring about not only improvement in productivity but significant cost efficiencies also. It will be our endeavour to keep our employees and other stakeholders safe without compromising our quality or productivity. I wish to say that I am confident that, with our positive approach, we shall emerge victorious in every battle ahead.

As I look back at FY 20, I see how effectively we leveraged the intrinsic positivity of our attitude and the robustness of our business strategy to deliver one of the most powerful business performances in the Company's history.

The key reasons for our improved sugar performance were our persistent focus on high sucrose and high yielding sugarcane varieties, effective disease & pest management, better operating efficiencies in utilities, lower cut-to-crush time, and efficient and cost-competitive logistics management. Further, we have managed working capital well, with year-end sugar inventories being 15% lower than the previous year despite higher sugar production. This was made possible by higher exports and production of B-heavy molasses to manufacture ethanol.

The Central Government has been promoting higher production of ethanol and, under the Scheme so framed, offered interest subvention on loans contracted to set up additional capacity. Under the Scheme, we have expanded our distillery capacity by setting up a new 160 KLPD distillery at one of our sugar units. We also installed an incineration boiler at the existing distillery and other auxiliary systems for modernising and upgrading the Effluent Treatment Plant (ETP) at the existing distillery. Under the Scheme, loans of ₹ 176.93 crore were availed with substantial interest subvention. It raised our annual capacity to 320 KLPD. Our total production during the year increased by 95%, and we achieved high levels of fermentation and distillation efficiencies. I am happy to share that we moved swiftly to join the nation's fight against the COVID-19 pandemic by setting up a Hand Sanitizer production facility at our Muzaffarnagar distillery. We aim to enhance the production of sanitizers and move into manufacturing of premium hand sanitizers as we augment our efforts in this area, thus also adding an additional revenue stream for the Company.

In the Engineering segment, we have achieved encouraging growth – both in turnover and profitability. In Gears Business, we continued to expand our business with foray into several new segments and regions. The growth in this segment spanned OEM Exports, Refurbishment and Loose Gears. The long-term prospects for the Water business also seem promising despite the muted order finalisation during FY 20, as the Central and State Governments continue to push for, and invest in, water infrastructure. The Central Government's focus on Namami Gange for cleaning of Ganga, JICA-funded projects in Delhi and Karnataka, AMRUT programmes for Pollution abatement, Recycling and Re-use, along with stricter vigil by the National Green Tribunal, will be key demand drivers in this business.

IN THE ENGINEERING SEGMENT, WE HAVE ACHIEVED ENCOURAGING GROWTH – BOTH IN TURNOVER AND PROFITABILITY. IN GEARS BUSINESS, WE CONTINUED TO EXPAND OUR BUSINESS WITH FORAY INTO SEVERAL NEW SEGMENTS AND REGIONS.

The situation arising from COVID-19 poses uncertainty in terms of return of normalcy for our Engineering business. It would depend on when the disease is controlled in the industrial segments and geographies we operate in, and the financial position of our customers to undertake investments and place orders. Given the magnitude of the crisis and the financial losses it may have caused, businesses may take time to restore their activities. However, in Water business, where most of the projects are Government sponsored or originate from municipalities, the inflow of orders and finalisation may not be significantly delayed. In the Sugar and Distillery businesses, the sugar and fuel demand were initially impacted during the lockdown period but these have almost reverted to normal offtake.

Our strategic approach, in this environment, is likely to be cautious, but we remain firmly on track with our long-term plans, and will utilise this period to consolidate our strengths as we prepare for the next phase of growth.

The coming year will also be one of enhancing our community outreach as we partner with the nation in helping those most affected by COVID-19, through our Corporate Social Responsibility (CSR) initiatives. We are cognisant of our role in India's economic and social revival in the post pandemic period, and shall strive to go beyond our capacities and capabilities to contribute extensively to the same.

I am confident that in this endeavour, I shall continue to get the support of our people, as also other stakeholders who remain integral to our strategic agenda.

With best regards,

Dhruv M. Sawhney
Chairman & Managing Director

Q&A WITH THE VICE CHAIRMAN & MANAGING DIRECTOR

Gross revenue for the year stood at ₹ 4,436.6 crore and Profit after Tax at ₹ 335.1 crore on a consolidated basis. These numbers reflect the overall positivity in the business, across segments, amid the challenging macro environment.

Q Overall, has the performance of the Company been in line with your projections? What were the key factors that led to improved performance across the segments?

It has been a year of remarkable performance for the Company, with some record-breaking numbers, notwithstanding the challenging and uncertain situation triggered by COVID-19 towards the end of FY 20. Gross revenue for the year stood at ₹ 4,436.6 crore and Profit after Tax at ₹ 335.1 crore on a consolidated basis. These numbers reflect the overall positivity in the business, across segments, amid the challenging macro environment.

In the Sugar business, we have further improved operational efficiencies, notably with respect to sugarcane crush and recovery. In the Sugar Season 2019-20, we achieved 10% increase in sugarcane crush and our recovery improved by 18 basis points on comparable basis, excluding the impact of B-heavy molasses, as compared to the previous sugar season. Additionally, the series of interventions by the Government of India (GoI) over the past few seasons has infused substantial positive sentiment, helping in the stabilisation of the industry, particularly on the pricing front.

The Company's performance in the Co-product businesses of Power and Alcohol also continued to push the overall numbers during the year, as we moved aggressively forward to seize opportunities in the Distillery segment. The Ethanol business, in particular, is benefiting immensely from the Government of India's growing thrust on ethanol blending programme, which has been further strengthened by the National Biofuel Policy of 2018. With the commissioning of a new 160 KLPD distillery, our volumes have increased substantially and 33.7% of the ethanol production was met through B-heavy molasses. Our Co-generation Power plants also performed well during the year, even though the business was impacted because of the substantial downward revision of the tariff effective from April 1, 2019.

I am also happy to share that we have remained firmly on track with our growth plans in the Gears segment, which showed a healthy order booking of ₹ 156.8 crore, with excellent performance in OEM sales, as well as in refurbishment business. Our Water business further contributed to driving growth for the Company with promising results, at the back of our streamlined operations and our SPV operations in the Mathura Wastewater project.

As I mentioned, we did well across all the business segments, which is the result of our persistent efforts, focussed approach and strategic decisions.

Q What were the major challenges faced during FY 20, and how has the Company dealt with them?

While it was encouraging to witness ~70,000 tonnes higher sugar production in SS 2019-20 as compared to SS 2018-19, it posed enormous working capital and stocking challenges. As a mitigation measure, the Company embarked upon its export programme in an accelerated manner. This resulted in 26% exports of the total despatches during the year. Further, the production of B-heavy molasses helped the Company meet the captive requirements of the raw material for the new distillery, as well as to divert 30,209 tonnes of sugar for ethanol production. Both exports and B-Heavy molasses production helped the Company receive higher allocation for domestic despatches and, consequently, the sugar inventories held at the year-end were 15% lower than the previous year. As of March 31, 2020, the Company is entitled to receive ₹ 235.14 crore against various subsidies. It is a large amount and the Company, along with the help of industry associations, will strive to take it up with the Government of India (GoI) for early realisation.

The Gears business is actively exploring and collaborating with the Defence sector under the 'Make in India' initiative of GoI in the hope of generating substantial business. It requires persistent efforts, development of products as per the customised requirements, as well as considerable commitment and investment of time. Further, we are in active dialogue with leading global gear manufacturers to supply critical hi-tech components to create another revenue stream, in addition to OEM and retrofitting. We are also focussing on indigenous R&D to diversify our product range and be self-sufficient in technology. It is our constant endeavour to align our strategy in this segment to the Government of India's policy initiatives in terms of sectoral thrust, and we continue to diversify our presence and build our capabilities in new and emerging sectors of growth, in order to stave off all sector-specific challenges.

> I am also happy to share that we have remained firmly on track with our growth plans in the Gears segment, which showed a healthy order booking of ₹ 156.8 crore, with excellent performance in OEM sales, as well as in refurbishment business.

The Water business is another area where the Government of India's proactive measures remain a source of positivity, notwithstanding the slow pace of order finalisation during the year. We continued to harness the new opportunities to our strategic advantage in this segment.

Q How do you respond to the fact that the Company has crushed the highest volume of sugarcane, resulting in record sugar production since inception?

It is a source of great satisfaction that we continue to report excellent performance in terms of sugar recoveries and production. In terms of production, we have achieved a CAGR of 15.5% in the last 5 years through better sugarcane yields, recoveries and plant utilisation, without undertaking any significant capital expenditure. There exists significant potential to achieve much more and we will now focus on high potential areas.

We achieved a historic high of sugar production of over one million tonnes during the year. Further, Khatauli Sugar Mill, our largest sugar mill, recorded the highest sugarcane crush and sugar production in the country. Three sugar mills (out of seven) of the Company recorded a recovery of 12% or more during the current sugar season.

Our excellent numbers in sugar recovery and crushing stand testimony to the success of our overall approach, and we shall continue to sharpen our focus on our sugarcane cultivation programme to further boost efficiencies and productivity, going forward.

Our extensive sugarcane development programme remains a strong pillar of our sustained growth, year on year, and we shall continue to invest in it as we scale up our collaborative engagement with the farmers in the spirit of mutual interest. It is our focussed endeavour to facilitate the farmers to shift more proactively towards new varieties of sugarcane, higher recoveries and more efficient operations, to enable increased productivity and incomes. Further, we have identified sugarcane centre operational efficiency and logistics for the transportation of sugarcane as our next focus areas, with the intent of reducing the cut-to-crush time and bring about greater cost efficiency.

Our Distillery business is further powering our growth strategy through enhanced capacities and improved efficiencies year on year. We have adequate captive molasses for our distilleries and during the year, ~33.7% of ethanol production was by using B-Heavy molasses. Subject to proper pricing, we may consider adding distillation capacity to produce ethanol directly from sugarcane juice.

Q What is your assessment on continuance of thrust on export of sugar?

The sugar export programme was continued by GoI in the sugar year 2019-20 through Maximum Admissible Export Quantity (MAEQ) programme. The GoI incentivised the same by providing a lump-sum Export subsidy of ₹ 10,448 per tonne for exports up to 6 million tonnes. Subsequently, the Government also announced reallocation procedure for MAEQ for those mills that had not exported or did not wish to export sugar, which led to creation of more potential for export for others. The export programme was reasonably successful and it is expected that the exports may reach 5+ million tonnes. Apart from the initial quota of 1,79,183 tonnes, we were granted additional quota of 94,210 tonnes in two tranches.

In view of the expected production of ~31 million tonnes in the next sugar season, exports would need to be carried on unabated, and we feel that the GoI, as in the past, will support such export programme.

Q What was the main reason for turnaround in Water Business? Please elaborate on the factors that steered this positivity. What is the way forward?

As expected, post the turnaround in FY 19, the Water business has continued to post remarkable growth, and recorded the historical highest annual turnover of ₹ 306 crore with PBIT of ₹ 24 crore during the year under review. Our operational efficiencies showed considerable improvement in view of better project management, and as a result of concerted initiatives to improve and streamline the systems and processes. Unfortunately, the order booking is becoming lumpy due to uneven finalisation of tenders and thus, the order booking during the year has been nominal. We have tendered for much larger projects and we believe the order booking for FY 21 from this business should be back on track.

Increased Government spending on water infrastructure under various key and flagship schemes has been a key factor propelling growth in this business, and we see the focus on this area continuing. The urban demand for water and wastewater treatment plants is not likely to diminish and we shall continue to pursue opportunities with National Mission for Clean Ganga (NMCG), UP Jal Nigam, Delhi Jal Board, Bangalore Water Supply and Sewage Board (BWSSB) and various other clients in EPC and HAM / PPP projects. We are also exploring PPP opportunities for STP recycling on PPP format.

Q What are the reasons which led to an impressive growth in the Gears business despite subdued industrial activity, especially in the capital goods industry?

Our Gears business had an excellent year, with revenues higher at ₹ 154.2 crore and PBIT of ₹ 48.5 crore. Our outstanding order book in this business is ₹ 152.0 crore. As I pointed out earlier, OEM sales, refurbishment, spares and service were the areas that saw significant growth, particularly in the global market. Further, our foray into the Built to Print segment, wherein the Company has tied up with large OEMs globally, will help the business to expand its activities to mitigate the slowdown in economic activities.

Here again, the Government policies have played a critical role in encouraging business sentiment and the 'Make in India' initiative, in particular, has created a multitude of opportunities for diverse engineered products. We continue to leverage our capabilities to actively participate in many of these indigenous development projects. In particular, we saw significant opportunities for growth in the Defence sector, where new projects are being customised for critical equipment. This offers substantial value to the existing portfolio of rotating equipment. We have already gained some foothold in the critical turbo pumps space in the Naval Defence segment, on which we are initially focussing.

With the Prime Minister's clarion call for 'Atma Nirbhar Bharat' (Self-Reliant India), the focus on indigenous production is likely to actually get galvanised into significant new opportunities in the medium term, translating into new avenues of growth going forward.

Q The COVID-19 pandemic has created unprecedented uncertainty, threat to life and disruption of business and industrial activity. What is the likely impact on the businesses of the Company?

The lockdown in the country was declared from March 25, 2020, but our sugar factories, including distilleries and generation of power, continued to operate uninterruptedly in view of sugar being an essential commodity. There were acute supply chain challenges but with the cooperation of the State and Central Governments, these were effectively managed. Both the Engineering businesses closed down for a period of 3-5 weeks but attained normal operations by the middle of May 2020.

Due to the lockdown and closure of user factories, sugar demand was impacted but it is returning to normalcy as the lockdown restrictions are being relaxed. It is expected that sugar consumption for SS 2019-20 may decline by around 0.5 million tonnes. Further, the ethanol offtake was also impacted but with the help of Oil Marketing Companies, we were allotted new depots for supply and hence, the distilleries continued to operate at full capacity without any interruption.

At present, in respect of our Engineering businesses, there is no feedback of our customers significantly cancelling or deferring the orders, but in view of the various complexities involved, including the financial health of our customers, we need to be cautious, vigilant and in a state of preparedness to deal with the emerging situation. The return of normalcy will depend on how soon the pandemic is brought under control and the financial capacity of our customers to resume normal industrial activities.

Q What are the projects under contemplation presently?

As I mentioned earlier, we are open to enhancement in distillation capacity subject to viable prices being prescribed for ethanol produced from B-heavy molasses and sugarcane juice. The GoI is committed on higher EBP, and we feel that rationalisation in the policy and pricing will afford us an opportunity to participate in this programme.

In view of acute shortage of hand sanitizers in the aftermath of COVID-19, we have set up a sanitizer manufacturing facility in a short span to meet the demand in the state of UP. We have ramped up our production and currently we are producing 10,000 litres per day under the brand name "GermCare', which we are marketing in various sizes. We also intend to manufacture premium quality hand sanitizers and, in view of its long-term demand, we will harness and invest in the segment as a value-added business proposition, rooted in our sustained efforts to diversify our product portfolio as a risk mitigation measure.

We are looking at even smaller projects, such as ash granulation and capturing of CO_2, to cover all possible values in our business chain.

Q In view of the outstanding performance of the Company in the year, how do you propose to reward the shareholders?

The Company believes in adequately rewarding the shareholders. The Company had come out with Buyback of shares to the extent of ₹ 100 crore in FY 20, and in the same year, in March 2020, we paid interim dividend of ₹ 1.1 per equity share (110%). Going forward, the Board will evaluate the position at an appropriate time.

MANAGEMENT DISCUSSION AND ANALYSIS

SUGAR BUSINESS

THE SUGAR INDUSTRY

As one of the largest agro-based industries in India, with a total turnover of over ₹ 1,00,000 crore, the Sugar industry, which includes sugar and its co-products, contributes significantly to the nation's socio-economic development.

In the Sugar Season (SS) 2018-19 (October to September), around 732 mills produced more than 33 million tonnes of sugar, making India the world's largest sugar producer. India also maintained its leadership position as the world's largest consumer. The industry's value chain encompasses around 50 million farmers, along with around 2.5 million farm and industrial workers who are involved in sugarcane farming and the sugar manufacturing value chain.

Having emerged as a major driver of the country's progress, the Sugar industry continues to be central to the Government of India's strategic focus. The Government's proactive interventions have been crucial for the industry, which faces tremendous challenges due to excess production and carryover stock. The Government reforms have, in fact, been critical to the success of the sugar companies in recent years.

Among the key policy interventions of the Government are the creation of buffer stock, provision of soft loans, establishment of Minimum Selling Price (MSP) with a controlled monthly release mechanism for the sale of sugar, and the introduction of a financially supported export programme. These interventions have helped the country in maintaining the demand-supply balance for the Sugar industry, while securing the livelihood of farmers and ensuring that sugar companies do not face financial stress.

Further supporting the supply side management of the Sugar industry is the lower quantum of sugar production achieved as a result of the Government's thrust on ethanol production. Prompt approval of projects related to ethanol capacity enhancement assisted the diversification of the industry and the diversion of surplus sugarcane juice/syrup and B-heavy molasses towards the production of ethanol during the year.

The expansion of the global sugar deficit was also a positive factor in raising global sugar prices, resulting mainly from lower sugar production in Brazil and Thailand, thus leading to supply side shocks. This has further augmented the Indian sugar industry's export programme.

THE SUGAR MARKET

Market Analysis

As a major propeller of India's progressive agenda, the Indian sugar industry has emerged as a key driver for the nation's rural economic development. A decade of concerted sugarcane development and adoption of more scientific agronomical practices, together with timely regulatory changes, has led to significant transformation in the Indian sugar industry over the year. It has positioned India as a leading producer of sugar in the world.

Furthermore, the extensive sugarcane development programme undertaken by the industry has helped farmers to not only increase their yields but also double their incomes. Mechanisation of sugarcane farming, introduction and propagation of early maturing and high sucrose sugarcane varieties, adoption of the latest scientific techniques of farming, inter-cropping (the ability to plant two crops at a time) etc. have strengthened the financial robustness of sugarcane farming in the country. However, the sector is still impacted by weather conditions, such as the vagaries of the monsoon.

During SS 2019-20, sugarcane area, as reported by the Agriculture Department, was 52.45 lakh hectares, down by 5.51% year-on-year. The major drop was accounted by the states of Maharashtra and Karnataka, which were adversely impacted by poor water availability in the plantation period and floods during the crucial growth stage.

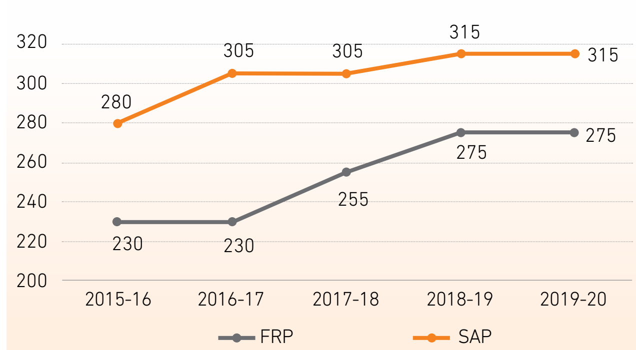
Sugar Production

As on March 31, 2020, the country's sugar output for SS 2019-20 stood at 23.3 million tonnes, down by 6.4 million tonnes year-on-year. COVID-19 has impacted the sugar production positively, as gur (jaggery) and khandsari (unprocessed sugar) manufacturers shut down operations in UP early because of the lockdown, which led to the diversion of an additional quantity of sugarcane to mills for crushing. The sugar production in the country, till May 31, 2020, stood at 26.82 million tonnes, and is estimated to be over 27 million tonnes in SS 2019-20. This decline in production is a result of reduced output from Maharashtra and Karnataka, as well as the diversion of B-Heavy molasses towards ethanol production, which resulted in lower sugar output by around 0.5 million tonnes. The diversion during this season was twice the quantity diverted during the previous season.

Sugarcane Pricing

The Central Government announced Fair and Remunerative Price (FRP) for sugarcane for SS 2019-20 at ₹ 2,750 per tonne - unchanged from the previous year, as per the recommendations of the Commission for Agricultural Costs and Prices (CACP). The UP Government also retained the State Advised Price (SAP) at the level of the previous sugar season, at ₹ 3,150 per tonne for normal varieties delivered at factory gate, with a premium for early maturing varieties and a discount for sugarcane delivered at out centres as well as for rejected varieties.

FRP v/s SAP (₹ per Quintal)



The sugar production in the country, till May 31, 2020, stood at 26.82 million tonnes, and is estimated to be over 27 million tonnes in SS 2019-20.

The high cost of sugarcane, and resultant higher cost of production of sugar, makes it difficult for Indian manufacturers to compete in the international market, and adversely affects the sugar exports programme. Under the circumstances, exports are viable only with Export subsidy or financial assistance from the Government. Sugarcane price in India is 60-70% higher than that of Brazil or Thailand.

As per the Food Ministry's data, as on May 28, 2020, sugarcane arrears in sugar season 2019-20 stood at ₹ 17,134 crore on FRP basis and ₹ 21,238 crore on SAP basis. Sugar prices remained range bound, and in most parts of the country remained just above the MSP, thereby impacting the capability of the mills to pay sugarcane farmers. CACP, in its recommendations to the Government for the fixation of FRP, has strongly recommended implementation of the Revenue Sharing Formula (RSF) based on revenue generated from sugar and primary co-products, as earlier recommended by the Dr. Rangarajan Committee. Adoption of the formula by all States is the key to long-term sustainability of the Sugar sector. During the period when RSF is lower than FRP, the difference can be paid to the farmers through a Price Stabilisation Fund (PSF), which can be created by imposing tax on soft drinks / beverages, as well as dual pricing for industrial and household sectors, that can be planned to generate extra funds and keep those under PSF. The Commission recommended setting up of a Committee to explore various possibilities for managing the PSF.

CACP also recommended the abolition of SAP and adoption of FRP uniformly, throughout the country. In case the State Governments still decide to announce SAP, the difference between FRP and SAP should be directly paid by the State Government to the farmers.

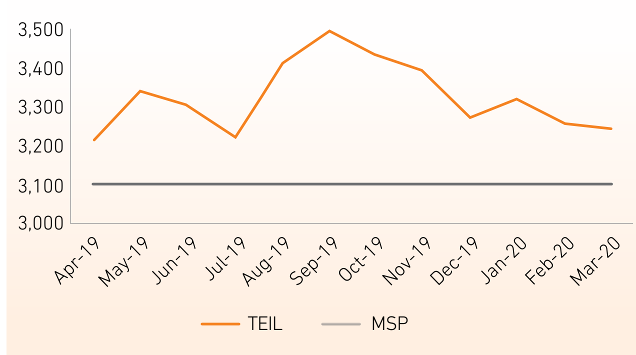
While the Government has supported the industry with soft loans, benefits of MSP, buffer stocks, export subsidies and incentives, the root cause - mismatch between sugarcane price and sugar price - has remained unresolved. In order to bring financial stability to the Sugar industry, key reform for linking sugarcane price with sugar price is essential.

Sugar Prices

Domestic

The average sugar price trend showed volatility during FY 20, with a peak of ₹ 3,490 per quintal in September 2019 from a bottom of ₹ 3,210 per quintal in July 2019. The variation in the domestic sugar prices was primarily due to difference in the monthly release of sugar for sale between various states of the country. Sugar price realisation for Triveni has always been much above the Minimum Selling Price (MSP) announced by the Government.

Average Monthly Domestic realisation of the Company (₹/quintal)



Domestic price is more fundamentally driven by the quota system, with the Government determining the quantity to be supplied in a month. This is done through monthly despatch quota prescribed for each sugar mill, taking into consideration the consumption pattern. It allows the Government to regulate the prices subject to MSP. The consumer demand in India is almost consistent but institutional supplies are based on seasonal factors and festivities.

From the above graph, it can be seen that a dip in sugar prices was followed by a rise in price levels and vice versa. This was due to the checks by Department of Food and Public Distribution (DFPD) with regard to liquidation of stocks and imposition of balanced monthly despatch quota for each sugar factory. Throughout the year, this variation in prices also helped in keeping under check the speculative stocks positioning by Institutional buyers and the volume of sugar inventory in transit. A few deficit states, like Andhra Pradesh, Telangana and Tamil Nadu, were well catered by supplies from the Western states of India, whereas majority of Gujarat and Rajasthan markets were covered by the North Indian mills.

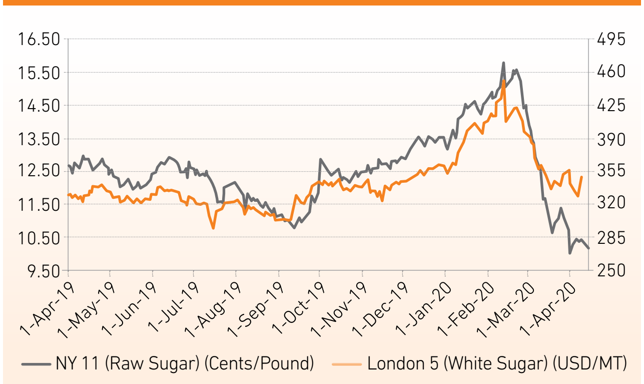
Due to the lockdown imposed by the Central Government from the last week of March 2020, sugar prices have fallen to the level of Minimum Selling Price (MSP) of ₹ 31 per kilo from ₹ 32.5 per kilo in February 2020. The sugar mills were unable to fulfil their monthly sales quota allocated by the Government due to the significantly lower institutional demand in this period. The drop in sales consequently led to pressure on the working capital requirements of sugar mills, which further negatively impacted the sugarcane payment to farmers.

Global

International price contracts of both raw and white sugar traded mostly based on Thailand and Brazil production estimates. After a peak of 15.78 USD cents/pound, the near-month contract of raw sugar dipped to 10 USD cents/pound.

Likewise, white sugar plunged to USD 294 per tonne after touching a peak of USD 451 per tonne.

NY 11 & London 5 Sugar Price Trend



The most challenging part of the Surplus to Deficit price trend was the transitional changes in the fundamentals, in addition to some other factors like drastic price decline against short of large specs, China's slow buying, Indian export subsidies etc. Thailand's varying crop estimates, El Niño effects and regional carry forwards also triggered fluctuations. Thus, both raw and white sugar prices have been under pressure – because of global oversupply on the one hand and ramping up of India's exports on the other. White sugar's premium also varied during the timeframe - from a bottom as low as USD 40. During the last fortnight of March 2020, the near-month contract was additionally under undue pressure due to COVID-19.

The Brazilian currency traded at an all-time low and oil prices also remained weak during April-May 2020. Owing to the demand destruction of sugar and fall in ethanol prices, Brazil Real came down drastically. The impact of COVID-19 resulted in lower sugar demand, stalled exports, and lower ethanol sales. The world also witnessed sharp decline in oil prices due to COVID-19 and various geopolitical factors. This impacted the mix of sugarcane usage in Brazil for manufacturing of ethanol vis-à-vis sugar, while in Thailand sugar production declined due to drought. With shortage of packing materials and labour at ports, there were problems in shipping sugar consignments to export markets. This resulted in decline in the global sugar prices. Lower demand adversely impacted the sale of both sugar and ethanol, with maintenance of sugar inventory and storage of ethanol emerging as major problems for integrated sugar manufacturers.

The world also witnessed sharp decline in oil prices due to COVID-19 and various geopolitical factors. This impacted the mix of sugarcane usage in Brazil for manufacturing of ethanol vis-à-vis sugar, while in Thailand sugar production declined due to drought.

Government Policies

The Government derives its power from the Essential Commodities (EC) Act 1955, which gives it the authority to declare policies such as the monthly sales quota mechanism for individual sugar factories, the minimum selling price for sugar (MSP), the creation of a sugar buffer stock, among others. Sugar has been declared an essential commodity as it is an item of mass consumption, with sugarcane being a highly remunerative crop that attracts and supports millions of farmers and their families across the country. The controls with respect to sugar include determining the mill-wise monthly despatch quota to maintain sugar prices, subject to MSP, in order to meet consumption demand. Other controls relate to managing a buffer between the deficit and surplus states, creating buffer stocks to mitigate higher sugar inventories, export decisions to correct surplus sugar inventory, and also to provide soft loans in challenging conditions to pay the sugarcane price. The controls with respect to sugarcane are fixed as per FRP by the Central Government and in some states, including Uttar Pradesh, the State Advised Price (SAP) is fixed by the State Government. Further, the Government of India has taken several steps to increase the viability of the industry through optimum utilisation of the co-products and to encourage several streams of revenue for the sugar mills.

Typically, large inventories of sugar would have had a devastating impact on pricing, but introduction of the MSP by the Government has prevented such a collapse. It is still argued by the industry association, however, that the MSP is lower than the average cost of production of the country. MSP offers a base price and, for most parts of the country, the sugar realisations are close to MSP, whereas the average realisation for UP sugar mills for sale of crystal sugar are typically higher than MSP, with refined sugar fetching some premium to the crystal sugar. The introduction of Maximum Admissible Export Quota (MAEQ), and the subsidy linked to it, encouraged the non-coastal sugar producing states of India to actively participate in the export programme. Various initiatives were also taken to engage in bilateral talks with nearby countries to promote the export of sugar from India.

In order to maintain the demand-supply balance in the country, the Government took various timely decisions during the fiscal under review:

- The Cabinet Committee on Economic Affairs (CCEA) approved creation of buffer stock of 4.0 million tonnes of sugar for one year - from August 1, 2019 to July 31, 2020, which would incur estimated maximum expenditure of ₹ 1,674 crore. The reimbursement under the scheme would be met through quarterly payments to sugar mills, to be directly credited into the farmers' account on behalf of the mills against sugarcane price dues.
- MAEQ - An Export Quota of 6.0 million tonnes was allocated to all sugar mills on September 12, 2019, with export date till September 30, 2020. The Government notified a scheme for providing Export subsidy of ₹ 10,448 per tonne for export of sugar, covering expense on marketing cost, including handling, upgrading and other processing costs as well as costs of international and internal transport and freight charges on export of sugar. All such assistance under the scheme will be used to clear sugarcane payment dues of farmers.
- On July 24, 2019, the GoI announced FRP of ₹ 2,750 per tonne for sugarcane to be purchased in SS 2019-20 – the same level as in SS18-19, corresponding to 10% recovery with a premium of ₹ 2.75 per quintal for every 0.1% rise in recovery.

Demand-Supply Scenario

Domestic

Indian Sugar Industry

The Government of India has fixed an export target of 6.0 million tonnes for SS 2019-20. However, it is expected that the likely export of sugar will be in the range of ~5.0 million tonnes, on account of the impact of COVID-19, volatility in global sugar prices etc. Port activities also slowed down amid the COVID-19, thus impacting exports. Concurrently, international sugar prices plummeted to their lowest levels in recent years, though a few exports did continue to some destinations, based on specific demand. Mills had contracted about 4.2 million tonnes of exports by the beginning of May, and exports are likely to resume in the coming months of 2020. As per the industry association, "with demand picking up, and an expected increase in demand to refill the pipeline, which will come sooner or later, sugar sales in the 2019-20 sugar season ending September may be around 0.5 million tonnes less than last year". This will reduce the annual estimated consumption to about 25 million tonnes, and as a result, the estimated sugar inventory as at the end of September 2020 would be approximately 11.5 million tonnes.

With the re-opening of the country, especially markets, malls and restaurants, in the coming days, sugar demand should rise and reach its normal levels, thus translating into better sales. However, the recovery from COVID-19 related price falls will be slow, as consumption will remain subdued and global output is also estimated to rise.

With preliminary estimates of SS 2020-21 in the range of 31 to 32 million tonnes, India is expected to face another bumper year of sugar production, where industry will need to divert substantially more sugar towards ethanol production and also actively participate in the export campaign with support from the Government.

The Government of India has fixed an export target of 6.0 million tonnes for SS 2019-20. However, it is expected that the likely export of sugar will be in the range of ~5.0 million tonnes

Global

Sugarcane crushing in the Centre South Brazil (CS) ended at 589.90 million tonnes for the 2019-20 (April-March) season, which is an increase of 2.9% from 573.17 million tonnes a year ago. In the last 22 years, this season recorded the lowest recovery and only 34.32% sugarcane was used for sugar production, with the balance 65% of sugarcane used for manufacture of ethanol. The sugar production was marginally higher by ~1% at 26.73 million tonnes as compared to the previous season.

Thailand crushed 74.89 million tonnes of sugarcane in the 2019-20 season that ended in April, and produced only 8.27 million tonnes of sugar. The ongoing drought since last year has impacted the yield per plantation, which, along with low domestic sugarcane prices, led farmers to turn to other crops.

The world sugar balance is in deficit for the 2019-20 season, mainly due to supply side shocks resulting from decline in sugar production in the key sugar producing countries of Brazil, India and Thailand.

THE ETHANOL MARKET

Market Analysis

The Central Government has been actively promoting the production and blending of fuel ethanol with petrol, and has targeted 10% blending (EBP10). Apart from being environment-friendly, ethanol also ensures fuel security for the country, conserves foreign exchange, and creates an additional revenue stream for the sugar industry to minimise the impact of its inherent cyclicality.

Demand Drivers

With population growth and increasing urbanisation pushing the need for mobility, India's transportation sector is growing rapidly, causing dependence on oil to also concurrently rise. Considering the burgeoning oil import bill and the growing concern for the environment, there is need to adopt non-conventional fuels. While the target is 10% blending, the country had achieved about 5% blending last year under the Ethanol Blending Programme (EBP), which helped in reducing dependence on oil and lowering pollution, while saving ₹ 6,000 crore in foreign exchange annually. Ethanol has about 30% oxygen, which in turn enables fossil fuel to burn much better within the engine, thus significantly reducing the emissions. Ethanol, being a value-added product from molasses - a co-product in the manufacture of sugar from sugarcane - benefits sugarcane farmers across the country.

The key drivers for the Ethanol Industry are:

While the target is 10% blending, the country has achieved about 5% blending last year under the Ethanol Blending Programme (EBP) which helped in reducing dependence on oil and lowering pollution while saving ₹ 6,000 crore in foreign exchange annually.

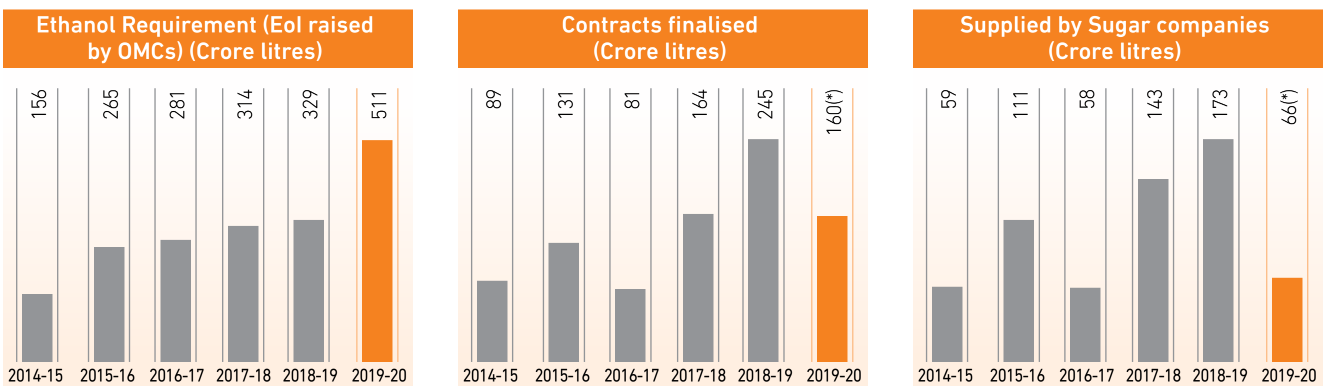
The Government is proactively promoting the setting up of distillation capacities for the manufacture of ethanol for blending with petrol by offering substantial subvention of interest on loans required to set up distilleries, and has fixed remunerative ethanol prices through Oil Marketing Companies (OMCs). Higher ethanol prices have been fixed for ethanol manufactured from B-heavy molasses and directly from sugarcane juice, to encourage higher volume production of ethanol. As per industry estimates, on an average, B-Heavy molasses diverted by the Sugar industry during SS 2019-20 will be equivalent to at least 0.5 million tonnes of sugar.

Demand-Supply Scenario

For the marketing year (December–November) 2019-20, Oil Marketing Companies invited bids for 511 crore litres of ethanol, against which the quantity offered in the first round is approx. 163 crore litres, of which LOIs for 156.5 crore litres have been issued. Further, in January 2020, OMCs tendered additional 253 crore litres. The drastic reduction in bids is mainly attributable to lower sugarcane production in the major ethanol producing states of Maharashtra and Karnataka. The situation was further aggravated by the UP Government's decision to increase the reservation of molasses from 16% last year to 18%, and to extend this reservation to captive consumption of molasses, which was not there last year.

The OMCs, on June 1, 2020, floated the third round of Expression of Interest (EoI) submission, inviting bids from ethanol producers for another 990 million litres of ethanol for supplies during July-November 2020.

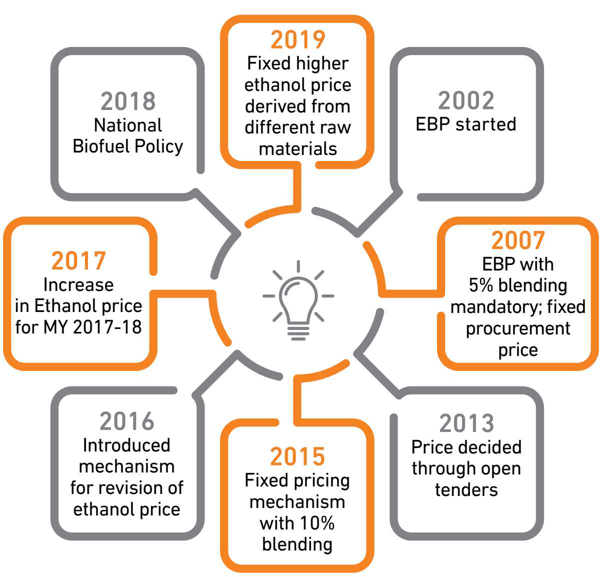
Historical information on the ethanol requirement, contracts finalised and supplied by sugar companies since 2014-15 is as under:



Marketing Year for ethanol supplies (December - November)
(*) up to May 4, 2020

Government Policy

The various policy initiatives undertaken by the Indian Government for ethanol blending, over the years, include:



A notable intervention by the Government in this area has been the National Biofuel Policy, announced in 2018 for accelerated development and utilisation of biofuels in view of the current direct and indirect subsidies to fossil fuels and distortions in energy pricing.

The Policy categorises biofuels as:

- "Basic Biofuels" - First Generation (1G) bioethanol and biodiesel
- "Advanced Biofuels" - Second Generation (2G) ethanol, Municipal Solid Waste (MSW) to drop-in fuels
- Third Generation (3G) Biofuels, Bio-CNG etc.

The Policy expands the scope of raw material for ethanol production by allowing use of sugarcane juice, sugar containing materials like sugar beet, sweet sorghum, starch containing materials like corn, cassava, as well as damaged foodgrains like wheat, broken rice, rotten potatoes that are unfit for human consumption, for ethanol production.

The Government has fixed higher price for ethanol derived from different raw materials under the EBP, for ethanol supply from December 1, 2019 to November 30, 2020, as under:

I. The price of ethanol from C-heavy molasses route increased from ₹ 43.46 per litre to ₹ 43.75 per litre

II. The price of ethanol from B-heavy molasses route increased from ₹ 52.43 per litre to ₹ 54.27 per litre

III. The price of ethanol from sugarcane juice/sugar/sugar syrup route fixed at ₹ 59.48 per litre

IV. Additionally, GST and transportation charges will also be payable, and OMCs have been advised to fix realistic transportation charges so that long-distance transportation of ethanol is not disincentivised

In order to boost the country's ethanol production, the Government has approved 362 projects with an investment of ₹ 18,600 crore for enhancing additional ethanol production capacity of 400 crore litres in the next two years. The total ethanol production capacity would touch 755 crore litres, which will help the country achieve 20% ethanol blending with petrol, by 2030. The Government is proactively pushing to augment ethanol production capacities in order to achieve successful 10% ethanol blending by 2022 and 20% by 2030.

During the year, the Ministry of Environment also announced waiver of green clearance requirements for distilleries that are planning to produce up to 50% more ethanol than their nameplate capacity without increasing pollution, which will help sugar mills to divert more molasses towards ethanol.

THE CO-GENERATION MARKET

Co-generation is a decentralised incremental power addition that has many associated benefits, such as mitigated risk of loss of power to large areas due to shut-down, reduced transmission and distribution losses, sustained local power supply, and employment generation. The importance of having high efficiency grid connected co-generation power plants for generating exportable surplus has been well established in the Indian sugar mills.

Market Analysis

The installed power generation capacity in India was 3,70,106 MW as on March 31, 2020, of which 87,028 MW was renewable power. The Government has set a target of 175 GW renewable power installed capacity by the end of 2022, which includes 60 GW from wind power, 100 GW from solar power, 10 GW from biomass power and 5 GW from small hydropower. The all-India potential of bagasse-based co-generation is estimated at 7,000-7,500 MW. UP is the leading state in bagasse-based power generation, with an installed capacity of around 1,200 MW. The potential of bagasse co-generation within UP is around 1,500 MW from over 130 sugar mills.

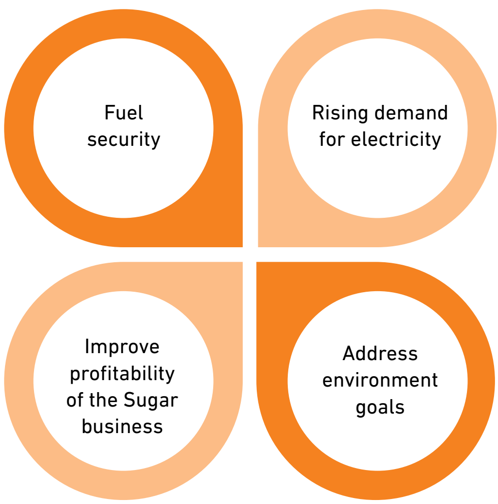
Demand Drivers

India has witnessed sharp increase in energy consumption, triggered by high levels of economic growth and industrialisation, in the past couple of decades. Power demand in the residential sector has also increased. However, limited fossil fuel availability necessitates utilisation of non-conventional fuel sources for power generation. Bagasse co-generation not only reduces dependence on conventional fuel sources but also helps in saving precious foreign exchange by limiting the import of coal. The clean energy so generated with bagasse has a favourable impact on climate. India's climate action plan aims for 40% installed capacity from non-fossil fuel by 2030. Using bagasse for power generation also leads to significant revenue generation for sugar mills through the sale of electricity.

The installed power generation capacity in India was 3,70,106 MW as on March 31, 2020, of which 87,028 MW was renewable power.

Demand-Supply Scenario

The potential for bagasse co-generation lies mainly in the country's nine key sugar-producing states, especially U.P., since it is one of the highest sugarcane-producing states. Lately, due to availability of cheaper power, there has been reluctance on the part of UPPCL to purchase bagasse-based co-generation power. The rates for bagasse-based co-generation power have thus been revised downwards by the Regulator, Uttar Pradesh Electricity Regulatory Commission (UPERC) effective from April 1, 2019.



BUSINESS PERFORMANCE

Triveni Engineering's exceptional performance during FY 20 has to be read in the context of the macro industry scenario and the various developments cited above. The Company pursues a positive and proactive approach that is steered by its ability to harness new opportunities and expand its business outlook to effectively embrace the same.

Sugar Business Performance

Triveni operates seven sugar units spread across the state of Uttar Pradesh (U.P.). Most of the mills are located in Western and Central U.P., while one unit is located in Eastern U.P. The Company manufactures refined sugar, which constitutes over 40% of the total sugar production and fetches a premium over normal crystal sugar. The refined sugar is supplied to high grade end-users, including large institutional buyers, thereby creating a niche customer profile for Triveni. The Company also produces different grades of pharmaceutical sugar that can be customised as per the user requirements, and has, over the years, developed a large customer base for this product.

The seven sugar units strictly adhere to best-in-class manufacturing processes and quality benchmarks. The Company supplies sugar to major multinational soft drink companies, leading confectionery manufacturers, breweries, pharmaceutical companies, dairies and leading ice cream producers.

The Sugar business has performed well in FY 20, owing to continuous improvement in reducing the cost of production of sugar, backed by stability in sugar prices. Triveni's focussed sugarcane development programme, with almost cent percent high yielding and high sugared variety sugarcane, helped the farmers achieve higher return from their farm while improving the Company's profitability through improved recoveries of sugar. The 40% refined sugar production, coupled with the high grade pharmaceutical quality sugar produced by the Company, helps it secure higher realisation in comparison to its peers in the industry. Its right and proper mix of co-product capacities further helps the Company optimise its overall profitability. Over and above these factors, its strong balance sheet also contributes to the Company's success in achieving consistent profitability from all its businesses.

The biggest challenge for the sugar industry, especially in Uttar Pradesh, has been to effectively manage its working capital, which has increased significantly due to higher production and limited despatches through monthly quota. The Company has also aggressively engaged in exports under the MAEQ scheme. It fully exported its allocated export quota of 1,79,183 tonnes in FY 20. Following the second announcement of the Government to reallocate export quota to mills that have contracted 95% of the existing quantity of their initial MAEQ, and have lifted 50% of their MAEQ for export, by March 31, 2020, the Company has received further tranches of quota, aggregating to 94,210 tonnes. A substantial quantity of this additional quota has been exported. Most of the exports have been through raw sugar manufactured by the Company. Additionally, the Company is producing B-heavy molasses at three of its sugar mills. Consequently, 33.7% ethanol has been produced from B-heavy molasses in the current year.

The Company achieved recovery of 11.54% during SS 2019-20, which is 25 basis points lower than the previous season. Diversion of sugar towards B-heavy molasses, was the major reason for decline in the recovery rate. On like-to-like basis, however, the recovery for SS 2019-20 is equivalent to 11.97% as against 11.79% in the previous season. Even though the Company crushed higher sugarcane of only 0.77 million tonnes as compared to the previous season, it produced approx. 70,000 tonnes more sugar in spite of diversion of B-heavy molasses from three of its facilities. The refined sugar production from the two units of Khatauli and Sabitgarh remained at 40% of the total sugar production, which will help Triveni achieve better overall average sugar realisation. The average domestic sugar price realisation for the Company was ₹ 33,184/tonne during the year as against ₹ 31,456/tonne in the previous year.

(Million Tonnes)

Units	Sugar Recovery (%)		Sugarcane Crushed		Sugar Production	
	SS	SS	SS	SS	SS	SS
	2019-20 (*)	2018-19	2019-20	2018-19	2019-20	2018-19
Khatauli	11.67	11.67	2.47	2.12	0.29	0.25
Deoband	10.95	11.52	1.68	1.46	0.18	0.17
Ramkola	12.00	11.54	0.83	1.04	0.10	0.12
Sabitgarh	12.11	11.89	0.97	0.89	0.12	0.11
Chandanpur	12.25	12.40	0.95	0.89	0.12	0.11
Rani Nangal	11.22	12.35	1.03	0.87	0.12	0.11
Milak Narayanpur	10.83	11.50	0.81	0.71	0.09	0.08
Group	**11.54**	**11.79**	**8.74**	**7.98**	**1.01**	**0.94**

*For SS 19-20, on a like-to-like basis, the comparable recovery would have been 11.97%

The sugarcane crush in the current season has been also helped by extremely low diversion of sugarcane since the last week of March 2020 till conclusion of the season, as manufacturers of jaggery and alternate sweeteners stayed away due to COVID-19.

Chandanpur, Milak Narayanpur and Sabitgarh units operate incidental co-generation power plants and export the surplus power to the grid. Triveni generated power export revenue of ₹ 12.55 crore in FY 20 from these power plants.

Organic Growth through Triveni Sugarcane Development Programme

Triveni's sugarcane development programme is a key propeller of its socially and financially inclusive growth strategy. The Company works and engages continuously with farmers to increase farm productivity through its well-planned Sugarcane Development Programme. This programme is carried out with rigour across all the seven sugar manufacturing units. Triveni's efforts in providing high-yielding seeds and inducing better agronomic practices have positively impacted yields, earning the confidence of about 3,00,000 sugarcane growers.

The Company has been working relentlessly with sugarcane growers, encouraging and incentivising them to adopt new technologies to promote efficiency and competitiveness. The programme is also aimed at helping the Government in achieving the goal of doubling farmers' income by 2022.

Triveni's focus during the year remained on the following key activities:

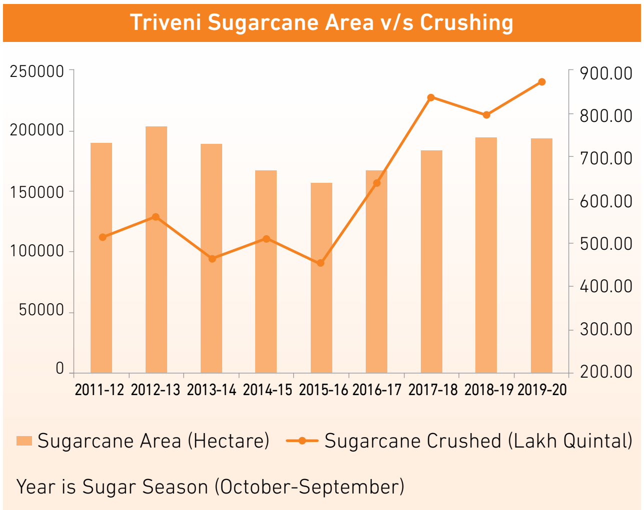
a) Increasing productivity considerably by using new technologies

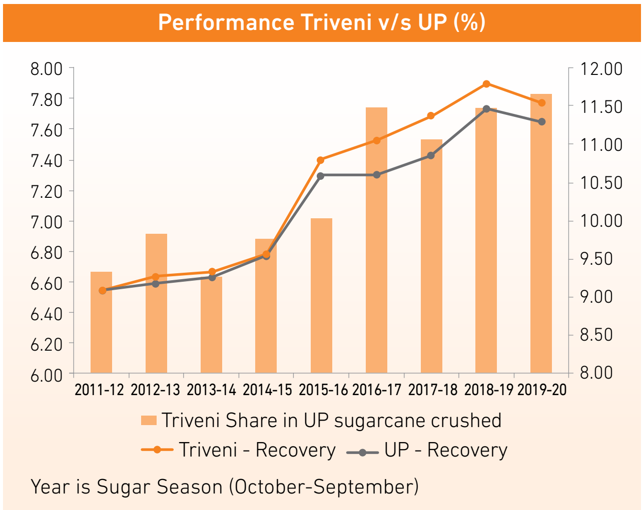
b) Better farm management practices, including soil testing and mapping

c) Improving sugarcane yield with propagation and adoption of high sucrose varieties

d) Better irrigation techniques, since sugarcane is a water-intensive crop; Improvement in productivity also provides opportunity to save a scarce resource like water

The Company has been working relentlessly with sugarcane growers, encouraging and incentivising them to adopt new technologies to promote efficiency and competitiveness.





For SS 19-20, on a like-to-like basis, Triveni's comparable recovery would have been 11.97%

Cumulatively, these continuous efforts have led to significant increase in sugarcane yields from the given area under sugarcane plantation, leading to increased sugarcane crushing. While the state of Uttar Pradesh showed a CAGR of 8.47% in sugarcane crushed in the past five seasons, the Company achieved a CAGR of 11.24% in sugarcane crushing during the same period, underlining the positive robustness of the Company's strategic approach.

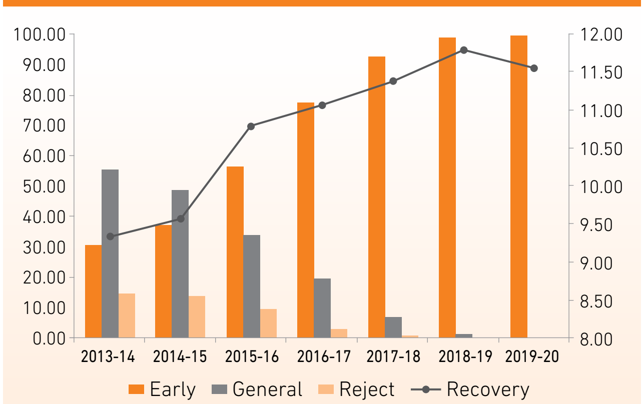
During the past few years, the Company's sustained efforts have helped in increasing the varietal mix towards early and improved varieties of sugarcane, leading to significantly enhanced recoveries. Focus on plantation of high sugared/ high yielding early varieties, such as Co-0238, Co-0118, Co-98014, CoJ-85 and the improved CoJ-88 variety, has helped in transforming the varietal balance. Over the years, the Company has succeeded in shifting the farmers from planting rejected varieties of cane to high yielding high sucrose varieties, resulting in overall improvement in the quantity and quality of sugarcane crushing at all the Triveni facilities.

Besides varietal development, the Company is also working on yield enhancement activities, planting by trench method, 4-5 feet planting, single bud planting, planting by upper 1/3rd portion of sugarcane, such as green manuring, intercropping and deep ploughing.

Triveni's extensive Soil Health Programme is focussed on regular monitoring of the soil fertility status. The programme promotes farm holding based soil sample collection and testing, with active participation of the farmers. Based on the soil test reports, recommendations with respect to nutrients and fertilisers required for individual farms are given to help farmers improve productivity through judicious use of high quality inputs.

Triveni's sugarcane development team works closely with farmers, right from seed preparation to plantation, plant protection - pest and disease control management and harvesting. As part of the programme, optimising the nutrient content in soil for farming operations is also undertaken. Farmers are being educated and persuaded about the benefits of these scientific methods through various channels, such as publicity, door-to-door contact, grower interactions, etc.

Change in Sugarcane Varietal Mix & Recovery (%)



Year is Sugar Season (October-September)

For SS 19-20, on a like-to-like basis, the comparable recovery would have been 11.97%

Going forward, the Company believes that the Sugar sector should explore potential applications of Artificial Intelligence (AI) in sugarcane production management, crop and soil health monitoring, predictive crop-analysis, and also in creating a smart and digital supply chain.

Sugar Outlook

Impact of COVID-19

Even after the imposition of lockdown in the country from March 25, 2020 in the wake of the outbreak of COVID-19, sugar factories continued to operate at full capacity in view of sugar being an essential commodity. The Central and State Governments worked closely together to address the initial supply chain challenges in this period. The sugarcane crush and sugar production for the current season have ended in early June 2020, and there has been no loss of production. However, the lockdown period did affect sugar consumption due to reduced institutional demand, resulting from closure of factories requiring sugar in their products (beverages, confectioneries, sweet shops), closure of restaurants and eateries, hotels, restrictions on social gatherings etc. It is expected that this could cause sugar consumption for SS 2019-20 to decline by around 0.5 million tonnes.

The profitability of sugar mills in the country may be impacted in FY 21 due to reduction in industrial usage of sugar, lower demand for ethanol in the first quarter, and decline in exports in view of the ongoing COVID-19 crisis.

The exports programme for the Indian Sugar industry has also been impacted due to decline in international sugar prices by almost a quarter between January and April. The decline has been caused mainly because large supplier nations, including Brazil, are switching from ethanol to sugar due to lower global oil demand and low crude oil prices.

Estimated production

During SS 2019-20, states like Maharashtra and Karnataka faced some erratic agro-climatic conditions. While majority of the sugarcane areas faced drought whereas during the plantation period, in the growth stages, there were excess rains leading to floods. Parts of Southern Maharashtra and Northern Karnataka were completely submerged in water, which resulted in variation in crop estimates and led to fluctuations in the fundamental parameters driving domestic market. However, opening stocks and sugarcane production from Uttar Pradesh were enough to offset the odds. Considering active participation in the Government's export campaign by the industry, SS 2019-20 is likely to close with a stock of at least 11.5 million tonnes – including the impact of lower consumption due to COVID-19 - which represents sugar consumption of around 5 months. This is a higher inventory level as against normalised level of 3 months.

Initial crop estimates of SS 2020-21 are indicating sugar production in the range of 31- 32 million tonnes, with significant increase from Maharashtra and Karnataka. Water availability is comfortable in most of the reservoirs, which will lure farmers to roll back to their favourite and most remunerative crop i.e. sugarcane. Estimates indicate a rise in cultivation area in the range of 20-25%. The India Meteorological Department (IMD) also predicted a normal monsoon for 2020, in the range of 96-104% of normal. Also, in Uttar Pradesh, the spring planting has been satisfactory and it will pave the way for normal crop next season.

The net surplus of sugar (after exports) shall remain a major concern and there are only two options to liquidate the surplus stocks: maximisation of sugar exports and optimal diversion of B-heavy molasses and sugarcane juice/syrup for ethanol production. With lower international prices of raw sugar, despite recent depreciation of the Indian Rupee, more support from the Government will be required by way of higher export subsidy or increase in MSP in the domestic market. Improvement in ethanol prices will also result in enhanced production of B-heavy molasses for ethanol manufacturing.

Brazil, which had witnessed demand destruction of sugar and fall in ethanol prices, coupled with the COVID-19 impact, is projected by recent industry estimates to see a surge in sugar production to 41.5 million tonnes in 2020-21 from 31.0 million tonnes in 2019-20. Due to the collapse in both crude oil prices and the Brazilian currency earlier this year, sugar millers could be seen switching to sugar production again at the beginning of the new crush (45.3% sugar mix as of May 15 compared with 32.2% a year ago). Output in the North/Northeast region is expected to rise to 3.0 million tonnes, from 2.8 million tonnes last year.

In Thailand, sugar production in 2019-20 declined to 8.4 million tonnes from 14.7 million tonnes a year ago, due to the combination of a sharp drop in area under cultivation and very poor yields following drought. It is estimated that the sugarcane crush may decline further to 60-65 million tonnes in 2020-21, as the most severe drought in four decades prevented planting during a key period. However, there has been improved rainfall since March, so it is estimated that there would be only a modest drop in sugar production - to 8.0 million tonnes, with poor sugarcane prices at a time of rising prices for cassava - a key competitor for sugarcane cultivation - estimated to have driven more farmers to switch between crops.

As per recent estimates, global sugar production (including beet sugar) in 2020-21 may rise by 15.5 million tonnes to 187.9 million tonnes - a 3-year high, which would more than offset the previous year's drop of 13.5 million tonnes. This will be the second highest output ever after the record crop of 201.9 million tonnes produced in 2017-18. With Brazil and India expected to produce much more sugar in the new season, world cane sugar production is seen rising by 16.5 million tonnes in the year, to 147.6 million tonnes.

Alcohol Business Performance

The Company's Alcohol business comprises two distilleries with aggregate capacity of 320 Kilo Litre per Day (KLPD). These state-of-the-art molasses-based distilleries in Muzaffarnagar district and Sabitgarh Sugar unit, Bulandshahar district in U.P, are among the largest single stream molasses-based distilleries in India. These distilleries have assured access to consistent supply of captive raw material (molasses) – C-heavy

SS 2019-20 is likely to close with a stock of at least 11.5 million tonnes – including the impact of lower consumption due to COVID-19 – which represents sugar consumption of around 5 months. This is a higher inventory level as against normalised level of 3 months.

as well as B-heavy molasses. The distillery at Muzaffarnagar has a flexible manufacturing process, allowing it to produce high quality Extra Neutral Alcohol (ENA), Rectified Spirit (RS), Specially Denatured Spirit (SDS) and Ethanol, based on the market dynamics and requirements, whereas the distillery at Sabitgarh is designed to produce only ethanol. Over the last few years, bulk of the Muzaffarnagar distillery's production has been ethanol, for supplying to OMCs for blending in petrol. The ethanol produced from the distillery is also supplied to other major players in the Oil and Gas sector. The distillery at Sabitgarh started production during Q1 FY 20.

In line with the new directives and guidelines of the Government of India regarding effluent treatment, and to ensure Zero Liquid Discharge, the Company has set up concentrated spent wash (termed as SLOP) fired incineration boilers at both the distilleries. Both the distilleries are in compliance of all pollution norms. Permission has been received in respect of the distillery at Sabitgarh to operate for 350 days in a year, and permission for Muzaffarnagar distillery to operate for 350 days is expected shortly.

Performance Overview

Triveni has maintained steady growth in this business, on account of the increasing focus on ethanol production. Ethanol, also known as fuel alcohol, is blended with petrol as a green fuel. Apart from augmenting the country's fuel self-sufficiency with cost advantage, it helps in reducing the carbon footprint and results in savings of precious foreign exchange on import of crude oil. As per the bio-fuel policy of the Central Government, ethanol blending is targeted at 20% by 2030, creating continued demand from indigenous suppliers. The offtake by OMCs has been steadily improving, and Triveni has aggressively participated in all tenders issued by the OMCs for procurement of ethanol, securing sizeable quantities. Encouraged by the Government policies, both the Company's distilleries have operated with B-heavy molasses successfully.

The distillery units continued to operate efficiently and achieved high levels of the fermentation and distillation efficiencies during the year. More than 97% sales of the alcohol business was of ethanol during the year, with the balance around 3% being ENA. The total production of the distilleries for FY 20 was 93.83 million litres, while sales stood at 84.57 million litres.

Outlook

Impact of COVID-19

The operations of the distillery remained normal during the lockdown period, and it continues to operate normally in view of ethanol being an essential commodity. However, during the lockdown period, the offtake of ethanol to contractual depots was severely affected due to the much reduced petrol consumption. But it was possible, even during this period, for the Company to work out arrangements with OMCs to deliver ethanol to some distant depots, so that the distillery production was not affected. It is expected that with increase in economic activities, fuel consumption will gradually increase, which in turn will lead to restoration of normal offtake of ethanol.

Business

It will take some time before normalcy is achieved in ethanol offtake, but the Company will continue to produce B-heavy and C-heavy molasses to produce ethanol.

More than 97% sales of the alcohol business was of ethanol during the year, with the balance around 3% being ENA. The total production of the distilleries for FY 20 was 93.83 million litres, while sales stood at 84.57 million litres.

In view of the spread of COVID-19 pandemic in the country and the growing requirement for hand sanitizers, the Company has set up a hand sanitizer production facility at its Muzaffarnagar distillery, with production having already commenced. The Company plans to enhance the production, and also foray into manufacturing of premium hand sanitizers in the months ahead. These activities, while aimed at supporting India's fight against the pandemic, would be a source of additional revenue streams from the distillery business in FY 21.

The Company has also decided to set up a Carbon Dioxide capturing unit at Sabitgarh distillery on BOO basis, as well as an Ash granulation plant at Sabitgarh distillery, since ash from the incineration boiler is rich in potash content. These projects are aimed at deriving value from possible new avenues.

The ethanol blending programme is a key factor for the Indian Sugar industry to balance its demand-supply scenario, as, in lean sugar years, revenue from the distillery business helps sustain operations. In SS 2020-21, a healthy ethanol blending programme will help balance the higher sugar stocks. Due to the lockdown, demand from OMCs reduced and ethanol tanks at mills are full, which is putting operations at integrated sugar plants at risk. However, the production of hand sanitizers by restructuring the production lines has helped to some extent, and going forward, it should help in earning more revenues from the distilleries.

Co-generation Business

Triveni continues to put Sugar co-products to productive use, thus also enhancing its revenue stream. Bagasse is a fibrous residue left after crushing of sugarcane and is a key co-product of the Sugar industry. Being a renewable fuel, it does not lead to any net carbon dioxide addition to the atmosphere, and is thus regarded as green fuel.

Triveni currently operates three grid-connected large capacity co-generation plants and three smaller co-generation capacities (incidental co-generation facilities) at its five sugar units, namely Khatauli, Deoband, Chandanpur, Milak Narayanpur and Sabitgarh units. The former three large-sized plants are part of the operations of co-generation, whereas the other three small-sized plants are considered a part of the sugar operations. Triveni's co-generation plants at Khatauli and Deoband utilise highly efficient 87 ata / 515°C steam cycle to maximise efficient usage of bagasse. After meeting the sugar factory's captive requirement, as well as the co-generation plant's auxiliary power requirement, surplus power from these plants is exported to the grid. The Company has power purchase agreements with Uttar Pradesh Power Corporation Ltd. (UPPCL) for all its co-generation facilities.

Facilities

The co-generation plants at Khatauli and Deoband utilise highly efficient high pressure (87 ata) and temperature (515°C) steam cycles, and are regarded amongst the most efficient co-generation plants in India. The Company's smaller capacity co-generation plants operate mostly on medium pressure steam cycles (46 ata/440°C). These plants are designed to conduct fully-automated operations, using the latest Distributed Control System (DCS). Highly experienced and skilled manpower operates these plants, thus ensuring trouble-free efficient operations with high uptime and reliable operations, along with very high operating efficiencies. The Company puts strong emphasis on maintaining excellent management of the boiler feed water quality parameters, to ensure sustained and trouble-free operation of the boiler and the turbine.

Unit-wise capacities of the co-generation plants are as follows:

Sl. No.	Name of the unit	Installed capacity
1.	Deoband	22 MW
2.	Khatauli - Phase 1 & Phase 2	23 MW each
3.	Sabitgarh	13.5 MW
4.	Chandanpur	10 MW
5.	Milak Narayanpur	13 MW
	Total	**104.5 MW**

Performance Overview

The operation of the bagasse-based co-generation plant depends, to a large extent, on the availability of bagasse from the sugar operations. This, in turn, depends on cane availability for the crush during the season and efficient operations of the sugar factories. Higher cane availability leads to more season operating days, higher bagasse savings, and therefore longer operation of the co-generation plants. The power tariff has been significantly reduced with effect from April 1, 2019, which is a setback for the co-generation business, and the industry association has approached the Court and the matter is currently sub-judice.

The Company has undertaken an extensive and focussed cane development programme in the command areas of its sugar units, particularly in the past few years. This has led to much better availability of sugarcane in view of the significantly improved yields and corresponding increase in availability of bagasse.

The performance of the co-generation plants at Khatauli and Deoband continued to be excellent during the year, with very high uptime and reliable operations. The requirements of process steam and captive power of the sugar factory operations were fully met, apart from the captive supply.

The Company's incidental co-generation facilities also performed well and its plants at Chandanpur, Milak Narayanpur and Sabitgarh units recorded good power export in 2019-20. During the year under review, the co-generation units generated 244.20 million units, while the exports to the grid were 145.34 million units. Apart from this, the incidental co-generation units of Chandanpur, Milak Narayanpur and Sabitgarh exported 39.14 million units to the State Grid.

Outlook

COVID-19

The co-generation operations remained unaffected by COVID-19. As a relief measure, however, the Government has decided to infuse liquidity in the Distribution companies to the extent of ₹ 90,000 crore, which should also help the UPPCL to clear the power dues of the Company.

Business

The Company's sustained focus on sugarcane development activities in the command areas of its sugar units should lead to continued better sugarcane availability for crushing, resulting in higher operating days of the co-generation plants due to enhanced bagasse availability. The Company is also taking various steps to further improve the efficiency of the sugar plants' operations in order to reduce the process steam consumptions. This will enable more savings of bagasse for enhanced operation days of the co-generation plants.

GEARS BUSINESS GROUP

A powerful drive of the Company's growth strategy, the Gears Business Group (GBG) of Triveni has three distinct segments viz., Gears segment, Defence segment and Built to Print segment.

GEARS BUSINESS

The Industrial Gears industry

The Gears Industry in India is broadly categorised into Industrial Gears and Automotive Gears. The Industrial Gears segment manufactures Gears, Gearboxes, Gear Motors and Gear Assemblies. Industrial gearboxes are a common type of power transmission devices, used as a component in various types of machineries and heavy electrical equipment. The majority of the gears manufacturers in the domestic market manufacture standard products i.e. standardised catalogue type, as it requires less customisation and engineering. The limited presence of companies in customised gears manufacturing, which requires advanced technology and stringent adherence to international standards, with requisite infrastructure and highly skilled manpower, gives Triveni a differentiated edge.

Demand Drivers

The major demand driver for Industrial Gears is industrial capital expenditure, mainly in sectors like Power, Steel,

Refineries, Fertilisers, Cement, Textiles, Sugar, Mining, Power, etc. The infrastructure-related investment in the country stimulates the growth of heavy industries, which in turn fuels growth of the industrial gearboxes market.

Triveni's core product - High-Speed Gears - are used for all turbo applications like gas turbines, steam turbines, water turbines, compressors, pumps, blowers and test rigs meeting AGMA and API design standards. Demand for these products is linked to industrial growth and the Capital Goods sector. However, part of the demand is generated from the exports undertaken by domestic OEM customers, which is linked to global demand for products related to the Capital Goods segment. Aftermarket opportunity demand is linked to plant utilisation levels, cost pressures on maintenance budgets, policy of keeping insurance spares, emergency breakdowns and alternate sourcing vis-à-vis global OEMs to bring down product lifecycle costs etc.

Business Opportunities

In FY 20, as a result of the distinctly positive policies being pursued by the Government, business sentiment and capacity utilisation improved perceptibly, and there have been indications of fresh capital investment in industrial segments like Steel, Cement, Sugar and Oil & Gas. Increased acceptance of engineered capital goods from India in global markets has further boosted sourcing from quality-conscious credible Indian manufacturers.

The Government has recently announced the Aatma Nirbhar Bharat Abhiyan scheme, which is an economic package of ₹ 20 lakh crore and will cater to the sustenance of labourers, middle class, cottage industry, Medium and Small Enterprises (MSMEs) and other industries. Under the Scheme, apart from other financial support offered to MSMEs, a major step has been taken to restrict Government procurement tenders up to ₹ 200 crore to Indian MSME companies. This will be a step towards Self-Reliant India and will support the 'Make in India' programme while helping MSMEs to boost their business. Gears business can significantly contribute to indigenisation of gearboxes to further align with the Aatma Nirbhar programme announced by Government of India.

Apart from the above, there are many Government policies which may benefit the Gears business in the short and long term:

- BS-6 policy has given way to Refinery expansions, both brownfield and greenfield, having good potential for high speed gearboxes for all applications
- Pollution control equipment has been made mandatory for Thermal projects. The new standards are estimated to cut PM emissions from new thermal plants (after 2017) by 25%, sulphur dioxide emissions by 90%, nitrogen oxides by 70% and mercury by 75%

Segments

The Gears business can be segmented into three broad divisions – Original Equipment Manufacturers (OEM) (Domestic); OEM (International); and Refurbishment segment including loose gear manufacturing.

OEM Domestic

Gears business caters to the high-speed gears used as speed enhancers and speed reducers. Triveni has leadership position in the high-speed gears segment in India, and enjoys a market share of more than 80% across all major OEMs supplying Steam Turbines, Pumps and Compressors, Forced Draft (FD) and Induced Draft (ID) Fans.

Major customers for high speed gears segment include Indian OEMs of Steam Turbines, Gas Turbines, Centrifugal Pumps and Compressors, FD and ID Fans catering to API and Non API segments. In the low-speed segment, the Company caters to gearboxes used in reciprocating compressors, pumps mainly used in Oil & Gas and Fertiliser plants. The Company also caters to the low head hydropower units which require gearboxes for power generation.

During FY 20, orders from domestic OEMs have remained nearly same as previous year. However, it was, to some extent, compensated by increased booking in the Steam Turbo Generator (STG) segment and Built to Print segment.

OEM International

At present, Gears business is supporting international OEMs in select geographies and has been successful in closing several orders. It has also started marketing in international markets with new OEMs and new countries for both high-speed and low-speed gears.

Currently, the Gears Business is supplying gearboxes to various OEMs in Japan, Korea, China, Malaysia, and Indonesia and in Europe (Italy, France, Germany, and Spain), US and Latin America. During the year, the business entered new regions of France and Korea.

Global energy demand is on the rise and needs higher investments in power generation facilities. Globally, the power generation market is substituting fossil fuel with renewables focussed on the distributed and decentralised power generating facilities. These facilities are smaller in size and uses locally available biomass, municipal and industrial waste based waste heat recovery plants and waste to energy plants etc.

With the slowdown in the global economy due to the impact of the pandemic, major investments may get delayed and there is a possibility of reduced demand for new equipment till normalcy is restored. However, in segments such as

Petrochemicals, Pipeline projects etc., the Company expects there could be demand for pumps and compressors.

During FY 20, OEM exports order booking has been slightly lower due to some of the major orders being shifted from Q4 FY 20 to FY 21 owing to the pandemic situation.

OEM Highlights:

- STG segment recorded the highest share of order booking from Sugar, Cement and Paper end-users
- Gears business bagged multiple gearboxes orders for Indian Fertiliser expansion requirement through various OEMs for all high-speed applications
- First qualification orders received from a new segment of Built to Print from a major global OEM. These are high potential orders and are expected to ramp up for higher share in coming years
- 8 New OEMs were added to the customer portfolio in FY 20.

Refurbishment

Another major segment of the Gears business is Refurbishment, which continues to push the Company's leadership position in the global market. The Company undertakes refurbishment of own makes and other makes of gearboxes. This segment contributes 40% of the turnover and caters to all end-users across industries.

Being one of the leading global players in industrial gearboxes, with a fleet of over 8,500 Triveni Gears and 900 replacements of more than 80 global brands, Triveni finds increasing acceptance by multinational OEMs and industries for its products for their global projects – both in terms of new products as well as for providing refurbishment / replacement solutions.

In FY 20, the Refurbishment segment registered a growth of 5% in order booking, while in turnover it showed an increase of 25%. The export turnover of Refurbishment segment showed significant growth while the domestic turnover increased by 16%.

The Gears business achieved a gross revenue of ₹ 154.2 crore - growth of 16% over the previous year, with 27% higher profitability.

In the Loose Gears manufacturing, the Gears business undertakes limited exposure and the market dynamics of this segment is similar to the OEM segment. While there has been an increase of 42% in booking in FY 20, the turnover showed a decline of 42%, largely on account of unprecedented delays in certain deliveries by the OEMs.

DEFENCE BUSINESS

The Triveni Defence business is a strategic foray guided by the Company's ability to identify and harness emerging opportunities. The segment is poised to cater to engineered equipment requirements for Defence under the 'Make in India' initiative. With extensive experience in critical rotary machinery technology, and in supplying and meeting requirements of Defence and Defence support organisations in the past, as well as Triveni Group's expertise in turbo machinery, the Defence business has successfully procured approvals for both new projects and for refurbishing requirements in Naval Defence space.

To promote indigenous design and development of defence equipment, most of the new enquiries in Indian Navy have been issued to bolster Indian industry in major mission critical equipment and services. Triveni is actively engaged with the naval headquarters, shipyards and other naval establishments for participating in major upcoming projects with indigenous designs or with Transfer of Technology (ToT) collaborations for varying products.

The Government of India's 'Make in India' initiative has unleashed new opportunities for diverse engineered products, and Triveni's Mysuru facility is actively participating in many of these indigenous development projects. The Defence Procurement Policy 2016 focusses on self-reliance for various equipment in Design, Development and Manufacture by Indian Industry. Most of the new projects envisaged by the Defence sector are customised requirements for critical equipment, offering substantial value to the existing portfolio of Triveni Gear's rotating machinery. Triveni Gears is initially focussing on Naval Defence markets, where it has gained some foothold in the critical turbo pumps space. The Defence business is also currently working on several projects under Make-In-India programme, related to engineered products as well as gearboxes for Indian Navy and Indian Coast Guard.

Some of the other opportunities being explored are propulsion gearboxes across platforms for Indian Navy and Indian Coast Guard, propulsion shafting for special projects, Gas Turbine Generators for auxiliary power, Propulsion System Integration.

The Defence business can significantly contribute to indigenisation of gearboxes in line with the Aatma Nirbhar programme announced by the Government of India.

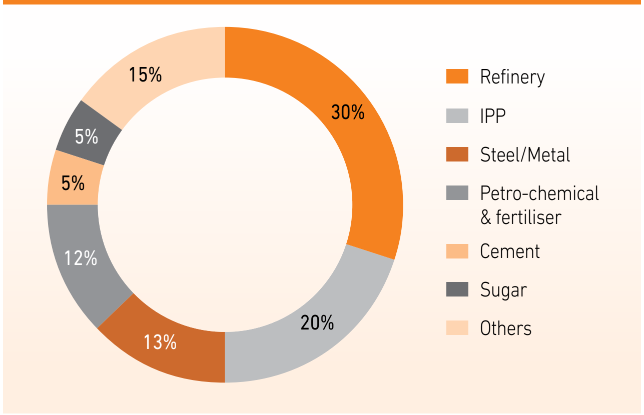
BUILT TO PRINT

Gears business has partnered with global OEMs for precision manufacturing of components for wind gearboxes as well as industrial high-speed gears, facilitating productivity growth and enhancement of capacity utilisation. This segment offers high potential for growth for exports in the medium to long term.

BUSINESS PERFORMANCE

The Gears business achieved a gross revenue of ₹ 154.2 crore - growth of 16% over the previous year, with 27% higher profitability.

Order Booking



The total order booking during the year was ₹ 156.8 crore and the carry forward order booking at the end of the financial year was ₹ 152 crore.

Impact of COVID-19

Amid the lockdown announced by the Government of India from March 25, 2020, the Triveni Gears business suspended its operations for four weeks, after which partial operations commenced in adherence with the Central and State Government guidelines, leading to complete opening in a short span of time. However, there may be postponement of projects by major customers owing to challenges in liquidity, pricing pressure, challenges in supply chain and logistics etc. There could be deferment of orders both from domestic as well as international OEMs, which may have an impact on the order booking as well as despatches for the current year. The Company believes that it will take a few months to understand the impact of the entire COVID situation on this financial year and thereafter.

Business Outlook

Gears business is focussed on increasing the market share and global footprint across various industrial segments through domestic and overseas OEMs. However, due to the spread of COVID-19 across the globe, it will have an impact in the short term, both from order booking and delivery perspective.

Sectors such as Power, Cement, Fertiliser, Petrochemicals, Steel, Paper, Sugar etc. are potential segments where the Company expects growth in the medium to long term.

The Defence business is also poised to grow as the Government of India has ambitious plans to spend on the country's defence, especially in the naval segments. This will also augur well for Triveni to achieve growth in the medium to long term. Built to Print - the new segment which the Company entered in the last couple of years for leading OEMs - is also expected to achieve good growth, as the Company has been able to manufacture quality products customised to the customers' unique requirements.

In the Refurbishment segment, the Company's foray into the international market should result in good order booking in the coming years.

WATER TREATMENT SOLUTIONS

INDIAN WATER INDUSTRY

The Government of India's spending on water infrastructure is increasing year-on-year under various schemes, including specialised water and wastewater projects such as Namami Gange. The State Governments are also increasing their investments in setting up more water and wastewater treatment plants, refurbishing old and broken water supply lines, and setting up water supply projects to cater to the growing demand from urban customers. The Water business in general is largely split between municipal, industrial, commercial, agriculture and household sectors.

The municipal sector remains the most active segment, wherein substantial funds are being committed and invested across the country to increase water supply through various means. Industrial wastewater treatment scenario in India has become very dynamic in the wake of the stringent environment norms prescribed by the Central Pollution Control Board and monitored by the National Green Tribunal (NGT). In view of the fast depleting groundwater table, industrial wastewater treatment has become a viable alternate to meet the large industrial demand, and many regions in the country are mandating to do so.

During FY 20, on account of general election and elections to major state assemblies, the overall order finalisation in the country witnessed slowdown.

MARKET ANALYSIS

With water expected to become more valuable than oil as rising demand from people, industries and agriculture puts pressure on supplies, India could soon be staring at a water crisis, as pointed out by various reports by multi-lateral agencies.

The potential of water recycling to meet non-potable needs - for gardening, toilet and laundry, which accounts for at least 60% of domestic water use - is huge. In fact, many cities across the world, such as Brisbane, Singapore, Windhoek (Namibia) and California's Orange County - are recycling wastewater for drinking. While the use of sewage for potable purposes is still to pick up in a big way globally, its use for non-potable purpose worldwide is far more common.

The water sector is seen as becoming a huge opportunity on both new projects as well as Retrofitting and Operations & Maintenance (O&M) of existing capacities. The water and wastewater treatment market size is expected to grow at a CAGR of 5.8%, with growing urbanisation a key factor driving the market.

1. In view of the growing demand for Water, water recycling is slated to become inevitable across all metros and large cities in India. Over-dependence on the monsoon has been a major challenge for India to meet its water needs. Only 60% of the country receives irrigated water, while the rest of the land is dependent on monsoon rains.

According to the World Bank, the current industrial water use is about 13% of the total freshwater in India, and it will grow at a rate of 4.2% per year, rising to 228 billion cubic metres by 2025.

2. According to the World Bank, the current industrial water use is about 13% of the total freshwater in India, and it will grow at a rate of 4.2% per year, rising to 228 billion cubic metres by 2025.

3. The per capita availability of groundwater has significantly come down, and is likely to decline further with the growing population and demand. As per the Ministry of Water Resources, per capita water availability in 2025 and 2050 is estimated to come down by almost 36% and 60% respectively.

4. It is believed that in order to address the ever increasing demand for water, India needs to adopt and implement innovative solutions for more efficient water management and wastewater recycling and reuse.

DEMAND DRIVERS

As per estimates, only around 30% of the wastewater generated in India's major metropolitan cities is treated, and the cities now face severe water shortages. The River Yamuna's 22-km stretch in Delhi is barely 2% of the length of the river, but contributes over 70% of the pollution load. Water scarcity and strict regulation has led many industries to adopt cluster-based water-recycling systems, especially Food, Textiles, Pharmaceutical, Chemical and Power industries. Zero Liquid Discharge systems and wastewater recycling are becoming increasingly popular in India. The Company has used this technology in projects like Balotra.

The municipal wastewater discharge has become an issue of critical concern for environmental and public health concern, with necessary interventions involving introduction of high technology and innovative waste water treatment technologies to address the problem, since the existing systems are inefficient, incomplete and expensive. It is, therefore, important to adopt an integrated approach encompassing multiple elements, such as a) minimisation and prevention, b) treatment for reuse, and c) natural self-purification.

Due to stringent revision of discharge standards for Sewage Treatment Plants (STP) in metropolitan and other areas by NGT, all older STPs have become non-compliant, and there is need for retrofitting and refurbishment of these plants. Going forward, there will be enormous opportunities in this segment across the country.

The Central Government's focus on Namami Gange for cleaning of Ganga, JICA funded projects in Delhi and Karnataka, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) programmes for Pollution abatement, Recycling and Re-use, Stricter Vigil by NGT will all be the key demand drivers. Due to COVID-19 disruption, it is estimated that new order finalisation in FY 21 may be subdued due to possibility of lack of funding.

BUSINESS OPPORTUNITIES

AMRUT and 'Smart Cities' Mission is expected to create significant business opportunities for the development of basic infrastructure services in water supply and sanitation, drainage, solid waste management and sewage treatment.

"Namami Gange" programme of ₹ 20,000 crore will create Hybrid Annuity Model (HAM) based projects, with focus on arresting the municipal and industrial waste / pollution flowing into the rivers, along with creation of 2,500 MLD municipal sewage treatment capacity. This programme will also implement Zero Liquid Discharge (ZLD), with all industries required to instal real-time online effluent monitoring stations.

As water availability and quality declines and pressure mounts on industries to build Common Effluent Treatment Plants (CETP) and re-use water, the Triveni Water business will be focussing on CETPs, recycling and re-use projects with latest technologies.

BUSINESS PERFORMANCE

Performance Overview

Triveni Water Business (WBG) is present in both industrial and municipal segments, with focus on providing wastewater treatment solutions. It is pursuing opportunities with Namami Gange (National Mission for Clean Ganga), UP Jal Nigam, Delhi Jal Board, Bangalore Municipality, and various other clients in Engineering Procurement Construction (EPC) and Hybrid Annuity Model (HAM) / Public Private Partnership (PPP) projects. WBG is also exploring PPP format for Sewage Treatment Plant (STP) recycling opportunities.

At present, the Water Business is executing 12 EPC jobs located in Delhi, UP, Karnataka, Odisha, West Bengal, Tamil Nadu, Rajasthan and Punjab.

The business activities of WBG picked up during FY 20 due to the strong carry forward order book. The business recorded its historical highest annual turnover of ₹ 305.9 crore, with PBIT of ₹ 24 crore, in the year under review. The order in-take for FY 20 was ₹ 39.3 crore while the carry forward order book as on March 31, 2020 was ₹ 995.3 crore, including O&M orders for ₹ 482.9 crore. The operating efficiency also improved significantly during the year as the indirect cost remained almost at the level of the previous year despite 22.7% increase in annual turnover.

Going forward, majority of investments in this business are expected from the Central Government through NMCG and Japan International Cooperation Agency (JICA), besides State funding from Karnataka, UP, Delhi, MP, Bihar, Jharkhand and Rajasthan. WBG is well positioned to undertake more jobs in its chosen areas of expertise. Though the business is not actively looking to expand in the foreign market, it will continue to evaluate opportunities in neighbouring countries on case-to-case basis.

Key Highlights

1. WBG achieved historic high annual turnover of ₹ 305.9 crore in FY 20
2. Secured overseas order from Maldives for Reverse Osmosis (RO) and STP package in Joint Venture (JV) with an export firm
3. Completed EPC of 15 MLD RO Plant within the allotted time, and successfully conducted PG Test and handed over the plant to Barmer Lignite Mining Company Limited (BLMCL)
4. Near completion of 40 MLD STP based upon Sequencing Batch Reactor (SBR) technology for Bangalore Water Supply and Sewerage Board (BWSSB)
5. Near to completion of 210 MLD ISPS project for BWSSB
6. NTPC Darlipali PG test for PT-DM package completed
7. Regular participation in new bids, positioning the Water business as a major recognised force in the industry

Impact of COVID-19 on Business Performance

Due to COVID-19 notifications from Government of India and various State Governments, all WBG sites were shut down, and supply chain was disrupted, resulting in loss of revenue to the extent of approximately ₹ 35 crore on account of the following:

1. Several supplies were ready for despatch but could not move due to lockdown
2. Several supplies were ready for inspection, which had to be cancelled due to lockdown
3. Some overseas supplies reached Jawaharlal Nehru Port Trust post but the Government of India closed the post, thus preventing equipment delivery at site
4. Raw material for site works held up due to lockdown and complete stoppage of works

Outlook

During FY 20, the performance of WBG from order intake perspective was muted due to slow pace of order finalisation, largely due to Central and State elections. However, prospects for the Water sector are positive for FY 21, and major projects are expected to be finalised by NMCG, JICA and State Governments. Apart from new tenders of regular EPC and HAM projects, several tenders for retrofitting and refurbishments are expected to be floated due to NGT's revised discharge standards of STPs in metropolitan and other areas.

Due to prevailing Coronavirus (COVID-19) pandemic, the Government's focus and funding is expected to be diverted towards fighting the pandemic and there could be delays in its ability to allocate funds for new projects. The Company expects some subdued activities in new business opportunities in FY 21 and the business is gearing-up to tackle these issues.

AMRUT funding, majorly from the Central Government, may catalyse opportunities in the Water sector. JICA is funding new Water projects in Delhi and Karnataka, and new bids from these states are expected. CETPs for industrial clusters like textile and tannery are being built, mainly due to intervention of NGT, and it is expected that some more opportunities will arise in FY 21. Focussed initiatives of the the Central Government will be instrumental in driving the way forward for the Water and Wastewater business for the next 4 years.

FINANCIAL REVIEW

₹ lakhs

Description	2019-20	2018-19	Change %
Income from operations	442357	315156	40%
EBITDA	**57283**	**37668**	**52%**
Depreciation & Amortisation	7489	5695	32%
Finance Cost	7932	6799	17%
Profit Before Exceptional/Non-recurring items & Tax	**41862**	**25174**	**66%**
Exceptional income	282	2035	
Tax	9396	5153	82%
Profit After Tax	**32748**	**22056**	**48%**
Other Comprehensive income	-96	-137	
Total Comprehensive income	**32652**	**21919**	**49%**

The Company has reported record turnover and profitability in FY 20. Sugar business (including Distillery and Co-generation) has achieved 50% increase in turnover with 67% increase in Profit before Tax (PBT) and the Engineering Business has achieved 17% increase in turnover and 39% increase in PBT. All the businesses have done well with the exception of Co-generation where the results have been impacted by steep decline in the power tariff for the power exported to the grid.

The much improved operating performance of the sugar operations has helped the Company to report higher profitability – sugarcane crush during the financial year increased by 9%, recovery by 15 basis points (after considering adjustment of sugar diverted in B-Heavy Molasses) and sugar production by 7%. Higher production would have normally led to increase in working capital requirements and finance cost but the Company accelerated the export programme under Maximum Admissible Export Quantity (MAEQ) Scheme of the Central Government (GoI) and exported significant quantities during the current financial year. Further, it produced B-Heavy Molasses at three sugar units which accounted for diversion of sugar to the extent of 30209 MT. As per the scheme of monthly quota by the GoI, higher quota for domestic sale was allocated to the Company as an incentive for exports made and B-Heavy Molasses produced. Consequently, sugar inventories held as on March 31, 2020 are 15% lower than the inventories held on March 31, 2019.

Depreciation & amortisation have increased by 32% mainly due to capital expenditure of ₹ 215 crore incurred in setting up a new distillery and & installation of an incineration boiler at the existing distillery Further, due to adoption of Ind AS 116 “Leases” Right of Use (ROU) assets were recognised which has resulted in higher charge by ₹ 6.32 crore.

The finance cost has increased by 17% despite increase in average utilisation of working capital requirements by 40% and term loans by 165%. To help the sugar industry and check supplies in the market, the GoI had introduced a Buffer Stock Scheme under which the sugar mills are required to keep the prescribed sugar stocks, which are not permitted to be sold. Accordingly, the GoI reimburses inventory carrying costs, including the finance cost incurred on the buffer stocks. During the year, the Company has received higher buffer stock interest subsidy of ₹ 28.48 crore (₹ 11.23 crore last year). Further, average cost of funds has reduced by 156 basis points during the year on account of availment soft loans of ₹ 396.93 crore with interest subvention for payment of cane price and for setting additional distillery capacity as well as due to decline in applicable interest rates.

The Company has decided not to opt for lower tax rate as provided under Section 115BAA of the Income Tax Act considering the various benefits that would be lost as a result thereof. Tax charge during the year includes reversal of an amount of ₹ 40.59 crore as a result of re-measurement of deferred tax liabilities (net) as on March 31, 2020, taking into consideration net deferred tax liabilities expected to be reversed after the Company opts for lower tax rates after utilising all available benefits under old tax regime.

RAW MATERIAL AND MANUFACTURING EXPENSES

₹ lakhs

Description	2019-20	2018-19	Change %
Cost of material consumed	303297	277115	9%
Percentage to sales	69%	88%	
Manufacturing expenses	23465	24650	(5%)
Percentage to sales	5%	8%	

Raw Material Costs have increased by 9% commensurate with the increase in sugarcane crush by 9% and 17% increase in the turnover of the engineering businesses. However, the raw material % to sales is not very indicative for sugar business as it is directly linked to the production of sugar and not sale of sugar.

Despite higher turnover by 40%, Manufacturing expenses have reduced by 5%. In sugar business (including distillery), such costs are directly linked to the production undertaken rather than to the sales. The savings in manufacturing costs is due to low costs associated with manufacture of raw sugar which formed 24% of the total sugar production and reduced civil work quantum in the projects executed by Water Business.

PERSONNEL COST, ADMINISTRATION EXPENSES AND SELLING EXPENSES

₹ lakhs

Description	2019-20	2018-19	Change %
Personnel cost	25498	22387	14%
Percentage to sales	6%	7%	
Administration	8802	7768	13%
Percentage to sales	2%	2%	
Selling expenses	6136	2551*	141%
Percentage to sales	1%	1%	

*excluding expenses of ₹ 3761 lakhs incurred on arranging exports through third parties

The increase in personnel cost is due to additional manpower recruited for the new distillery commissioned during the year and due to annual salary increase. The increase in Administrative expenses is on account of increased activity, including operations of a new distillery. Selling expenses have increased due to transportation cost incurred for the export of sugar, majorly on FOR basis.

SEGMENT ANALYSIS

₹ lakhs

	Revenue			PBIT*		
Description	2019-20	2018-19	Change %	2019-20	2018-19	Change %
Business Segments						
- Sugar	443235	294777	50%	46632	30303	54%
- Engineering	44709	38223	17%	6203	4547	36%
- Others	8071	6200	30%	-47	7	
Unallocated/inter unit adjustment	-53658	-24044		-2994	-2884	
Total	**442357**	**315156**	**40%**	**49794**	**31973**	**56%**

*Before exceptional items

The Company has two major business segments - Sugar business and Engineering business. Sugar business comprises sugar manufacturing operations across seven Sugar mills, three incidental cogeneration facilities at three of its sugar mills, three Co-generation plants located at two of its Sugar mills and two Distillery units (including a newly established distillery), all located in the State of U.P. During the current financial year, a new 160 KLPD distillery adjacent to an existing sugar unit at Sabitgarh became operational in April 2019. Co-generation plants and Distillery units source captive raw materials, namely, bagasse and molasses, from the sugar mills. Engineering business comprises Gears manufacturing at Mysuru and Water and Waste Water Treatment business operating from Noida, UP and having projects all over the country.

SUGAR BUSINESS SEGMENTS

Sugar Operations

₹ lakhs

Description	2019-20	2018-19	Change %
Turnover	385811	253100	52%
PBIT	30253	7921	282%
PBIT/Turnover (%)	8%	3%	
Sugarcane crush (MT)	8393060	7684100	9%
Recovery %	11.93%*	11.78%	1%
Sugarcane cost (landed) (₹ /MT)	3333	3344	0%
Production of sugar (MT)	970731	905431	7%
Volume of sugar sold (MT)			
Domestic	795096	753251	6%
Export	274449	5816	
Total	**1069545**	**759067**	**41%**
Average sugar realisation price (₹ /MT)			
Domestic	33184	31456	5%
Export (Net of transport costs & excluding subsidies)	19716	20768	-5%
Average	29728	31375	-5%

* After considering adjustment of sugar diverted in B-Heavy Molasses

The operational efficiencies and the productivity of the sugar operations, in terms of sugar recovery & cane crushing, have further improved during the year.

Much improved PBIT during FY 20 is attributed to higher sales volume by 41%. Profitability of FY 20 also includes export related and buffer stock subsidies of ₹ 100.5 crore pertaining to last year booked during the current year after fulfilment of the prescribed conditions, and subsidies of ₹ 57.66 crore relating to current year could not be recognised in view of non-fulfilment of the prescribed conditions and the same will be recognised subsequently on completion/fulfilment of relevant conditions.

Co-generation Business

₹ lakhs

Description	2019-20	2018-19	Change %
Turnover	18307	20279	-10%
PBIT	5324	9111	-42%
PBIT/ Total Turnover (%)	29%	45%	
Power Generation – million units	244	266	-8%
Power export (%)	60%	66%	

The profitability in the Co-generation business is lower than previous year as UPERC has reduced power tariff by approx. 40% effective April 1, 2019. Further, the power exported during the current financial year is lower due to increased requirements of sugar operations, frequent rains and consequent need to optimise bagasse utilisation.

Distillery Business

₹ lakhs

Description	2019-20	2018-19	Change %
Turnover	39117	21398	83%
PBIT	11055	13271	-17%
PBIT/Turnover (%)	28%	62%	
Operating days	308	312	-1%
Production (KL)	93826	48035	95%
% Production from BH Molasses	34%	NA	
Total Sales Volume (KL)	84566	51279	65%
% Ethanol to total sales Volume	97%	97%	
% Ethanol sales produced from B-heavy molasses	28%	0%	
Avg. realisation price of alcohol ₹ /litre	46.09	41.51	11%

The current year includes operations of a new 160 KLPD distillery commissioned in the first quarter as a result of which capacity of the Company has doubled to 320 KLPD from 160 KLPD earlier. The company has also set up an incineration boiler at its existing distillery for ensuing zero liquid discharge.

Due to increase in capacity, the production and turnover has increased substantially during the current year. Sales volumes in March 2020 were impacted on account of COVID-19. Lower PBIT during the year is mainly on account of abnormally lower raw material (molasses) prices last year, which have increased substantially during the year based on market dynamics. The Company has for the first time produced B-heavy molasses at three of its sugar units for the production of Ethanol. It has helped the Company in optimum utilisation of distillation capacity as well to capture higher ethanol prices as applicable to ethanol produced from B-heavy molasses.

Average realisation price has improved by 11% as the Ethanol produced from B-heavy molasses fetches higher prices - ₹ 54.27/ litre as against ₹ 43.75/litre for Ethanol derived out of C-heavy Molasses.

ENGINEERING BUSINESS SEGMENT

Gears Business

₹ lakhs

Description	2019-20	2018-19	Change %
Turnover	15422	13308	16%
PBIT	4854	3814	27%
PBIT/Turnover (%)	31%	29%	

The Gear business has performed well, both in terms of turnover and profitability. The business operations were impacted in March 2020 due to COVID-19. The Company is exploring new products, geographies and actively engaged with the Defence Sector to tap business opportunities for further growth and diversification.

The total order book at the year end, executable in FY 21, is at ₹ 93.81 crore as against ₹ 101.28 crore as on March 31, 2019. Gears Business would also be carrying long tenure orders of ₹ 58.15 crore which will be executed after FY 21.

Water and Wastewater Treatment Business

₹ lakhs

	Standalone			Consolidated		
Description	2019-20	2018-19	Change %	2019-20	2018-19	Change %
Turnover	29287	24915	18%	30593	24933	23%
PBIT	1349	733	84%	2401	719	234%
PBIT/Turnover (%)	5%	3%		8%	3%	

The consolidated results include financial results of a wholly owned subsidiary, Mathura Wastewater Management Private Limited (MWMPL), which is engaged in the execution of a project awarded by National Mission of Clean Ganga (NMCG) under Namami Gange programme for the city of Mathura, UP.

The improved performance of water business during the current year, both in terms of turnover and profitability, is due to higher intake of orders received in FY 19. The business operations were impacted in March 2020 due to COVID-19.

During the year, orders of only ₹ 39.29 crore were received by the Company. The Company has participated in large number of projects in pipeline, the finalisation of several projects were delayed due to various disruptions during the year. Orders in hand at the year-end are at ₹ 995.32 crore (including long-term O&M contracts of ₹ 482.88 crore).

REVIEW OF BALANCE SHEET

Major changes in the Balance Sheet items are explained as hereunder:

NON-CURRENT ASSETS

Property plant and equipment

During the year, there have been additions to the extent of ₹ 297.06 crore. These mainly include capitalisation of a new 160 KLPD distillery for ₹ 155.96 crore, incineration boiler project at existing distillery for ₹ 59.03 crore, construction of additional molasses tanks for ₹ 14.84 crore and other CAPEX incurred for smooth operation of the business.

Capital work-in-progress

The Capital work-in-progress of ₹ 26.16 crore mainly includes assets under installation at the Muzaffarnagar distillery and sugar units at Sabitgarh & Chandanpur.

Right of Use (ROU) Assets

The Company has during the year adopted new Ind AS 116 "Leases" and applied the same to lease contracts existing as at April 1, 2019 using the cumulative effect method and accordingly, recognised ROU assets of ₹ 25.67 crore as on the transition date i.e. April 1, 2019. Written down value of ROU assets as on March 31, 2020 is ₹ 19.61 crore.

Investments in subsidiaries and Associates

Investments are higher at ₹ 69.77 crore as on March 31, 2020 as compared to ₹ 49.87 crore as on March 31, 2019, mainly due to investment of ₹ 19.90 crore in the equity share capital of wholly-owned subsidiaries for their respective businesses, including ₹ 13.50 crore in MWMPL.

Income Tax Assets (net)

The income tax assets (net) represents amount receivable upon completion of the assessment and against various appeals decided in favour of the Company, the refund procedures of which are in progress. During the year, refunds of ₹ 7.62 crore were received.

CURRENT ASSETS

Inventories

Inventories are lower by 10% at ₹ 1912.13 crore as on March 31, 2020 against ₹ 2118.66 crore as on March 31, 2019 due to 15% lower sugar inventories held in quantitative terms. Reduced inventory levels are a result of higher sugar sales volumes by 41% helped by substantial exports and diversion of sugar in the production of B-heavy molasses.

Trade Receivables

Trade receivables are higher at ₹ 295.32 crore as on March 31, 2020 from ₹ 237.97 crore as on March 31, 2019. Water Business and Distillery operations have higher receivables due to increased business activity.

Other Current Assets

It has increased from ₹ 191.44 crore as on March 31, 2019 to ₹ 437.51 crore as on March 31, 2020, mainly due to amount of ₹ 235.14 crore (Previous year – ₹ 6.93 crore) receivable from the Government towards grant / subsidies relating to exports, buffer stock and subvention of interest.

EQUITY

Share Capital

The Company had during the year successfully completed buyback of 1 crore fully paid up equity shares and the share capital has reduced correspondingly.

Other Equity

During the year, the reserves and surplus increased by ₹ 193.37 crore (18%) to ₹ 1245.86 crore due to profit earned during the year and transferred to Retained Earnings, as reduced by premium paid on buyback of shares and interim dividend paid.

Borrowings

Total long-term borrowings at the year-end, including current maturities of long-term borrowings, are at ₹ 614.72 crore as against ₹ 490.49 crore as at the end of the previous year. During the year, term loans of ₹ 211.93 crore were availed and repayments were made to the extent of ₹ 87.70 crore. Term loans of ₹ 610.75 crore are at concessional interest rate or carry substantial interest subvention.

Other Non-Current Liabilities

Other Non-Current Liabilities are lower at ₹ 18.22 crore as on March 31, 2020 as against ₹ 29.47 crore as on March 31, 2019 mainly due to utilisation of deferred grant in respect of concessional term loans.

CURRENT LIABILITIES

Borrowings

Short-term borrowings are lower at ₹ 943.44 crore as on March 31, 2020 as against ₹ 1235.41 crore as on March 31, 2019. The utilisation is lower due to better working capital management resulting in lower sugar inventory held at the yearend as well as surplus funds parked in the cash credit account.

Trade Payables

Trade payables are higher at ₹ 756.40 crore as on March 31, 2020 as against ₹ 637.61 crore as on March 31, 2019 due to increased business activity.

Other Financial liabilities

Other Financial liabilities are higher at ₹ 200.79 crore as on March 31, 2020 as against ₹ 126.09 crore as on March 31, 2019. The increase is mainly owing to increase in current maturities of long-term loans by ₹ 67.62 crore.

Other Current liabilities

Other Current liabilities are higher at ₹ 153.56 crore as on March 31, 2020 as against ₹ 135.44 crore as on March 31, 2019. The increase is primarily due to higher liabilities towards customers under construction contracts of Water Business on account of initial higher billing.

KEY FINANCIAL RATIOS

Ratios	Mar '20	Mar '19	Remarks	Formula used for ratios
Debtors turnover	16.59	12.84	The ratio is higher due to higher Revenue from Operations by 40%.	Revenue from Operations/Average Trade Receivable
Inventory turnover	1.85	1.45	The ratio is higher on account of higher quantities and faster pace of sugar sold during the year.	Cost of Goods Sold / Average Inventory
Interest coverage	6.28	4.70	Improvement in the ratio is attributable to 56% increase in Profit before Interest and Tax (PBIT).	PBIT/Finance Cost
Current ratio	1.28	1.18	Higher ratio is due to improved financial position as a result of higher profitability, better working management and lower availment of short-term borrowings.	Current Assets / Current Liabilities
Long Term Debt-Equity	0.48	0.45	The ratio is slightly higher due to availment of term loans under various interest subvention Schemes.	Long Term Debt / Equity
Total Debt-Equity ratio	1.20	1.59	The ratio is lower due to reduction in short-term borrowings and increase in Equity due to higher profits earned during the year.	Total Debt (after Reducing Cash & Cash Equivalent) / Equity
Operating Profit Margin (%) (OPM)	11.26%	10.15%	OPM is higher due to higher profitability, significantly contributed by Sugar Business.	Operating Profit (PBIT)/ Revenue from Operations
Return on Net Worth (%)	28.81%	23.42%	Improvement in return is due to higher Profit After Tax (PAT).	PAT/ Average Net worth (Excl. Capital & Amalgamation Reserves)

RISK MANAGEMENT AND MITIGATION

The Company is engaged in multiple businesses and there are unique risks associated with each business. The Company follows a well-structured Enterprise Risk Management (ERM) Policy, which requires the organisation to identify the risks associated with each businesses and to categorise them based on their impact and probability of occurrence – at the business level and at the entity level. Mitigation plans are laid out for each risk along with designation of an owner thereof. It is the endeavour of the Company to continually improve its systems, processes and controls to improve the overall risk profile of the Company.

The ERM policy defines the risk parameters within which the businesses should operate. It helps to build a discipline within the organisation wherein all business decisions are taken after assessing the attendant risks and formulating effective mitigation plans to contain the impact of such risks. Since the Company is engaged in diversified businesses having completely different risk profiles, Risk Management Framework for each business has been devised considering its complexity and uniqueness. Sugar business of the Company is agro based and is largely dependent on uncontrollable climatic factors and Government regulations and policies whereas the Engineering business relates to capital goods and infrastructure sectors, which are dependent on the economic growth of the country.

RISK OF BUSINESS DISRUPTION DUE TO COVID-19

Before dwelling on the normal business risks, it is imperative to evaluate the recent emergent risks as a result of COVID-19. The pandemic has brought about most unprecedented public health and socio-economic crisis in our lifetime across the globe. To check the spread of virus, the Government declared complete lockdown from March 25, 2020 till May 3, 2020 during which period only essential services were permitted to operate. Subsequently, the lockdown is being relaxed in phases. Many sectors of the economy have been badly hit due to disruption in activities and they may take time to attain normal operations due to acute constraints relating to financial resources, supply chain, demand and labour availability.

It seems that the major business of the Company – Sugar along with Cogeneration and Distillery is not likely to be impacted. These businesses, being essential goods in nature, operated uninterruptedly during the lockdown period with the active support of the State and Central Government in overcoming supply chain challenges. The demand of sugar and ethanol declined temporarily during the lockdown period but since then these have been normalised.

The business operations of engineering business were impacted during the lockdown period due to the closure of the factory/ project sites but these resumed normal operations by the middle of May 2020. The normalcy in the business environment depends on how the pandemic is controlled and how the business cycle from supply chain partners to the customers is normalised. There is presently a great deal of uncertainty but the initial feedback from customers is encouraging. It is premature to assess any long-term impact.

The businesses are observing all precautions at the work places to keep the employees safe and to avoid spread of the virus. All prescribed protocols and guidelines are being followed. Wherever feasible, model of work from home is being followed and in view of travel restrictions, the digital modes are being followed to maintain active contacts with the supply chain partners and customers.

SUGAR BUSINESS

Sugar business is exposed to significant external risks, which mostly are uncontrollable and thus, it is imperative to optimise the controllable business productivity and efficiencies on a dynamic basis to counteract the impact of such external risks. Other internal risks are moderate and are by and large predictable and manageable.

It is the objective of the Company to be amongst the top performers in UP, much above the average, so that it remains less impacted by the cyclicality associated with this industry. During Season 2019-20, the Company has achieved comparable recovery of 11.97% - 18 basis points over the previous season and 24 basis points higher than the average recovery achieved in Uttar Pradesh.

Some of the key external risks to which the Sugar business is exposed are described hereinbelow:

Risk of over dependence on Government's policies and support

Risk

After having achieved production of ~27.0 million tonnes, the sugar stocks at the end of the sugar year 2019-20 are estimated at 11.50 million metric tonnes (MMT) after considering consumption of ~25.0 MMT (reduced on account of COVID-19) and exports of ~5.3 MMT. Further, there is a forecast of 14% increase in sugar production to ~31 MMT in the sugar year 2020-21. Increased production will lead to higher inventory holdings, increased working capital requirements, higher finance costs and liquidity constraints.

Mitigation

The Government has been actively promoting export of sugar for the last 02 years to evacuate surplus sugar and provides subsidy to undertake exports. Further, the Government has also introduced a scheme to maintain buffer stock, presently valid until July 2020, to the extent of 4 MMT under which the

Government provides subsidy towards inventory carrying cost for the stocks allocated to be maintained by the sugar mills. The Government has been supporting production of Ethanol by using B-heavy molasses and sugarcane juice which results in diversion of sugar, which in the SS 2019-20 is estimated at 0.8 million tonnes and is estimated at 1.5 million tonnes in the SS 2020-21 in view of increased production. Pursuant to such policies, our Company had exported significant sugar in the SS 2019-20 equivalent to 24% of the production up to the year end and produced 34% Ethanol from B-heavy molasses Consequently, the sugar inventory as on March 31, 2020 is 15% lower the previous year.

The Government is unlikely to withdraw support as it recognises that the cane prices are unrealistically high which would not enable our high cost sugar to compete in the global market without any support. The liquidation of sugar stocks is imperative to improve liquidity position of sugar mills to pay cane dues. As a long-term solution for the sugar industry to be self-sufficient, the production of Ethanol from B-heavy molasses and sugarcane juice needs to be further encouraged by offering viable prices, which should result in setting up of additional distillation capacities and lastly, there should be a mechanism to pay unviable component of the cane price directly by the Government.

Sugar Price Risk

Risk

The sugar prices have significant impact on the profitability and viability of the sugar mills. In the event, the process go below the break-even levels, losses may be inflicted which may have material impact on the financial position of the company to manage its operations, including payment of cane dues and to service debts.

Mitigation

There are various mitigations available against this key risk, internally and externally:

a) The Government announces monthly quota for sale in the domestic market which ensures meeting demand adequately without any excessive supplies. Resultant, the prices remain range bound and excessive volatility is avoided.

b) The Government has prescribed Minimum Selling Price (MSP) of sugar below which sugar mills are not permitted to sell sugar. This mechanism avoids situations of collapse in the sugar prices due to overproduction in the country or temporarily excessive supplies in the market.

c) The Company has been focussing on improvement of recoveries and the recovery has improved by 91 basis points over the last 3 seasons. Higher recoveries lead to low cost of production of sugar and enables the sugar mill to tide over market variation in sugar prices and make the sugar operation profitable.

d) The Company produces premium quality sugar to increase overall realisation prices, The Company produces refined sugar equivalent to ~40% of its production and also produces pharmaceutical grade sugar which fetch substantial premium over plantation white sugar.

e) The sugar business of the Company comprises adequate mix of Cogeneration and distillation and because of diversified revenue streams, it is in a better position to meet and overcome various risks.

Risk of increase in Cane price

Risk

The cane price in Uttar Pradesh has remained unchanged for the last 3 years and it is possible that the cane price may increase in the forthcoming SS 2020-21. The increase in cane price may have significant impact on the financial position of the Company unless its impact is compensated by commensurate increase in sugar prices.

Mitigation

The Government reviews MSP of sugar from time to time and makes adjustment in the event of higher costs being incurred. It is expected that any increase in cane price will be nullified by commensurate increase in the MSP of sugar and thus, sugar industry will be largely insulated by the increase in cane price.

Risk of Climatic factors:

Risk

The climatic factors, such as, monsoon, flood, drought and crop diseases impact the yield and sugar recovery from cane. Lower yields result in lower cane availability to sugar mills whereas lower sugar recovery leads to higher cost of production.

Mitigation

In the State of U.P., in view of large irrigated areas, the impact of drought or lower rainfall is not much pronounced as compared to other monsoon dependent sugarcane producing States, such as, Maharashtra and Karnataka. Further, cane staff of the Company are quite vigilant and after the sowing season, they closely monitor the growth of sugarcane and disease infestation so that timely action could be taken to avoid or minimise the damage.

ENGINEERING BUSINESS

The Gears and Water businesses are in the capital goods and infrastructure sectors and are largely dependent on the industrial and general economic conditions in the country which stimulate demand of the products of our Engineering businesses. These businesses are exposed to the following major risks:

Risks

Risk of economic slowdown

Slowdown in the economy results in sluggish demand of the products of the user industries, which in turn has adverse effect on investment spend on capital goods required for capacity creation or modernisation.

Scarcity of funds

The sluggish demand puts financial stress on the industrial companies and in view of stressed financials and risk aversion, the lenders generally subject the projects to stringent diligence before arriving at funding decisions. The user industries are forced to defer their expansion plans in view of delay in funding, resulting in poor off-take of capital goods.

Technology risks

It is extremely vital for the Engineering business to offer technology and benchmark efficiencies at par with the competition and in the event of a significant gap in its offerings as compared to its peers, the customers may not prefer the products of the Company.

Project delays and payment risks

On account of financial problems with customers, including non-achievement of financial closure, the project may get delayed, resulting in credit risks, cost overruns and blockage of working capital.

Mitigations

Gears business

Even during slowdown, the Gear Business has fared well in FY 20 with respect to turnover, profitability and order booking. The operations were somewhat impacted in March 2020 due to COVID-19. The business model of Gear Business is robust with main verticals being supply of Gear boxes to OEMs and Retrofitting and refurbishment business, with a focus to expand export footprints. The Company is working on new areas, such as manufacturing of Gear internals to other OEMs under 'Built-to-Print' and foray into Defence sector using a range of products which are aligned to 'Make in India' initiative. The diversified business model will enable Gear Business to avoid overdependence on few sectors and withstand sector specific cyclicality.

Water business

The order book of Water business is healthy and despite its operation getting affected in March 2020 due to COVID-19, it has reported impressive growth in turnover and profitability. The order intake had been subdued though, in view of prolonged election activities, other disruptions and finally the impact of COVID-19 towards the end of the year. These slowed down the order finalisation, which is likely to pick up momentum in third quarter of FY 2021.

In respect of water business, the Company has access to almost all technologies currently being used, including through its Israeli associate.

The Company does proper diligence on its customers prior to accepting any order, which includes evaluating its financials, ensuring financial closure of the project, credit ratings (if any), track record and market feedback, and continues to closely monitor any financial stress which the customer may be subject to during the execution of the project.

Directors' Report

Your Directors have pleasure in presenting the 84th Annual Report and audited financial statements for the Financial Year (FY) ended March 31, 2020.

FINANCIAL RESULTS

(₹ in lakhs)

	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations (Gross)	442357.18	315156.34	443663.22	315173.69
Operating Profit (EBITDA)	57283.31	37668.07	57944.71	37251.70
Finance cost	7931.70	6798.78	7933.13	6798.71
Depreciation and Amortisation	7489.12	5695.14	7489.12	5695.14
Profit before exceptional items & tax	41862.49	25174.15	42522.46	24757.85
Exceptional Items	282.04	2034.85	–	–
Profit before Tax (PBT)	42144.53	27209.00	42522.46	24757.85
Tax Expenses	9396.01	5152.65	11049.25	5152.65
Profit after Tax (PAT), before Share of Net Profit of Associates	32748.52	22056.35	31473.21	19605.20
Share of net profit of Associates	–	–	2038.61	2022.85
Profit for the year	32748.52	22056.35	33511.82	21628.05
Other comprehensive income (net of tax)	(96.19)	(137.34)	(282.35)	(41.01)
Total comprehensive income	32652.33	21919.01	33229.47	21587.04
Earning per equity share of ₹ 1 each (in ₹)	13.01	8.55	13.32	8.39
Retained Earnings brought forward	25093.73	5371.58	30599.11	9774.25
Appropriation:				
- Equity Dividend (including dividend distribution tax)	3288.03	2176.78	3288.02	2176.77
- Transfer to/ (withdrawn) from molasses storage fund reserve (net)	(75.65)	20.08	(75.65)	20.08
- Share of associates - buyback adjustments during the year	-	--	--	(1537.69)
Retained earnings carried forward	54533.68	25093.73	60790.80	30599.11

No material changes and commitments affecting the financial position of the company have occurred between end of the financial year of the Company to which these financial statements relate and the date of this report.

PERFORMANCE RESULTS

During the year, the Company has achieved record results in terms of both turnover and the profitability. Turnover is 40% higher at ₹ 4423.57 crore with PAT of ₹ 327.48 crore, which is 48% higher than the previous year. About 78% of the turnover has been contributed by Sugar Business, 10% by Co-generation and Distillery and 12% by the Engineering Business and others. It is heartening to note that the profitability of all the businesses has significantly improved over the previous year barring Co-generation, which is down by 42% in view of a steep downward revision of power tariff applicable from the beginning of the year.

BUSINESS OPERATIONS AND FUTURE PROSPECTS

COVID-19

The world has witnessed one of the worst pandemic, COVID-19, which has brought about most unprecedented public health and socio-economic crisis in our lifetime across the globe. In India, the spread of COVID-19 started in February-March '2020 and accordingly, initial lockdown was ordered for a period of 21 days by MHA vide its Order dated March 24, 2020 and further extended it with progressive relaxations.

Our sugar, cogeneration and distillery operated uninterruptedly as these were categorized as essential goods/services. There were serious supply chain challenges but these were addressed with the full cooperation from our supply chain partners and with the prompt help from the UP State Government and the Central Government to tide over all impediments. In view of grave shortage of hand sanitizers, our Distillery Division set up facilities to produce hand sanitizers in a short span. Our company supplied hand sanitizers “GermCare” free of cost to the District Administrations and various bodies in the regional ecosystem.

Our Gear manufacturing facility at Mysore and the project sites of the Water Business were also required to be closed down due to lockdown. However, the Gear facility partially resumed operations in the third week of April '2020 and has now almost ramped up to normal strength. Water business resumed operations in the second week of May '2020 and presently, most of the project sites are operational.

In respect of the Sugar Business, the sugar demand had softened due to decline in institutional demand owing to closure of factories of the institutional buyers, sweet shops, restaurants, hotels etc. With the gradual relaxation of the lockdown, it is expected that the normal consumption will be restored within few months. However, our Company has not been much affected in view of substantial export of sugar undertaken by us during this period. Further, in view of steep decline in fuel consumption during the period of lockdown, Ethanol supplies to OMCs were impacted but with the help of Oil Marketing Companies, certain other depots were allotted to us and accordingly, our distillery continued to operate at full capacity.

In the engineering business, manufacturing activities have started towards fulfilment of orders in hand. Supply chains are in the process of getting normalized. We have not experienced any major instances of deferment or cancellation of existing orders and the initial feedback from customers does not indicate any significant likelihood. It is, however, premature to assess when the orders booking momentum will be restored as it is dependent on how the pandemic is controlled and also on the revival of economic activities in the relevant geographies we operate in – domestic as well as global.

Safety of our employees is paramount. Apart from working from home, wherever feasible, we are complying with all the prescribed guidelines relating to basic preventive measures in respect of employees and visitors, cleaning and sanitisation of offices, curtailing non-essential travel and dealing with any suspect cases.

The liquidity position of the Company is healthy and it is fully capable of servicing its debt obligation. The going concern nature of any of our businesses has not been vitiated and we do not foresee any material impairment of assets or events of non-fulfilment of contractual obligation by a third party impacting the Company in any material manner.

It is an unprecedented situation which needs to be managed with positivity, hope and resilience. We are fortunate that major part of our business is not expected to be significantly impacted due to the pandemic.

Sugar Business:

Sugar Business has achieved 52% increase in turnover at ₹ 3858.11 crore in the current year with segment profit of ₹ 302.53 crore which is 282% higher than the previous year. Higher recoveries, cost efficiencies and optimum capacity utilisation have contributed to increased profitability.

After achieving sugar production of 33 million metric tonnes (MMT) in sugar season 2018-19, all India production is expected to plummet to 27 MMT in the sugar season 2019-20 (October –September), with major reduction occurring in Maharashtra and Gujarat due to wide spread drought during the plantation period and excessive rains during the growth stage. Against sugar inventories of 14.6 MMT at the opening of the season, we are likely to end the season with 11.6 MMT. Based on present forecasts, we expect a production of 30+ MMT in the sugar season 2020-21 with a marginal increase in consumption.

During the year, we produced raw sugar for export purposes and our total exports during the year are 274,449 MT, comprising 179,302 MT pertaining to Maximum Admissible Export Quota (MAEQ) of sugar season 2019-20. In the sugar season 2019-20, we produced B-Heavy molasses to the extent of 172633 MT which has enabled us to divert 37004 MT of sugar for the production of ethanol. Sizeable exports and production of B-heavy molasses have helped us to moderate our working capital requirements and consequently, sugar inventories held by us at the year-end are 15% less than the previous year. The management of working capital is extremely critical as surplus production in the country over consumption will have the effect of higher sugar inventories to be held by sugar mills.

As against planned MAEQ of 6 MMT, it is expected that actual exports would be more than 5.5 MMT despite disruption of port activities during the lockdown period. It is a commendable achievement and the export programme would need to be carried forward unabated in the coming sugar season as well, especially in view of estimated high production in sugar season 2020-21.

The cane price remained unchanged from last year level and the Central Government provided 7% interest subvention for a period of one year on loans from commercial banks to be used for the payment of cane dues of SS 2018-19. Our Company had availed loans of ₹ 310 crore under this scheme. The industry is thankful to the UP Government as well as to the Central Government for their timely help and assistance due to which sugar industry has been able to counter challenging conditions.

The most important factor, which has led to improvement in profitability of the Sugar Business, is the increased recovery. There has been an increase of recovery by 18 basis points during the current season after adjusting the final recovery with sugar lost in the production of B-Heavy molasses. It has immensely helped the Company to reduce cost of production and to be competitive even under the challenging conditions.

Co-generation & Distillery

Co-generation business has earned segment profit of ₹ 53.24 crore during the year as against ₹ 91.11 crore in the previous year. The decline in profitability is mainly due to the reduction in power tariff by ~ ₹ 2/unit commencing from April 1, 2019. The operations were otherwise conducted satisfactory with high plant capacity utilization.

During the year, Distillery operations resulted in segment profit of ₹ 110.55 crore as against ₹ 132.71 crore in the previous year. The profits are lower due to increase in transfer price of molasses as per market trends. The current year results include the profitability from the second Distillery, which was commissioned during the year.

During the year a new distillery with a capacity of 160 KLPD was set up at the sugar unit located at Sabitgarh. Further, an incineration boiler was installed at the existing distillery. Total capital cost of ₹ 227.76 crore was incurred for the aforesaid projects till FY 20 and these were funded by debt of ₹ 176.93 crore. As per the Government Scheme "Scheme for Extending Financial Assistance to Sugar Mills for Augmentation of Ethanol Production Capacity", the Company is entitled to interest subvention of 6% or 50% of the rate of interest charged by the bank, whichever is lower. The commercial production of the new distillery started in Q1 FY 20 and it had attained normal production in Q2 FY 20.

Engineering Business:

Turnover of the Gears Business has increased by 16% to ₹ 154.22 crore and the segment profits have increased by 27% to ₹ 48.54 crore. Gears Business has achieved 9% increase in the turnover in OEM segment and 28% increase in turnover in Retro segment. The total order book at the year end, executable in FY 21, is at ₹ 93.81 crore as against ₹ 101.28 crore as on March 31, 2019. Gears Business would also be carrying long tenure orders of ₹ 58.15 crore which will be executed after FY 21. Order booking during the year was affected due to low booking in Q4 FY20 in view of COVID-19 impact.

During the year, Gears Business has expanded its business in "Built to Print" segment for manufacturing wind gears and high-speed gears for compressors, etc., from domestic and global OEMs. Further, it is actively engaged in offering indigenous solutions for engineered defence equipment with Navy, Coast Guard, Shipyards and other Naval establishments, to align with major upcoming projects with indigenous design or with technology transfer from global majors.

Water Business achieved 18% higher turnover at ₹ 292.87 crore with segment profit of ₹ 13.49 crore, which is 84% higher than the previous year. On a consolidated basis, including the performance results of the wholly owned subsidiary, Mathura Wastewater Management Pvt Limited, it achieved a turnover of ₹ 305.93 crore with segment profit of ₹ 24.01 crore. Order booking during the year has been muted as the orders from municipalities and other government authorities remained subdued due to election activities at the center level as well as at several states, and other disruptions, and finally, the last quarter was impacted due to COVID-19.

DIVIDEND

An interim dividend of ₹ 1.10 per equity share of ₹ 1/- each (110%) was declared and paid by the Company during the financial year ended on March 31, 2020. The Board has refrained from declaring any final dividend for the financial year 2019-20 and hence, the interim dividend declared by the Board of Directors is being proposed to be confirmed as the final dividend for the year. The total dividend for the year involved outgo of ₹ 32.88 crore, including dividend distribution tax of ₹ 5.61 crore.

DIVIDEND DISTRIBUTION POLICY

As per the provision of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company had formulated a Dividend Distribution Policy. The said policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to the shareholders of the Company and to retain profits earned by the Company. The Policy is available on the website of the Company at http://www.trivenigroup.com/investor/corporate-governance/policies.html.

SUBSIDIARY AND ASSOCIATE COMPANIES PERFORMANCE

Associate Companies

Triveni Turbine Ltd. (TTL)

TTL is engaged in the manufacture and design of steam turbines up to 30 MW and delivers robust, reliable and efficient end-to-end solutions. The higher range – above 30 MW to 100MW – is addressed through GE Triveni Limited, a majority held exclusive Joint Venture with GE. The Company holds 21.85% stake in the equity shareholding of TTL. On a consolidated basis, TTL has achieved a net turnover and profit after tax (PAT) of ₹ 817.87 crore and ₹ 121.78 crore respectively, the profitability is higher than last year by 22% despite slightly lower turnover by 3% due to improvement in margin and lower tax charge. The operations and despatches of the Company were impacted during the last quarter due to the outbreak of COVID-19.

The Company has established itself as an international player and during the year, exports constituted 48% of the total turnover.

Aqwise-Wise Water Technologies Ltd. (Aqwise)

The Company holds 25.04% in the equity capital of Aqwise. As per the unaudited financial statements, Aqwise has performed much better in the calendar year 2019 with consolidated turnover increasing by 25% to USD 32 million with consolidated profit of USD 0.16 million. During the year, Aqwise achieved a total consolidated order booking of USD 30 million and the order booking is primarily focused on turnkey projects but the company has also secured orders in the area of project packaging and providing professional services. Due to the COVID-19 pandemic, the Company's operations and order bookings have been affected since March 2020 and this may have significant impact on its performance- both in terms of order booking and order execution in the current year even though it has a strong carry forward order book.

Subsidiary Companies

The Company has seven wholly owned subsidiaries as detailed in **Annexure-A**. All these companies except Mathura Wastewater Management Private Limited (MWMPL), are relatively much smaller and there has not been any material business activities in these companies. MWMPL is engaged in "Development of Sewage Treatment Plants and Associated Infrastructure on Hybrid Annuity PPP basis at Mathura Uttar Pradesh" under the Namami Gange Programme. During the year under review, MWMPL achieved revenue and profitability (PBT) of ₹ 112.54 crore and ₹ 10.27 crore respectively.

As required under the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statement of subsidiaries and associates is provided in the prescribed format AOC-1 as **Annexure-A** to the Board's Report.

In accordance with the Regulation 16 of the Listing Regulations, none of the subsidiaries of this Company is a material non-listed subsidiary. The Company has formulated a policy for determining material subsidiaries. The policy has been uploaded on the website of the Company at http://www.trivenigroup.com/investor/corporate-governance/policies.html.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the provisions of Companies Act, 2013 and Indian Accounting Standards (Ind AS) as specified in Section 133 of the Act, your Directors have pleasure in attaching the consolidated financial statements of the Company which form a part of the Annual Report.

Financial Statements including consolidated financial statements and the audited accounts of each of the subsidiary are available on the Company's website www.trivenigroup.com.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your directors confirm that:

a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures;

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

c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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 laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

BUYBACK OF EQUITY SHARES

Pursuant to the approval of the Board on June 3, 2019, your Company completed buyback of 1,00,00,000 fully paid-up equity shares of the face value of ₹ 1/- each of the Company for an aggregate amount of ₹ 100,00,00,000/- (Rupees One hundred crore only) (excluding transaction costs), being 9.15% of the aggregate of the Company's paid-up capital and free reserve (including securities premium) based on the consolidated financial statements at a price of ₹ 100/- per equity share in August 2019. The buyback was made from all existing shareholders of the Company as on June 19, 2019, being the record date for the purpose, on a proportionate basis under the tender offer route in accordance with the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder. The shares accepted under the buyback have been extinguished and the paid-up equity share capital of the Company has been reduced to that extent.

CORPORATE GOVERNANCE

In accordance with the Listing Regulations, a separate report on Corporate Governance is given in **Annexure-B** along with the Auditors' Certificate on its compliance in **Annexure-C** to the Board's Report. The Auditors' Certificate does not contain any qualification, reservation and adverse remark.

RELATED PARTY CONTRACTS / TRANSACTIONS

The Company has formulated a Related Party Transaction Policy, which has been uploaded on its website at http://www.trivenigroup.com/investor/corporate-governance/policies.html. It is the endeavour of the Company to enter into related party transaction on commercial and arms' length basis with a view to optimise the overall resources of the group.

All transactions entered into with related parties during the year were in the ordinary course of business of the Company and at arms' length basis. The Company has not entered into any contract/arrangement/transactions with related parties which could be considered material in accordance with the Policy of the Company on the materiality of related party transactions. Form AOC-2 is not attached with this report as there was no such related party transaction for which disclosure in terms of Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is required.

RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROL

The Company has a risk management policy, the objective of which is to lay down a structured framework for identifying potential threats to the organisation on a regular basis, assessing likelihood of their occurrence, designate risk owners to continually evaluate the emergent risks and plan measures to mitigate the impact on the Company, to the extent possible. The framework and the system are reviewed from time to time to enhance their usefulness and effectiveness. The policy recognizes that all risks in the business cannot be eliminated but these could be controlled or minimized through effective mitigation measures, effective internal controls and by defining risk limits.

A comprehensive Risk Management Framework has been put in place for each of the businesses of the Company which is stringently followed for the management of risks, including categorisation thereof based on their severity. Such categorisation gives highest weightage to the risks which have the potential to threaten the existence of the Company. The risks with higher severity receive more attention and management time and it is the endeavour of the Company to strengthen internal controls and other mitigation measures on a continuous basis to improve the risk profile of the Company.

Risk Management System has been integrated with the requirements of internal controls as referred to in Section 134(5)(e) of the Companies Act, 2013 to evolve risk related controls. Detailed internal financial controls have been specified covering key operations, to safeguard of assets, to prevent and detect frauds, to ensure completeness and accuracy of accounting records, to ensure robust financial reporting and statements and timely preparation of reliable financial information. These are achieved through Delegation of Authority, Policies and Procedures and other specifically designed controls, and their effectiveness is tested regularly as per the laid out mechanism as well as through external agencies.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

During the period under review, the Board of Directors has, subject to approval of the shareholders by a special resolution and other requisite approvals, re-appointed Mr Dhruv M. Sawhney as Managing Director (designated as Chairman and Managing Director) of the Company for another terms of five years with effect from March 31, 2020. Further, as per the provisions of the Companies Act, 2013 ('Act'), Mr Sawhney will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company and being eligible, seeks re-appointment. The Board has recommended his re-appointment and remuneration at the ensuing AGM.

With the approval of the shareholders by a special resolution passed at the last AGM held on September 27, 2019, Mr Sudipto Sarkar was re-appointed as an Independent Director of the Company for another terms of five years with effect from September 14, 2019. At the said AGM, the shareholders also approved the appointment of Mr Jitendra Kumar Dadoo as an Independent Director of the Company for a term of three years with effect from May 21, 2019.

Lt Gen K.K.Hazari (Retd), Non-Executive Independent Director resigned from the directorship of the Company with effect from November 8, 2019 and the Board's Committees of which he was a member viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee due to health reasons. Dr. F.C. Kohli, Non-Executive Independent

Director also resigned from the directorship of the Company with effect from January 24, 2020 due to advancing age. There was no other material reasons for their resignations. The Board places on record its highest appreciation for the valuable guidance provided by Gen. Hazari and Dr. Kohli during their respective tenures as Directors of the Company.

The Company has received declarations of independence in terms of Section 149 of the Act and also under the Listing Regulations from all the Independent Directors and the same has been taken on records by the Board of Directors.

As required under the provisions of Section 203 of the Act, the Key Managerial Personnel, namely, Vice Chairman & Managing Director, CFO and Company Secretary continue to hold that office as on the date of this report.

EMPLOYEES STOCK OPTION

There are no outstanding stock options and no stock options were either issued or allotted during the year under ESOP 2009 and TEIL ESOP 2013. Further, the ESOP 2009 come to an end on the expiry of 10 years from the date of institution of the Scheme.

AUDITORS

Statutory Audit

M/s S.S. Kothari Mehta & Co. (SSKM), Chartered Accountants (FRN: 000756N) were appointed as Statutory Auditors of the Company at the 81st AGM to hold office for a period of five consecutive years from the conclusion of that AGM until the conclusion of 86th AGM of the Company to be held in the year 2022.

Cost Audit

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 duly amended, Cost Audit is applicable to the Sugar and Gears businesses of the Company for the FY 2020-21. The Company has been maintaining cost accounts and records in respect of the applicable products. Mr Rishi Mohan Bansal and M/s GSR & Associates, Cost Accountants have been appointed as Cost Auditors to conduct the cost audit of the Sugar businesses (including cogeneration and distillery) and Gears business respectively of the Company for the FY 2020-21, subject to ratification of their remuneration by the shareholders at the ensuing Annual General Meeting. The Board recommends the ratification of the remuneration of the Cost Auditors for the FY 21.

COMMENTS ON THE AUDITOR'S REPORT

Statutory Audit

The Auditors report for FY 20 does not contain any qualification, reservation or adverse remark. Further pursuant to section 143(12) of the Act, the Statutory auditors of the Company has not reported any instances of fraud committed in the Company by its officers or employees, the details of which are required to be mentioned in the Board's Report.

In Para i (c) of Annexure-A to the Auditors Report, the auditor has reported that in 18 cases, land having book value of ₹ 109.67 lakh, the title deeds are not held in the name of the Company. Out of 38 cases having book value of ₹ 394.60 lakh reported last year by the auditors, significant number of cases have been regularized during the year. The total area of land and cost thereof involved in remaining cases are not material. In few cases, the transfer of land in the name of the Company could not be completed on account of certain technicalities/ documentary deficiencies, which the Company is trying to resolve to the extent feasible. For balance land, the Company would endeavour to carry out further regularisation.

Secretarial Audit

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s Suresh Gupta & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The report on secretarial audit is annexed as **Annexure-D** to the Board's report. The report does not contain any qualification, reservation or adverse remark.

DISCLOSURES

CORPORATE SOCIAL RESPONSIBILITY (CSR)

A CSR policy was formulated by the CSR Committee which, on its recommendation, was approved by the Board.

The CSR Policy is available on the Company's website at http://www.trivenigroup.com/investor/corporate-governance/policies.html.

The composition of the CSR Committee and Annual Report on CSR activities during FY 20, as recommended by the CSR Committee and approved by the Board, is provided in **Annexure-E** to the Board's report.

AUDIT COMMITTEE

The composition of Audit Committee is provided in the Corporate Governance Report that forms part of this Annual Report.

VIGIL MECHANISM

The Company has established a vigil mechanism through Whistle Blower Policy and it oversees the genuine concerns expressed by the employees and other directors through the Audit Committee. The vigil mechanism also provides for adequate safeguards against victimization of employees and directors who may express their concerns pursuant to this policy. It has also provided direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The policy is uploaded on the website of the Company at http://www.trivenigroup.com/investor/corporate-governance/policies.html.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The Company has an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the said Act. No compliant was received by the Internal Complaints Committee during FY20.

BOARD MEETINGS

During the year, six board meetings were held, the details of which are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum interval between the two meetings did not exceed 120 days as prescribed under the Companies Act, 2013 and the Listing Regulations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Notes 6 and 9 of the standalone financial statements of the Company forming part of the Annual Report provide particulars of the investments made by the Company in the securities of other bodies corporate; Notes 8 and 48 provide details of loans advanced; and Note 39(v) provides details of guarantee given by the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided in **Annexure-F** to the Board's report.

PARTICULARS OF EMPLOYEES

The information as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure-G** to the Board's Report.

The particulars of employees drawing remuneration in excess of limits set out in the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure-H** to the Board's Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the annual report is being sent to all the members of the Company excluding the aforesaid information. The said information is available for inspection by the members at the registered office of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of the Listing Regulations, the Management Discussion and Analysis is set out in this Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Listing Regulations mandate top 1000 listed entities based on the market capitalization as on March 31 of every financial year the inclusion of the Business Responsibility Report as part of the Directors' Report of the Company. The report in the prescribed form is annexed as **Annexure-I** to the Board Report.

SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013.

DEBENTURES

No debentures were issued during the period under review.

EXTRACTS OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extracts of the annual return in the prescribed form is annexed as **Annexure-J** to the Board's Report and shall be made available on website of the Company i.e. www.trivenigroup.com

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunal impacting the going concern status and Company's operations in future.

HUMAN RESOURCES

Your Company believes and considers its human resources as the most valuable asset. The management is committed to provide an empowered, performance oriented and stimulating work environment to its employees to enable them to realise their full potential. Industrial relations remained cordial and harmonious during the year.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board is available on the website of the Company at http://www.trivenigroup.com/investor/corporate-governance/policies.html.

BOARD EVALUATION MECHANISM

Pursuant to the provisions of Companies Act, 2013 and Listing Regulations, the Board has carried out annual performance evaluation of its own performance, that of individual Directors as well as evaluation of its committees. The evaluation criteria, as defined in the Nomination and Remuneration Policy of the Company, covered various aspects of Board such as composition, performance of specific duties, obligations and governance.

The performance of individual directors was evaluated on parameters, such as, number of meetings attended, contribution made in the discussions, contribution towards formulation of the growth strategy of the Company, independence of judgement, safeguarding the interest of the Company and minority shareholders, additional time devoted besides attending Board / Committee meetings. The Directors have expressed their satisfaction with the evaluation process.

APPRECIATION

Your Directors wish to take the opportunity to express their sincere appreciation to our customers, suppliers, shareholders, employees, the Central, Uttar Pradesh and Karnataka Governments, financial institutions, banks and all other stakeholders for their whole-hearted support and co-operation.

We look forward to their continued support and encouragement.

For and on behalf of the Board of Directors

Dhruv M. Sawhney
Chairman and Managing Director
DIN: 00102999

Place: New Delhi
Date : June 17, 2020

Annexure-A

Statement containing salient features of the financial statement of subsidiaries or Associate Companies or joint-ventures

Part A : Subsidiaires

(₹ in Lakhs)

Name of the subsidiary	Triveni Energy Systems Ltd. (TESL)	Triveni Engineering Ltd. (TEL)	Triveni Entertainment Ltd. (TENL)	Triveni Sugar Ltd. (TSL)	Svastida Projects Ltd. (SPL)	Triveni Industries Limited (TIL)	Mathura Wastewater Management Pvt Ltd. (MWMPL)
	Wholly Owned Subsidiary	**Wholly Owned Subsidiary**	**Wholly Owned Subsidiary**	**Wholly Owned Subsidiary**	**Wholly Owned Subsidiary**	**Wholly Owned Subsidiary**	**Wholly Owned Subsidiary**
Date of becoming subsidiary/ acquisition	**15.02.2008**	**27.06.2006**	**20.03.2014**	**19.03.2014**	**19.03.2014**	**22.07.2015**	**12.06.2018**
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA	NA
3. Share capital	385.00	265.00	417.00	205.00	455.00	200.50	1350.30
4. Other Equity	(11.46)	120.21	(22.99)	(9.33)	(11.46)	(9.60)	755.15
5. Total assets	373.71	439.89	394.16	198.42	444.34	197.00	10672.32
6. Total Liabilities	0.17	54.68	0.15	2.75	0.80	6.10	8566.87
7. Investments	369.28	435.94	383.37	173.15	413.07	175.33	-
8. Turnover	-	-	-	-	-	-	11253.98
9. Profit before taxation	(0.88)	(4.70)	(1.24)	(4.28)	(1.44)	(4.86)	1026.69
10. Provision for taxation	0.04	0.03	-	-	0.05	-	258.40
11. Profit after taxation	(0.92)	(4.73)	(1.24)	(4.28)	(1.49)	(4.86)	768.29
12. Proposed Dividend	-	-	-	-	-	-	-
13. Extent of shareholding (in %age)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Except MWMPL, all the remaining subsidiaries are relatively much smaller and no material business activities are being carried out in these companies

Part "B": Associates and Joint Ventures

Name of Associates or Joint Ventures		Triveni Turbine Ltd.	Aqwise-Wise Water Technologies Ltd.
1.	Latest audited Balance Sheet Date	31-Mar-20	31-Dec-19*
2.	Date on which the Associate or Joint Venture was acquired	01.10.2010	30.07.2012
3.	Shares of Associate or Joint Ventures held by the company on the year end		
	- No of shares	70627980	13008
	- Amount of Investment in Associates/Joint Venture (₹ Lakhs)	706.35	3006.19
	- Extent of Holding %	21.85	25.04
4.	Description of how there is significant influence	Due to equity stake being more than 20%	Due to equity stake being more than 20%
5.	Reason why the associate/joint venture is not consolidated	Being consolidated	Being consolidated
6.	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ Lakhs)	11582.05	203.95*
7.	Profit or Loss for the year (after tax) (₹ Lakhs) – as per Associate's financial statements considered for consolidated financial statements	12177.81	(2258.51)*
	i. Considered in Consolidation (₹ Lakhs)	2604.14	(565.53)*
	ii. Not Considered in Consolidation	–	–

* Based on unaudited consolidated results for the year ended December 31, 2019.

For and on behalf of the Board of Directors of Triveni Engineering & Industries Limited

Dhruv M. Sawhney
Chairman & Managing Director
Place : New Delhi

Homai A. Daruwalla
Director & Chairperson Audit Committee
Place : Mumbai

Suresh Taneja
Group CFO
Place : Delhi

Geeta Bhalla
Group Vice President & Company Secretary
Place : Delhi

Date : June 17, 2020

Annexure-B

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is of the belief that sound Corporate Governance is vital to enhance and retain stakeholder trust. Good Governance underpins the success and integrity of the organisation, institutions and markets. It is one of the essential pillars for building an efficient and sustainable environment, systems and practices to ensure that the affairs of the Company are being managed in a way which ensure accountability, transparency, fairness in all its transactions in the widest sense and meeting its stakeholder's aspirations and societal expectations. Your Company is committed to adopt the best governance practices and their adherence in the true spirit at all times. It envisages the attainment of a high level of transparency and accountability in the functioning of the Company and in the way it conducts business internally and externally.

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices. The Company recognises that good governance is a continuing exercise and thus reiterates its commitment to pursue highest standard of Corporate Governance in the overall interest of its stakeholders.

Your Company has been consistently working for the betterment of the governance system executed with the Stock Exchanges. We are committed to doing things in the right way which includes but not limited to compliance with its applicable legal requirement.

THE HIGHLIGHT OF THE CORPORATE GOVERNANCE SYSTEM INCLUDES:

1. The Board of Directors of the Company is well represented with Executive, Non-Executive and Independent Non-Executive Directors with the Executive Chairman and Managing Director. As on the date of this report, the Independent Non-Executive Directors form about 62% of the Board of Directors.

2. The Board has constituted several Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Executive Sub Committee for more focused attention. The Board is empowered to constitute additional functional Committees from time to time, depending on the business needs.

3. The Company has established a Code of Conduct for Directors and Senior Management of the Company.

4. Whistle Blower Policy wherein the Employees and Directors may have the direct access to the Chairperson of the Audit Committee.

5. Risk Management framework to identify the risk for its businesses, to assess the probability of its occurrence and its mitigation plans. The information about the framework is placed before the Audit Committee and the Board periodically.

BOARD OF DIRECTORS

The Company is managed and guided by the Board of Directors ("Board"). The Board formulates the strategy, regularly reviews the performance of the Company and determines the purpose and values of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman and Managing Director with the support of the Vice Chairman and Managing Director and senior executives oversees the functional matters of the Company.

As on the date of this report, the Board comprises of eight (8) Directors - 5 (five) Non-Executive and Independent Directors including one Women Director, 1(one) Non Executive Non-Independent Director and 2 (two) Executive Directors. All the members of the Board are eminent persons with professional expertise and valuable experience in their respective areas of specialisation and bring a wide range of skills and experience to the Board.

None of the Directors on the Board is a Member on more than 10 Committees, and Chairperson of more than 5 Committees across all listed companies in which he is a Director. Necessary disclosures regarding Committee positions have been made by the Directors.

Meetings of the Board

The Board of Directors met six times during the FY 20 ended on March 31, 2020. The interval between any two successive meetings did not exceed one hundred and twenty days. Board Meetings were held on May 21, 2019, June 3, 2019, August 3, 2019, November 8, 2019, February 4, 2020 and February 10, 2020.

Independent Directors

All the Independent Directors have confirmed that they meet the criteria as stipulated under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with Section 149(6) of the Companies Act, 2013 ('Act'). All such declarations were placed before the Board. Based on that, in the opinion of the Board, they fulfill the conditions of independence as specified in the Listing Regulations and the Act and are independent of the management. The maximum tenure of independent directors is in compliance with the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company.

Regulation 25(3) of Listing Regulations read with Schedule IV of the Companies Act, 2013 and the rules under it mandate that the Independent Directors of the Company hold at least one meeting in a year without the attendance of Non-Independent Directors of the Company and members of the management. During the year, separate meeting of the Independent Directors was held on February 4, 2020 without the attendance of non-independent directors and members of the management. The independent directors, inter-alia reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All the Directors including Independent Directors are provided with the necessary documents / brochures, reports and internal policies, codes of conduct to enable them to familiarise with the Company's procedure and practices. Directors are regularly updated on performance of each line of business of the Company, business strategy going forward and new initiatives being taken / proposed to be taken by the Company through presentation. Factory visits are organised, as and when required, for the Directors. The details of the familiarisation programme of the Independent Directors are available on the Company's website at http://www.trivenigroup.com/investor/corporate-governance/policies.html

SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

Board of Directors

The Nomination and Remuneration Committee (NRC) of the Board shall identify the suitable person for appointment at Board level including from the existing top management. The NRC shall apply due diligence process to determine competency of person(s) being considered for appointment or re-appointment as a Director including Managing Director / Whole-time Director of the Company in accordance with the provisions of the Nomination and Remuneration Policy of the Company and the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the SEBI (LODR) Regulations, 2015, as amended from time to time.

Senior Management

The Managing Director(s) / Executive Director (s) are empowered to identify, appoint and remove the Senior Management Personnel in accordance with the provisions of the NRC Policy, and keeping in view the organization's mission, vision, values, goals and objectives.

COMPOSITION OF THE BOARD

The composition of the Board of Directors, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) as also the details of Directorships and Committee positions held by them in other companies are given below:-

Name of the Director	Category	No. of Board Meetings		Attendance at last AGM held on September 27, 2019	No. of other Directorships*2	No. of Committees positions held in other companies*3	
		Held	Attended			Chairman	Member
Mr. Dhruv M. Sawhney*1 Chairman and Managing Director DIN-00102999	Promoter & Executive Director	6	3	No	3	1	1
Mr. Tarun Sawhney*1 Vice Chairman and Managing Director DIN-00382878	Promoter & Executive Director	6	5	Yes	3	None	1
Mr. Nikhil Sawhney*1 DIN-00029028	Promoter & Non-Executive Director	6	6	No	3	None	3
Mr. Shekhar Datta DIN-00045591	Independent Non-Executive Director	6	4	No	1	None	None

Name of the Director	Category	No. of Board Meetings		Attendance at last AGM held on September 27, 2019	No. of other Directorships*2	No. of Committees positions held in other companies*3	
		Held	Attended			Chairman	Member
Ms. Homai A. Daruwalla DIN-00365880	Independent Non-Executive Director	6	5	Yes	7	3	8
Dr. Santosh Pande DIN-01070414	Independent Non-Executive Director	6	6	Yes	2	None	2
Mr. Sudipto Sarkar DIN-00048279	Independent Non-Executive Director	6	4	No	4	1	5
Mr. J.K. Dadoo DIN-02481702	Independent Non-Executive Director	6	6	Yes	None	None	None

Lt. Gen. K.K. Hazari (Retd.) (DIN:00090909) and Dr. F.C. Kohli, (DIN:00102878), Independent Non-Executive Directors, resigned from the Board w.e.f. November 8, 2019 and January 24, 2020 due to health reasons and advancing age respectively and there was no other material reason for their resignation.

*1 Mr. Tarun Sawhney and Mr. Nikhil Sawhney are sons of Mr. Dhruv M. Sawhney, Chairman & Managing Director of the Company and are thus related.

*2 Excludes Directorships in Indian Private Limited Companies, Foreign Companies, Firms, Partnerships including LLPs, Section 8 Companies and membership of various Chambers and other non-corporate organisations.

*3 The committees considered for the purpose are those prescribed under Regulation 26(1) of Listing Regulations i.e. Audit Committee and Stakeholders' Relationship Committee of public limited companies, whether listed or not. Further, No. of Committee membership includes Committee Chairmanships.

Further, the details of directorship held by the Directors of the Company in other listed entities as on the date of this report are as follows:-

Name of Director	Name of other listed entity	Category of Directorship
Mr Dhruv M. Sawhney	Triveni Turbine Limited	Promoter & Executive Director
Mr Tarun Sawhney	Triveni Turbine Limited	Promoter & Non-Executive Director
Mr Nikhil Sawhney	Triveni Turbine Limited	Promoter & Executive Director
Mr Shekhar Datta	None	Not Applicable
Ms Homai A. Daruwalla	Gammon Infrastructure Projects Limited Triveni Turbine Limited Jaiprakash Associates Limited Rolta India Limited	Independent Director Independent Director Independent Director Independent Director
Dr. Santosh Pande	Triveni Turbine Limited	Independent Director
Mr Sudipto Sarkar	Vesuvius India Limited EIH Associated Hotels Limited EIH Limited	Independent Director Independent Director Independent Director
Mr J.K. Dadoo	None	Not Applicable

BOARD FUNCTIONING AND PROCEDURE

Matrix of skills/ expertise/ competence of the Board of Directors

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees.

Details of the core skills/ expertise/ competencies identified by the board of directors as required in the context of the Company's business(es) and sector(s) in which it operates to function effectively:

General management and leadership experience*: This includes experience in the areas of general management practices and processes, business development, strategic planning, global business opportunities, manufacturing, engineering, financial management, information technology, research and development, senior level experience and academic administration.

Knowledge, Functional and managerial experience*: Knowledge and skills in accounting and finance, business judgment, crisis response and management, industry knowledge, formulating policies and processes, legal & administration, sales and marketing, supply chain, risk management & internal controls, financial & operational controls.

Diversity & Behavioural and Personal attributes: Diversity of thought, experience, perspective, gender and culture brought to the Board by individual members. Personal characteristics matching the Company's values, such as ethics & integrity, accountability, commitment, building relationship.

Corporate governance and Finance: Understanding of good corporate governance practices & regulatory framework applicable to the Company and its compliances, maintaining board and management accountability, protecting stakeholders' interests and Company's responsibilities towards customers, employees, suppliers, regulatory bodies and the communities in which it operates, financial skills, oversight for risk management and internal controls and proficiency in financial management.

*These skills/competencies are broad-based, encompassing several areas of expertise/ experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/ experience listed therein.

Given below is a list of core skills, expertise and competencies of the individual Directors:

Core Skills/Expertise	DMS	TS	NS	SD	HD	SP	SS	JKD
General Management and Leadership	√	√	√	√	√	√	√	√
Functional and managerial experience	√	√	√	√	√	√	√	√
Diversity behavioural and personal attributes	√	√	√	√	√	√	√	√
Corporate governance and Finance	√	√	√	√	√	√	√	√

DMS – Mr. Dhruv M. Sawhney, TS – Mr. Tarun Sawhney, NS – Mr. Nikhil Sawhney, SD – Mr. Shekhar Datta, HD – Ms Homai Daruwalla, SP – Dr Santosh Pande, SS – Mr. Sudipto Sarkar, JKD – Mr J.K. Dadoo

BOARD MEETING FREQUENCY AND CIRCULATION OF AGENDA PAPERS

The Board and its Committees meet at regular intervals for discussion on agenda circulated well in advance by the Company. All material information is incorporated in the agenda for facilitating meaningful and focused discussion at the meeting. Where it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the Meeting. To meet business exigencies, resolutions in respect of urgent matters are passed by the Directors by Circulation.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board reviewed compliance reports prepared by the Company on quarterly periodicity.

Presentation by the Management

The senior management of the Company is invited at the meetings to make presentations to the Board, covering operations of the businesses of the Company, Strategy and Business Plans and to provide clarifications as and when necessary.

Access to Employees

The Directors bring an independent perspective on the issues deliberated by the Board. They have complete and unfettered access to any information of the Company and to any employee of the Company.

Availability of Information to Board Member includes:

- Performance of each line of business, business strategy going forward, new initiatives being taken / proposed to be taken and business plans of the Company.
- Annual operating plans and budgets including capital expenditure budgets and any updates.
- Quarterly results of the Company including results of the business segments.
- Minutes of the meetings of Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in the financial obligations to and by the Company, or substantial non-payment for goods sold / services provided by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders servicing issues, such as non-payment of dividend, delay in share transfer etc.
- Statutory compliance report of all laws applicable to the Company.
- Details of the transactions with the related parties.
- General notices of interest of directors.
- Appointment, remuneration and resignation of Directors.

Post Meeting follow up Mechanism

The important decisions taken at the Board / Committee meetings are promptly communicated to the respective units/ departments. Action taken report on the decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/ Committee for information and review by the Board.

Re-appointment of Director

The information / details pertaining to Director seeking re-appointment in ensuing Annual General Meeting (AGM), is provided in the Notice for the AGM. The Notice contains the relevant information, like brief resume of the Directors, nature of their expertise in specific functional areas and names of the companies in which they hold Directorship and membership of any Committee of the Board.

BOARD COMMITTEES

The Board of Directors have constituted following Committees consisting of Executive and Non-Executive Directors of the Company with adequate delegation of powers to meet various mandatory requirements of the Act and Listing Regulations and perform as also to oversee business of the Company and to take decisions within the parameters defined by the Board. The Company Secretary acts as the Secretary to all the Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance are provided below:

(I) Audit Committee

Composition, Meetings & Attendance

The Committee is headed by an Independent Director and consists of the members as stated below. During the year ended on March 31, 2020, the Audit Committee met four times i.e. on May 21, 2019, August 2, 2019, November 7, 2019 and February 4, 2020. The composition and attendance of each Audit Committee Member is as under:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Ms. Homai A. Daruwalla – Chairperson	Independent Non-Executive Director	4	4
Mr Tarun Sawhney	Promoter & Executive Director	4	4
Mr Shekhar Datta	Independent Non-Executive Director	4	4
Lt. Gen. K.K. Hazari (Retd.)*1	Independent Non-Executive Director	3	2
Mr. Sudipto Sarkar	Independent Non-Executive Director	4	3

*1Ceased to be a member w.e.f. November 8, 2019.

The Chairperson of the Audit Committee attended the last AGM held on September 27, 2019 to answer the shareholders' queries.

The functions and terms of reference/role of the Audit Committee as specified in the Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 as amended from time to time and broadly include:-

The terms of reference of the Committee inter-alia include:-

- Reviewing the Company's financial reporting process and its financial statements.
- Reviewing the accounting and financial policies and practices and compliance with applicable accounting standards.
- Reviewing the efficacy of the internal control mechanism, monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.
- Reviewing reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.
- Examining accountancy and disclosure aspects of all significant transactions.
- Reviewing with management the quarterly, half yearly & annual financial statements including review of qualifications, if any, in the audit report before submission to the Board for approval.
- Recommending appointment of external and internal auditors and fixation of audit fees.
- Seeking legal or professional advice, if required
- Approval or any subsequent modifications of transactions of the Company with related parties.
- Scrutiny of Inter-Corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever required.
- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investment.

The constitution and term of reference of the Audit Committee meet the requirements of Regulation 18 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013.

(II) Nomination and Remuneration Committee (NRC)

Composition, Meetings & Attendance

The NRC is headed by an Independent Director and consists of the members as stated below. The NRC met thrice during the FY 20 ended on March 31, 2020 i.e. on May 21, 2019, August 2, 2019 and February 4, 2020. The NRC was reorganized on September 23, 2019 by re-designating Dr Pande as Chairman in place of Gen. Hazari. The composition and attendance of each Audit Committee Member is as under:-

Name of the Member	Category	No. of Meetings	
		Held	Attended
Dr Santosh Pande – Chairman	Independent Non-Executive Director	3	3
Mr Nikhil Sawhney	Promoter & Non-Executive Director	3	3
Mr Shekhar Datta	Independent Non-Executive Director	3	3
Lt. Gen. K.K. Hazari (Retd.)*1	Independent Non-Executive Director	2	2

*1Ceased to be a member w.e.f. November 8, 2019.

The broad terms of reference of the NRC include:

- To identify persons who are qualified to become Directors (Executive, Non-Executive and Independent Directors) and who may be appointed in senior management in accordance with the criteria laid down,
- To recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors

(Executive, Non-Executive and Independent Directors), key managerial personnel and other employees.

- Plan for succession of Board members and Key Managerial Personnel;
- Devising a policy on Board diversity;
- To formulate, administer and supervise the Company's Employee Stock Option Schemes (ESOP Schemes) including grant of stock options under the ESOP Schemes to the permanent employees of the Company from time to time in accordance with SEBI Guidelines/Regulations; and
- To review the adequacy of aforesaid terms of reference and recommend any proposed change to the Board for its approval.

The constitution and term of reference of the NRC meet the requirements of Regulation 19 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013 and the SEBI ESOP Guidelines/Regulations.

Remuneration Policy

In terms of the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors of the Company has adopted Nomination and Remuneration Policy for nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management. The Nomination and Remuneration Committee inter-alia recommends the remuneration of Executive Directors, which is approved by the Board of Directors, subject to approval of the shareholders, wherever necessary. The Chairman and Managing Director and Vice Chairman and Managing Director evaluates the Senior Management Personnel, including KMPs considering the competencies/ indicators provided in the Remuneration Policy. The Nomination and Remuneration Policy is available on the Company's website at http://www.trivenigroup.com/investor/corporate-governance/policies.html

Performance Evaluation Criteria for Independent Directors

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors based on the indicators provided in the Remuneration Policy. The performance evaluation of Independent Directors (IDs) was done by the entire Board of Directors, excluding the ID being evaluated, based on parameters, such as, number of meetings attended, inputs and contribution made, independence of judgement, effectiveness etc.

Remuneration to Executive Directors

The remuneration to the Executive Directors is recommended by the Nomination and Remuneration Committee to the Board and after approval by the Board, the same is put up for the Shareholders approval. Executive Directors do not receive any sitting fees for attending the Board and Committee meetings.

During the FY 20 ended on March 31, 2020, the Company had two Executive Directors viz. Mr. Dhruv M Sawhney, Chairman and Managing Director (CMD) and Mr. Tarun Sawhney, Vice Chairman and Managing Director (VCMD).

The details of remuneration paid/payable to CMD and VCMD during the FY 20 ended on March 31, 2020 are as under:

₹ in Lakhs

Name of the Executive Director	Mr. Dhruv M. Sawhney CMD	Mr. Tarun Sawhney VCMD
No. of Equity Shares held	38650774	14156123
Service Period	31.03.2020*1 to 30.03.2025	01.10.2018*1 to 30.09.2023
Salary	Nil	320.74
Performance Bonus/Commission	Nil	150.00
Contribution to PF & other funds*2	Nil	51.19
Other Perquisites	Nil	34.34
Total	**Nil**	**556.27**

*1 date of re-appointment. There is no notice period and no severance fees.

*2 does not include gratuity as it is provided based on actuarial valuation.

During the year, Mr Dhruv M. Sawhney has not drawn any remuneration from this Company in his capacity as Chairman and Managing Director of the Company. He has drawn remuneration from Triveni Turbines DMCC, Dubai (UAE), a foreign step-down subsidiary of an Associate Company, Triveni Turbine Ltd. (TTL). The remuneration drawn by Mr Tarun Sawhney is within the ceiling prescribed under the Companies Act, 2013, Listing Regulations and in accordance with the approval of the Board and the Shareholders of the Company.

Remuneration to Non-Executive Directors (NEDs)

The Company pays sitting fee to its NEDs for attending the meetings of the Board and its Committees within the limits prescribed under the provisions of the Companies Act, 2013. In addition to the sitting fees, the NEDs are entitled to profit based commission within the limits approved by the shareholders of the Company. The said commission is decided by the Board and distributed to NEDs based on their performance.

The details of the remuneration paid/provided during the FY20 ended on March 31, 2020 to NEDs are as follows:-

(₹ in Lakhs)

Name of the Non-Executive Director	Sitting Fees	Commission	No. of Equity Shares held
Dr. F. C. Kohli*1	Nil	Nil	Nil
Lt. Gen. K. K. Hazari (Retd.) *2	8.20	Nil	Nil
Mr. Shekhar Datta	11.25	8.50	10000
Mr. Nikhil Sawhney	11.40	30.00	14717033
Ms. Homai A. Daruwalla	10.50	8.50	Nil
Dr. Santosh Pande	10.80	8.50	Nil
Mr. Sudipto Sarkar	9.50	8.50	Nil
Mr. J.K. Dadoo	7.00	8.50	Nil

*1 Ceased to be a director w.e.f. January 24, 2020.

*2 Ceased to be a director w.e.f. November 8, 2019.

None of the Independent / Non-Executive Directors have any pecuniary relationship or transactions with the Company, its promoters and its senior management, its subsidiaries and associate companies except for the payment of remuneration as stated above. Mr. Shekhar Datta, Dr. Santosh Pande, and Ms Homai A. Daruwalla, Independent Directors have received sitting fee / commission as Director and Member of Board/ Committees of Triveni Turbine Ltd. (Associate Company), whereas Mr. Nikhil Sawhney, Promoter & Non-Executive Director is the Vice Chairman and Managing Director of the said Associate Company and has drawn remuneration from that Company.

During the year, the Company has not issued any Stock Option to the Directors including Independent Directors under its ESOP Schemes.

(III) Stakeholders' Relationship Committee (SRC)

Composition, Meetings & Attendance

The Committee is headed by an Independent Director and consists of the members as stated below. The Committee met thrice during the FY 20 ended on March 31, 2020 i.e. on May 21, 2019, August 2, 2019, and November 8, 2019. The SRC was reconstituted on September 23, 2019 by inducting Dr. Santosh Pande as a Member & designating him as Chairman in place of Gen. Hazari. The composition and attendance of each Committee Member is as under:-

Name of the Member	Category	No. of Meetings Held	No. of Meetings Attended
Dr. Santosh Pande - Chairman*1	Independent Non-Executive Director	1	1
Lt. Gen. K.K. Hazari (Retd.)*2	Independent Non-Executive Director	2	2
Mr Tarun Sawhney	Promoter & Executive Director	3	3
Mr Nikhil Sawhney	Promoter & Non-Executive Director	3	3
Mr. Sudipto Sarkar	Independent Non-Executive Director	3	2

*1 Appointed as a member/Chairman w.e.f. September 23, 2019.

*2 Ceased to be a member w.e.f. November 8, 2019.

Function and term of reference

The functions and terms of reference/role of the SRC broadly include:-

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Review of the report(s) which may be submitted by the Company Secretary/RTA relating to approval/ confirmation of requests for share transfer/ transmission/transposition/consolidation/issue of duplicate share certificates/sub-division, consolidation, remat, demat etc on quarterly basis.

The constitution and term of reference of the Stakeholders' Relationship Committee meet the requirements of

Regulation 20 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013. Ms. Geeta Bhalla, Group Vice President & Company Secretary has been designated as the Compliance Officer of the Company.

Details of investor complaints

During the FY 20 ended on March 31, 2020, the Company received complaints from various shareholders / investors directly and/or through the Stock Exchanges / SEBI relating to non-receipt of dividend / redemption money, annual report/notice of general meeting, new share certificates etc. All of them were resolved / replied suitably by furnishing the requisite information / documents. Details of investor complaints received and resolved during the FY 20 are as follows:

Opening Balance	Received	Resolved	Pending
Nil	17	17	Nil

Further, there were no pending share transfers and requests for dematerialization as on March 31, 2020.

(IV) Corporate Social Responsibility Committee (CSR Committee)

Composition, Meetings & Attendance

The Committee is headed by an Independent Director and consists of four members, viz. Ms. Homai A. Daruwalla – Chairperson, Dr. Santosh Pande, Mr Tarun Sawhney and Mr Nikhil Sawhney. During the FY 20 ended on March 31, 2020, the CSR Committee met once on August 2, 2019 and all the members attended the said meeting.

Function and term of reference

The CSR Committee is authorized to formulate and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; recommend the amount to be spent on such activities; monitor the Company's CSR policy periodically and institute a transparent monitoring mechanism for the implementation of the CSR projects.

The constitution and term of reference of the CSR Committee meet the requirements of relevant provisions of the Companies Act, 2013.

Other Committees

Executive Sub-Committee

Apart from the above statutory committees, the Board of Directors have constituted an Executive Sub-Committee comprising of four (4) Directors to oversee routine matters that are in the normal course of the business. The Board of Directors have delegated certain powers to this Committee to facilitate the working of the Company. The Committee met four times during the FY20 ended on March 31, 2020.

GENERAL BODY MEETINGS

Particulars of the last three Annual General Meetings are as follows:

Year	Date & Day	Location	Time	Special Resolution
2018-19	September 27, 2019 Friday	Company's Guest House at Deoband Sugar Unit Complex Deoband, District Saharanpur, U.P.	12:30 p.m.	1. Re-appointment of Mr Sudipto Sarkar as an Independent Director for a period of five years w.e.f. 14.9.2019.
2017-18	September 28, 2018 Friday	Company's Guest House at Deoband Sugar Unit Complex Deoband, District Saharanpur, U.P.	12:30 p.m.	1. Re-appointment of Mr Tarun Sawhney as Managing Director (designated as Vice Chairman & Managing Director) of the Company for a period of five years w.e.f. 1.10.2018 and payment of remuneration to him.
2016-17	September 22, 2017 Friday	Company's Guest House at Deoband Sugar Unit Complex Deoband, District Saharanpur, U.P.	12:30 p.m.	None

POSTAL BALLOT

(a) Details of the Special Resolution passed by the Company through Postal Ballot:

During the FY 20 ended on March 31, 2020, the Company has not sought approval from its shareholders for passing of any special resolution through Postal Ballot.

(b) Whether any special resolution is proposed to be conducted through postal ballot:

There is no immediate proposal for passing any special resolution through postal ballot on or before ensuing Annual General Meeting.

(c) Procedure for Postal Ballot:

The Company endeavours to follow the procedure laid down under the relevant provisions of the Act read with rules thereof and the provisions of the Listing Regulations as and when there is any proposal for passing resolutions by postal ballot.

MEANS OF COMMUNICATION

(a) Quarterly Results: The Unaudited quarterly / half yearly financial results and the annual audited financial results of the Company were published in National English and Hindi newspapers and displayed on the website of the Company at www.trivenigroup.com and the same were also sent to all the Stock Exchanges where the equity shares of the Company are listed. The Investor's brief were also sent to Stock Exchanges.

(b) Website www.trivenigroup.com: Detailed information on the Company's business and products; quarterly / half yearly / nine months and annual financial results, Investor brief and the quarterly distribution of Shareholding are displayed on the Company's website.

(c) Teleconferences and Press conferences, Presentation etc.: The Company held quarterly Investors Teleconferences and Press Conferences for the investors of the Company after the declaration of the Quarterly / Annual Results. The Company made presentations to institutional investors / analysts during the period which are available on the Company's website.

(d) Exclusive email ID for investors: The Company has designated the email id shares@trivenigroup.com exclusively for investor servicing, and the same is prominently displayed on the Company's website www.trivenigroup.com. The Company strives to reply to the Complaints within a period of 6 working days.

(e) Annual Report: Annual Report contains inter-alia Audited Annual Stand-alone Financial Statement, Consolidated Financial Statement, Directors' Report and Auditors' Report. The Management Perspective, Business Review and Financial Highlights are also part of the annual report.

(f) The Management Discussion & Analysis: The Management Discussion & Analysis Report forms part of the annual report.

(g) Intimation to Stock Exchanges: The Company intimates stock exchanges all price sensitive information or such other information which in its opinion are material & of relevance to the shareholders. The Company also submits electronically various compliance reports / statements periodically in accordance with the provisions of the Listing Regulations on NSE and BSE Electronic Filing System.

GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting

Day & Date	:	Monday, September 28, 2020
Time	:	11:00 A.M. (IST)
Venue	:	The Company is conducting the meeting through Video Conferencing/Other Audio Visual Means pursuant to the General Circular dated May 5, 2020 issued by the Ministry of Corporate Affairs

(b) Financial Year : April to March

Financial calendar for the financial year 2020-21 (tentative)

Financial Reporting for the quarter ending June 30, 2020	:	By mid of August 2020
Financial Reporting for the quarter / half year ending September 30, 2020	:	By mid of November 2020
Financial Reporting for the quarter / nine months ending December 31, 2020	:	By mid of February 2021
Financial Reporting for the annual audited accounts for the financial year ending March, 31, 2021	:	By the end of May 2021

(c) Listing on Stock Exchanges

The equity shares of the Company are listed at the following stock exchanges:

Sl. No.	Name and Address of Stock Exchanges	Stock Code
1.	BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 023.	532356
	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra (E), Mumbai - 400 051.	TRIVENI

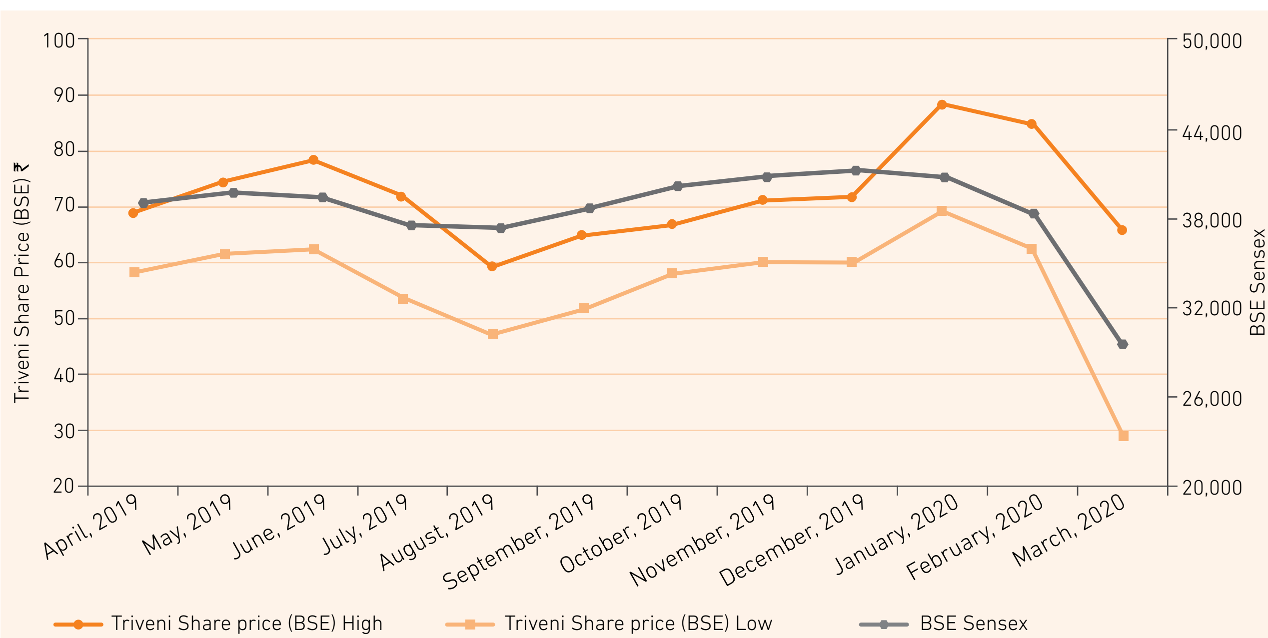
The Company has paid the listing fees for the Financial Year 2020-2021 to both the aforesaid Stock Exchanges.

(d) Market Price Data/Stock Performance: FY20 ended on March 31, 2020

During the year under report, the trading in Company's equity shares was from April 1, 2019 to March 31, 2020. The high low price during this period on the BSE and NSE was as under:-

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2019	69.00	58.15	69.10	58.15
May, 2019	74.50	61.55	74.35	61.30
June, 2019	78.40	62.50	78.50	62.55
July, 2019	71.70	53.65	71.40	53.55
August, 2019	59.35	47.00	59.50	47.90
September, 2019	64.90	51.85	65.00	51.75
October, 2019	66.85	58.05	66.90	57.85
November, 2019	70.95	60.25	71.10	60.00
December, 2019	71.85	60.00	72.00	59.85
January, 2020	88.45	69.15	88.45	69.20
February, 2020	84.85	62.35	84.90	62.40
March, 2020	65.70	28.90	66.00	28.65

(e) Performance of the share price of the Company in comparison to the BSE Sensex



(f) Registrar & Share Transfer Agent

M/s KFin Technologies Pvt. Ltd.,
(formerly M/s Karvy Fintech Pvt. Ltd.)
Unit: Triveni Engineering & Industries Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda, Hyderabad – 500 032
Tel. :- Board No.: 040 6716 2222
Fax No.: 040 23001153
Email : einward.ris@kfintech.com

(g) Share Transfer System

The Company's share transfer authority has been delegated to the Company Secretary / Registrar and Transfer Agent

M/s KFin Technologies Pvt. Ltd., which generally approves and confirms the request for share transfer / transmission / transposition / consolidation / issue of duplicate share certificates / sub-division, consolidation, remat, demat and perform other related activities in accordance with the Listing Regulations and SEBI (Depositories and Participants) Regulations, 1996 and submit a report in this regard to Stakeholders' Relationship Committee.

The shares sent for physical transfer are registered and returned within the stipulated period from the date of receipt of request, if the documents are complete in all respects. As per the requirement of regulation 40(9) of the Listing Regulations, a certificate on half yearly basis confirming due compliance of share transfer/transmission formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

(h) Distribution of Equity Shareholding as on March 31, 2020

Group of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to total shares
From 1-500	38063	82.948	5022992	2.026
501-1000	3632	7.915	2861922	1.154
1001-2000	1891	4.121	2858823	1.153
2001-3000	631	1.375	1599703	0.645
3001-4000	292	0.636	1047337	0.422
4001-5000	309	0.673	1466835	0.592
5001-10000	480	1.046	3613732	1.457
10001 & above	590	1.286	229473766	92.551
Total	**45888**	**100.000**	**247945110**	**100.000**

(i) Shareholding Pattern of Equity Shares as on March 31, 2020

Category	Number of Shares held	% to total shares
Promoters	169462677	68.35
Mutual Funds	8575027	3.46
Banks/Financial Institutions/Insurance Cos.	361135	0.15
Foreign Portfolio Investors	10087165	4.07
Bodies Corporate/NBF	8316525	3.35
Indian Public(*)	45062086	18.17
NRIs / Foreign Nationals	3531965	1.42
Others – Clearing Members/Trust/IEPF	2548530	1.03
Total	**247945110**	**100.00**

(*) Includes 10,000 equity shares held by a director.

(j) Dematerialisation of Shares & Liquidity

The Company's equity shares are compulsorily traded in the electronic form. The Company has entered into an Agreement with NSDL and CDSL to establish electronic connectivity of its equity shares for scrip less trading. Both NSDL & CDSL have admitted the Company's equity share on their system.

The system for getting the shares dematerialised is as under:

- Share Certificate(s) along with Demat Request Form (DRF) will be submitted by the shareholder to the Depository Participant (DP) with whom he/she has opened a Depository Account.
- DP will process the DRF and generates a unique number DRN.
- DP will forward the DRF and share certificates to the Company's Registrar and Share Transfer Agent.
- The Company's Registrar and Share Transfer Agent after processing the DRF will confirm or reject the request to the Depositories.
- Upon confirmation, the Depository will give the credit to shareholder in his / her depository account maintained with DP.

As on March 31, 2020, 99.90% of total equity share capital of the Company was held in dematerialised form (including 100% of the promoter holding). The ISIN allotted by NSDL / CDSL is INE256C01024. Confirmation in respect of the requests for dematerialisation of shares is sent to NSDL and CDSL within the stipulated period.

(k) Outstanding GDR / ADR or Warrants

As on date there are no Global Depository Receipts (GDR), American Depository Receipt (ADR), Warrants or any other convertible instrument.

(l) Commodity price risk or foreign exchange risk and hedging activities

Barring sugarcane, the price of which is fixed by the Government, the Company is not exposed to any material commodity price risks in respect of other raw materials. In respect of its final products, the Company is exposed to sugar price risk and in view of sugar business being a dominant business of the Company, its impact is substantial. However, the Company does not have significant risks from foreign currency fluctuations as the foreign exposures are nominal. The details on these risks, mitigation and hedging potential thereof are stated in Note 41 of the Standalone Financial Statements and in the Management Discussions & Analysis forming part of the Annual Report.

(m) Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form and in physical form.

(n) Unclaimed Dividend

All unclaimed dividends upto the financial year 2011-12 (Final Dividend) have been transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government.

The dividends for the succeeding years remaining unclaimed for 7 years will be transferred by the Company to the said IEPF on the due dates as given hereunder:

Financial Year/ Period	Whether Interim/ Final	Date of declaration of Dividend	Due date for transfer to IEPF
2017-18	Interim Dividend	10.08.2017	10.09.2024
2018-19	Interim Dividend	13.02.2019	17.03.2026
2019-20	Interim Dividend	10.02.2020	15.03.2027

Shareholders who have not so far encashed their dividend warrant(s) or have not received the same are requested to seek issuance of duplicate warrant(s) by writing to the Company confirming non-encashment / non-receipt of dividend warrant(s).

(o) Transfer of Equity Shares to Investor Education and Protection Fund (IEPF)

In compliance with the requirements laid down in Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred equity shares of all such shareholders whose dividends had remained unpaid or unclaimed for seven consecutive years or more, to the Demat Account of IEPF. However, the shareholders are entitled to claim their equity shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in prescribed Form IEPF-5 and sending a physical copy of the said Form duly signed by all the joint shareholders, if any, as per the specimen signatures recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's Registrar & Transfer Agent, M/s KFin Technologies Pvt. Ltd., Hyderabad. The Rules and Form IEPF-5 for claiming back the equity shares are available on the website of IEPF www.iepf.gov.in. It may please be noted that no claim shall lie against the Company in respect of equity shares transferred to IEPF pursuant to the said Rules. The details of the shareholders whose equity shares had been transferred to the Demat Account of the IEPF and the details of unclaimed dividends lying with the Company as on the date of last AGM (i.e. Sept 27, 2019) are available on the website of the Company at www.trivenigroup.com/investor/shareholders-information. Further, shares in respect of which dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the IEPF as required by law. In the interest of shareholders, the Company send prior intimation to the concerned shareholders to claim their unclaimed dividends in order to avoid transfer of dividend/shares to IEPF and publish a notice to this effect in the newspapers.

Equity shares of the Company lying in IEPF suspense account

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI (Listing Regulations, detail of the equity shares in the suspense account are as follows:

Particulars	Number of Shareholders	No of Equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	867	77518
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	4	3495
Number of shareholders to whom shares were transferred from suspense account during the year	3	630
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	864	76888

The voting rights on the shares outstanding in the said account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares.

p) Locations

Registered Office

Triveni Engineering & Industries Limited
Deoband, Distt. Saharanpur
Uttar Pradesh - 247 554
Tel. :- 01336-222185, 222497
Fax :- 01336-222220

Share Department

Triveni Engineering & Industries Ltd.
8th Floor, Express Trade Towers,
15-16, Sector 16A, Noida-201 301.
Tel. :- 0120-4308000; Fax :- 0120-4311010-11
email :- shares@trivenigroup.com

Plant Locations

Detailed information on plant / business locations is provided elsewhere in the Annual Report.

Address for correspondence

Please contact the Compliance Officer of the Company at the following address regarding any questions or concerns:

Ms. Geeta Bhalla
Group Vice President & Company Secretary
Triveni Engineering & Industries Ltd.
8th Floor, Express Trade Towers,
15-16, Sector 16A, Noida-201 301.
Tel. :- 0120-4308000; Fax :- 0120-4311010-11
Email :- shares@trivenigroup.com

q) Credit Rating

During the financial year 2019-20, ICRA has, reaffirmed the rating for long term and short term facilities of the Company at AA- and A1+ respectively with stable outlook.

OTHER DISCLOSURES

- **Related Party Transactions**

  During the year, there was no materially significant related party transaction which may have potential conflict with the interest of the Company. The Company has formulated a Related Party Transaction Policy which has been uploaded on its website at http://www.trivenigroup.com/investor/corporate-governance/policies.html Details of related party information and transactions are being placed before the Audit Committee from time to time. The details of the related party transactions during the year have been provided in Note No.39 to the financial statements.

- **Disclosures of Accounting Treatment**
  In the financial statements for the year ended March 31, 2020, the Company has followed the treatment as prescribed in the applicable Accounting Standards.

- **Disclosures on acceptance of recommendations made by the Board Committees**
  During the financial year under review, there was no such instance wherein the Board had not accepted any recommendation of the any Committee of the Board. All the recommendations made by the Committees of the Board were accepted by the Board.

- **Details of Non-Compliance by the Company, penalties, stricture imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets.**
  The Company has complied with all the requirements of the Stock Exchanges / the Regulations and guidelines of SEBI and other Statutory Authorities on all matters relating to capital markets. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

- **Whistle Blower Policy and Affirmation that no personnel has been denied access to the Audit Committee**
  The Company has established a vigil mechanism through a Whistle Blower Policy for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimisation of director(s)/ employee(s) who express their concerns and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases. During the year under review, no personnel was denied access to the Audit Committee.

- **Disclosures in relation to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**
  The Company has formulated a policy on prevention of Sexual Harassment in accordance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder which is aimed at providing every women at the workplace a safe, secure and dignified work environment.

  No complaint of sexual harassment was received from any women employee during the year.

- **Code for prevention of Insider Trading**
  The Company has formulated comprehensive Code of Conduct to regulate, monitor and report trading by Insiders in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. The Code lays down the guidelines which advise on procedures to be followed and disclosures to be made, while dealing in shares of the Company and the consequences of non-compliances, including the policy for enquiry in case of leak or suspected leak of Unpublished Price Sensitive Information ('UPSI'). The Company has also adopted Code for Fair Disclosure of UPSI along with Policy for Determination of Legitimate Purposes and the same is available on the Company's website at http://www.trivenigroup.com/investor/corporate-governance/policies.html

- **Code of conduct for Directors and Senior Executives**
  The Company has laid down a Code of Conduct for all Board Members and the Senior Executives of the Company. The Code of conduct is available on the Company's website www.trivenigroup.com. They have affirmed their compliance with the said code of conduct for the financial year ended March 31, 2020. A declaration to this effect duly signed by the Chairman and Managing Director is given below:

  To the Shareholders of
  Triveni Engineering & Industries Ltd.

  Sub.: Compliance with Code of Conduct

  I hereby declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors and applicable to them for the financial year ended March 31, 2020.

  Date: June 17, 2020 **Dhruv M. Sawhney**
  Place: New Delhi Chairman and Managing Director

- **Certification**
  The Chairman and Managing Director and Group CFO have certified to the Board of Directors, inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under Regulation 17 (8) of Listing Regulations, for the year ended March 31, 2020. The said certificate forms part of the Annual Report.

  Further, as required under Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), a certificate from the Company Secretary in Practice has been received stating that none of the Directors on the Board have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate affairs or any such statutory authority. The said certificate forms part of the Annual Report.

Remuneration to Statutory Auditors

M/s S S Kothari Mehta & Co. (Firm Registration No. 000756N), are holding the office of Statutory Auditors of the Company and one of its wholly owned subsidiaries namely, Mathura Wastewater Management Pvt. Ltd. The particulars of payment of Statutory Auditors fees on consolidated basis is given below:

(Amount in Rupees)

Particulars	
Service as Statutory Auditor (including quarterly limited review)	63,75,000
Other matters	1,80,000
Re-imbursement of out of pocket expenses	2,77,667
Total	**68,32,667**

- **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

  The details of mandatory requirements are mentioned in this Report. The Company is in compliance with the requirements specified under regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, as applicable, with regard to corporate governance.

  The status of adoption of the discretionary requirement as prescribed in Schedule II Part E of the Listing Regulations is as under:

  Modified opinion(s) in audit report

  The opinion expressed by the Auditor in the audit report on the financial statements for the year ended March 31, 2020 is unmodified.

- **Subsidiary Companies**

  There are seven unlisted Indian wholly owned subsidiary companies viz. Triveni Industries Ltd., Triveni Engineering Ltd., Triveni Energy Systems Ltd., Triveni Entertainment Ltd., Svastida Projects Ltd., Mathura Wastewater Management Pvt. Ltd. and Triveni Sugar Ltd. None of these subsidiaries is the "Material Non-listed Subsidiary" in terms of Regulation 16(1)(c) of the Listing Regulations. The Company regularly places before the Board, minutes of the unlisted subsidiaries of the Company. The Company has a policy for determining Material Subsidiary which has been uploaded on its website at http://www.trivenigroup.com/investor/corporate-governance/policies.html

- **Disclosure of commodity price risks and commodity hedging activities**

  With respect to inputs, the Company is not exposed to any material commodity price risks. However, with respect to the outputs, the Company is exposed to risks relating to the sugar price. In view of lack of adequate depth in commodity exchange/s in India, there is little potential of effective hedging but the Company strives to minimise the risk by an effective sales strategy.

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

The certificate dated June 17, 2020 from Statutory Auditors of the Company (M/s SS Kothari Mehta & Co.) confirming compliance with the Corporate Governance requirements as stipulated under the Listing Regulations is annexed hereto.

The above report has been adopted by the Board of Directors of the Company at their meeting held on June 17, 2020.

For and on behalf of the Board of Directors

Dhruv M. Sawhney
Chairman and Managing Director
DIN: 00102999

Place: New Delhi
Date : June 17, 2020

Annexure-C

Independent Auditor's Certificate on Corporate Governance

To
The Members of
Triveni Engineering & Industries Limited

We have examined the compliance of conditions of Corporate Governance by **Triveni Engineering & Industries Limited** ("the Company") for the year ended 31st March, 2020, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

MANAGEMENT'S RESPONSIBILITY

The compliance of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to ensure the compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the terms and conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2020.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C , D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2020.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

RESTRICTION ON USE

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **S. S. Kothari Mehta & Company**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta
Partner
Membership No. 093214
UDIN: 20093214AAAABR1556

Place : Faridabad (Haryana)
Dated : June 17, 2020

CEO/CFO Certification

To
Board of Directors
Triveni Engineering & Industries Ltd.

Sub: CEO / CFO certification under Regulation 17(8) of Listing Agreement

We, Dhruv. M. Sawhney, Chairman and Managing Director and Mr. Suresh Taneja, Group CFO certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:

   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

   (i) That there were no significant changes in internal control over financial reporting during the year;

   (ii) There are no significant changes in accounting policies during the year and;

   (iii) That there were no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Suresh Taneja
Group CFO

Dhruv M. Sawhney
Chairman and Managing Director

Place : New Delhi
Date : June 17, 2020

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
M/s Triveni Engineering & Industries Limited
Deoband, District Saharanpur,
Uttar Pradesh-247554

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TRIVENI ENGINEERING & INDUSTRIES LIMITED having CIN-L15421UP1932PLC022174 and having registered office at DEOBAND, SAHARANPUR, UTTAR PRADESH- 247554 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment in Company
1	MR. DHRUV MANMOHAN SAWHNEY	00102999	20/09/1992
2	MR. TARUN SAWHNEY	00382878	19/11/2008
3	MR. NIKHIL SAWHNEY	00029028	19/11/2008
4	MS. HOMAI ARDESHIR DARUWALLA	00365880	07/11/2013
5	MR. SANTOSH PANDE	01070414	16/04/2014
6	MR. SHEKHAR DATTA	00045591	25/04/2009
7	MR. SUDIPTO SARKAR	00048279	07/11/2015
8	MR. JITENDRA KUMAR DADOO	02481702	21/05/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Suresh Gupta & Associates**
Company Secretaries

Suresh Kumar Gupta
C. P. No 5204
FCS. No. 5660
UDIN: F005660B000338333

Place : Noida
Date : June 17, 2020

Annexure-D

Form No. MR-3

Secretarial Audit Report

For The Financial Year Ended March 31, 2020

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

To,
The Members,
Triveni Engineering and Industries Limited
(CIN: L15421UP1932PLC022174)
Deoband, District Saharanpur,
Uttar Pradesh-247 554.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Triveni Engineering and Industries Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

WE REPORT THAT-

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

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

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

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

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

f) 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.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 ("Audit Period") 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:

We 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, 2020 according to the provisions of:

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

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

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

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

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

   (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, 2015;

   (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;

(d) *Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

* No event took place under these Regulations during the Audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, to the extent applicable, as mentioned above.

(vi) Some of the other laws specifically applicable to the company are as under:-

- Sugar Cess Act, 1982
- Essential Commodities Act, 1955
- Sugar Development Fund Act, 1982
- U.P. Sugarcane (Purchase Tax) Act, 1961
- U.P. Sheera Niyantran Adhiniyam, 1964
- U.P. Vacuum Pan Sugar Factories Licensing Order, 1969
- The Electricity Act, 2003

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

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

Adequate notices were given to all directors of the Board Meetings. Agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that 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, standards and guidelines.

We further report that during the audit period, the Company has completed the Buy-back of shares approved on June 3, 2019. Pursuant to the offer, the Company has bought back and extinguished 1,00,00,000 equity shares of ₹ 1/- each; and except the above there was no other specific event / action which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines, etc.

For **Suresh Gupta & Associates**
Company Secretaries

Suresh Gupta
Proprietor
FCS No.: 5660
CP No.: 5204
Peer Review Cert. No.: 740/2020
UDIN: F005660B000338355

Date : June 17, 2020
Place: Noida

Annexure-E

Report on CSR Activities/Initiatives for FY 20

1. **A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs**

   In accordance with the provisions of the Companies Act, 2013 ('Act') and the Rules framed there under, the Board of Directors of the Company, have on the recommendation of the CSR Committee, adopted a CSR Policy for undertaking and monitoring the CSR programs, projects in the areas stated in Schedule VII of the Act. The policy has been uploaded on the website of the Company at https://www.trivenigroup.com/investor/corporate-governance/policies.html.

   During the year under review, CSR initiatives have been made mainly in the areas of vocational skills/livelihood enhancement projects, ecological balance & maintaining quality of soil, air and water, and rural development.

2. **The composition of the CSR Committee:**
   (i) Ms Homai A. Daruwalla, Chairperson
   (ii) Dr. Santosh Pande
   (iii) Mr Tarun Sawhney
   (iv) Mr Nikhil Sawhney

3. **Average Net Profit of the Company for the last 3 financial years:** ₹ 6766 lakh

4. **Prescribed CSR expenditure (2% of amount mentioned at 3 above):** ₹ 135.32 lakh

5. **Details of CSR activities/projects undertaken during the year:**
   (a) Total amount spent for the financial year: ₹ 141.20 lakh*
   (b) Amount unspent, if any: Nil
   (c) Manner in which the amount spent during financial year is detailed below:-

(₹ in lakh)

Sr. No.	CSR project/activity identified	Sector in which the Project is covered	Projects/Programs 1. Local area/others 2. Specifiy the State and district where projects/programs was undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs*	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Support to Football academy	Training to promote nationally recognized sports	1. Others 2. Delhi	5.00	5.00	5.00	Through Implementing Agency, India Youth Soccer Association (IYSA) Josh Football Academy
2.	Capacity building for farmers covering best sustainable crop management practices to maximise better yield and healthier varieties of cane through supply of subsidized high yielding variety seeds & better quality pesticides and by spreading knowledge on advanced practices in agronomy, cropping practices and plant protection programmes.	Vocational skill/ Livelihood enhancement projects	1. Local Areas 2. Khatauli (Muzaffarnagar), Chandanpur (Amroha), & Ramkola (Kushinagar), all in the State of Uttar Pradesh	71.08	71.08	71.08	Direct

Sr. No.	CSR project/activity identified	Sector in which the Project is covered	Projects/Programs 1. Local area/others 2. Specifiy the State and district where projects/programs was undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs*	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
3.	Soil health program for farmers to find out most cost optimum and agri-ecological sustainable cane crop practices to improve productivity by undertaking soil sampling & testing/ treatment, spreading awareness about the soil fertility findings and the judicious application of fertilizers/nutrients based on such findings, providing efficient protective measures for soil erosion, and supplying subsidized fertilizers.	Ecological balance and maintaining quality of soil, air and water	1. Local Areas 2. Khatauli (Muzaffarnagar), Deoband (Saharanpur), Ramkola (Kushinagar), Sabitgarh (Bulandshahr), Rani Nangal (Moradabad), Chandanpur (Amroha) & Milak Narayanur (Rampur), all in the State of Uttar Pradesh	53.27	53.27	53.27	Direct
4.	Repairs/construction of roads and water harvesting system	Rural Development	1. Local Areas 2. Deoband (Saharanpur) & Milak Narayanpur (Rampur), both in the State of Uttar Pradesh	11.85	11.85	11.85	Direct
			TOTAL	**141.20**	**141.20**	**141.20**	

*Out of amounts at #2 & 3 above, ₹ 31.51 lakh was released subsequent to the year end.

6. **In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board report:** Not Applicable.

7. **The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

Dhruv M. Sawhney
Chairman and Managing Director
DIN: 00102999

Homai A. Daruwalla
Chairperson of CSR Committee
DIN: 00365880

Annexure-F

A) CONSERVATION OF ENERGY

a) The steps taken or impact on conservation of energy

1. The change in manufacturing plan to produce raw sugar for exports and B-heavy molasses for production of Ethanol at three of its sugar units namely Deoband, Raninangal and Milaknarayanpur led to significant reduction in process steam and power consumption and thereby conservation of energy.

2. The condensate temperature through the CPU was optimized by increasing the capacity of the PHE resulting into higher condensate recovery at Khatauli.

3. Installed VFDs at pan circulator and injection pump resulting in saving of power at Deoband unit.

4. Installed vapour control valves at juice heaters to conserve steam energy at Deoband.

5. Installed VFD at injection pump resulting in saving of power at Sabitgarh unit

6. Lagging done on damaged / exposed steam, vapour and condensate lines at Milaknarayanpur unit.

7. Installed new falling film evaporator at Chandanpur unit as a second effect at juice evaporation station and new mechanical circulators at C massecuite boiling in pans and modified mechanical circulators at some of the pans to reduce process steam consumption.

8. Continued replacement of conventional lightings with energy efficient LED lights at our sugar units

b) The steps taken by the Company for utilising alternate source of energy

- At Gear Business, arrangements have been made to source upto 83% of its power requirement, generated from wind energy, an alternate renewable source of power.

- At Ramkola unit, Solar Cells are being utilized at out-centre cane weighbridges for lighting and other uses during season period.

Apart from above, in all sugar units of the Company, majority of power is generated through bagasse, which is a renewable source of energy.

c) The capital investment on energy conservation equipment

The Company has incurred ₹ 412 lakhs towards energy conservation equipment during the year.

B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption;

All our businesses use mostly indigenous technology except for Gear Business, which apart from own technology up to 7.5 MW, gets technology under License Agreements. Gear business is self-sufficient in the application of the technologies obtained under the License Agreements. The Gear Business is also involved in R&D activities to develop fundamental understanding of technology, to evolve other products and to also improve upon existing range of products.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

Both our engineering businesses are continually engaged in the improvement of the product features and value engineering so as to be cost competitive in the market place and to protect their margins.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

a)	the details of technology imported *	No technology was imported during the last three years.
b)	the year of import	NA
c)	whether the technology has been fully absorbed	NA
d)	if not fully absorbed, areas where absorption has not taken place and reasons thereof;	NA

*The Gear Business has a License Agreement with an overseas party under which limited information by way of drawings is provided to undertake manufacture of the product and as such, the underlying technology is not passed. However, the Gear Unit leverages its knowledge and undertakes internal R&D to develop new products / applications

C) FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings in foreign exchange	₹ 3244.72 lakhs
Foreign exchange outgo	₹ 4673.77 lakhs*

*include repayment of borrowings of ₹ 1166.67 lakhs during the year.

For and on behalf of the Board of Directors

Dhruv M. Sawhney
Chairman and Managing Director
DIN: 00102999

Place: New Delhi
Date : June 17, 2020

Annexure-G

Particulars of Employees Pursuant to Section 197 (12) of the Companies Act, 2013 ('Act') Read With Rule 5(1) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

(i) The percentage increase in remuneration of each Director, CFO and CS during the FY 20, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 20

Name of Director/KMP and Designation	Ratio of remuneration to Median remuneration	% increase of remuneration in FY 20
Mr. Dhruv M. Sawhney*[1] Chairman and Managing Director (CMD)	N.A.	N.A.
Mr. Tarun Sawhney*[2] Vice Chairman and Managing Director (VCMD)	127.58	53.22%
Mr. Nikhil Sawhney Non-Executive Director	9.50	176.92%
Dr. F.C. Kohli*[3] Non-Executive Independent Director	N.A.	N.A.
Lt. Gen. K.K. Hazari (Retd.) *[4] Non-Executive Independent Director	1.88	-51.19%
Mr. Shekhar Datta Non-Executive Independent Director	4.53	11.27%
Ms. Homai A. Daruwalla Non-Executive Independent Director	4.36	16.92%
Dr. Santosh Pande Non-Executive Independent Director	4.43	34.49%
Mr. Sudipto Sarkar Non-Executive Independent Director	4.13	18.03%
Mr. Jitendra Kumar Dadoo*[5] Non-Executive Independent Director	3.56	N.A.
Mr. Suresh Taneja*[2] Group Chief Financial Officer	51.87	9.73%
Ms. Geeta Bhalla*[2] Group Vice President & Company Secretary	19.99	15.82%

*[1] No salary is being drawn by the CMD.
*[2] Gratuity is provided based on actuarial valuation and hence, remuneration does not include gratuity.
*[3] Ceased to be a director w.e.f. 24.1.2020. No amount was paid during the year
*[4] Ceased to be a director w.e.f. 8.11.2019.
*[5] Appointed w.e.f. 21.5.2019

Note: (i) The remuneration to Non-Executive Independent Directors includes commission in accordance with the relevant provisions of the Companies Act, 2013 due to better profitability.

(ii) In the Financial year 2019-20, the annual median remuneration was at ₹ 4.36 lakhs and there was an increase of 7.92% in the median remuneration of the employees as compared to last year (The salaries of seasonal employees in sugar units have not been considered herein as they are deployed only for the duration of the Sugar season and not for the entire year).

(iii) There were 4046 permanent employees (882 officers, 3164 workmen including 1764 seasonal employees) on the rolls of the Company as on March 31, 2020.

(iv) The average percentage salary increases of employees other than managerial personnel was 13.27% against 53.22% in the managerial remuneration (pertaining to VCMD). The revision of VCMD's salary took place on 01.10.2018 upon reappointment and hence, on comparable basis, actual increase is 21.92%. The increase in remuneration is in line with considerable management efforts made to manage diverse businesses, plan, implement and achieve improvement in operational efficiencies, which have helped the Company to report much improved performance.

(v) It is hereby affirmed that the remuneration paid during the financial ended March 31, 2020 is as per the Nomination and Remuneration policy of the Company.

For and on behalf of the Board of Directors

Dhruv M. Sawhney
Chairman and Managing Director
DIN: 00102999

Place : New Delhi
Date : June 17, 2020

Annexure-I

Business Responsibility Report – 2019-20

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L15421UP1932PLC022174	
2	Name of the Company	Triveni Engineering & Industries Limited	
3	Registered Address	Deoband, District Saharanpur, Uttar Pradesh- 247554	
4	Website	www.trivenigroup.com	
5	E-mail ID	shares@trivenigroup.com	
6	Financial Year reported	2019-20	
7	Sector(s) that the Company engaged in (industrial activity code-wise)	**ITC Code**	**Product Description**
		1072	Sugar
		35106	Cogeneration (Power)
		1101	Industrial Alcohol
		281	Industrial Gears
		360	Water & Waste Water Treatment
8	List three key products/services that the Company manufactures/ provides	Sugar and Ethanol Industrial Gears (High speed Gears) Solutions relating to Waste Water, Sewage and Effluents	
9	Total number of location where business activity is undertaken by the Company	**(a) Number of International Locations (Provide details of major 5)** Not Applicable - the Company is majorly operating in domestic market **(b) Number of National Locations: Uttar Pradesh (UP)** • 03 Sugar manufacturing plants in West UP, 03 in Central UP and 01 in East UP; • 03 Cogeneration plants in two sugar units situated in West UP; • 02 Distilleries situated in West U.P. (Muzaffarnagar and Sabitgarh). • Water Business at Noida, with projects being executed all over India and • Corporate and Registered Offices at NOIDA & Deoband respectively. **(c) Karnataka** • Manufacturing facilities of High Speed & Niche Low speed Gears and other equipment at Mysore	
10	Markets served by the Company: Local/State /National/ International	Local	Yes
		State	Yes
		National	Yes
		International	Yes*

* mainly through exports by Gear Business and exports by Sugar Business either directly or through merchant exporters

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Triveni Engineering and Industries Limited

		FY-20 Standalone ₹ Lakhs	FY-20 Consolidated ₹ Lakhs
1.	Paid-up Capital	2479.47	2479.47
2.	Total Income	446363.88	447289.64
	(a) Revenue from operations	442357.18	443663.22
	(b) Other income	4006.70	3626.42
3.	Profit for the year (after taxes and minority interest)	32748.52	33511.82
4.	Total Comprehensive Income	32652.33	33229.47
5.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit before tax	0.34% of Profit Before Tax for FY 2019-20. However, it is 2.09% of average net profit before tax for the last 03 years.	
6.	List of activities in which expenditure in 5 above has been incurred	1. Vocational skill/ Livelihood enhancement projects 2. Training to promote nationally recognized sports 3. Ecological balance and maintaining quality of soil, air and water 4. Rural Development	

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**
Yes, the Company has seven subsidiaries as on March 31, 2020.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**
The Subsidiary Companies are in the nascent stages of setting up their respective businesses and hence, these do not have any active participation in the BR initiatives. However, one subsidiary company, Mathura Wastewater Management (P) Limited (MWMPL), has carried out substantial business activities in the second year of operation (first year had only nominal activities) and endeavors to follow the BR initiative of the parent company.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?**
While the suppliers or distributors are not directly involved in the BR initiatives pursued by the Company, the Company arranges with third parties to provide their expertise, products and services for the benefit of the farmers who are the supply chain partners to the Company. Further, the Company also engages with the farmers directly to provide expert knowledge on latest farming techniques and prevention of disease to the crop

If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%].
Not Applicable

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible of BR**

a) Details of the Director/Director responsible for implementation of the BR policy/policies

DIN No: 00382878

Name: Mr. Tarun Sawhney

Designation: Vice Chairman and Managing Director

b) Details of the BR head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	Not applicable
2.	Name & Designation	Mr Sameer Sinha, President-SBG & Corporate Planning Mr. Rajiv Rajpal, CEO-Gears Business Mr. Kamal Verma CEO-Water Business
3.	Telephone number	0120-4308000 0821-4280501 0120-4748000
4.	e-mail id	ssinha@ho.trivenigroup.com rajivrajpal@gbg.trivenigroup.com kamal.verma@projects.trivenigroup.com

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1	Business should conduct and govern themselves with ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a. Details of compliance:

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for BR?	Yes								
2	Has the policy being formulated in consultation with the relevant stakeholder?	The Company has formulated the policies, SOPs and adopted best practices by considering inputs, feedback and sensitivities of the stake holders, wherever practicable.								
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Yes, the policies/practices broadly conform to the National Voluntary Guidelines (NVGs) issued by the Ministry of Corporate Affairs, Government of India, and the policies are compliant with applicable laws as mapped against the principles mentioned in NVGs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Yes, the Board of Directors of the Company has approved the BR Policy and the same has been signed by the VCMD, pursuant to the authorization by the Board.								
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	The link for the Policies: www.trivenigroup.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The internal stakeholders have been made aware of the policies through appropriate means of communication. For the external stakeholders, the policy has been posted on the Company's website and they have also being made aware of details of such policy and about its availability on the website of the Company.								
8	Does the company have in-house structure to implement the policy/policies	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	There is an adequate system in force to ensure effective implementation. The audit by an external agency will be arranged in the due course.								

b. If answer to the question at Sl.No. 1 against any principle, is "No" please explain why: (Tick up to 2 options):

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	NOT APPLICABLE								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3	The Company does not have financial or manpower resources available for the task.									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to access the BR performance of the Company. Within 3 months. 3-6 months, Annually, More than 1 year.**
  The Board of Directors have adopted BR Policy in Feb 2018 and BR Performance of the Company is reviewed by VCMD/BR heads annually.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
  This is the third Business Responsibility Report which forms part of the Company's annual report for the financial year 2019-20. The annual report containing this Business Responsibility Report will be put up on the web site of the Company at www.trivenigroup.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

The Company's commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, the senior management and all employees of the Company. The corporate governance philosophy of the Company is anchored on the values of integrity, transparency, building efficient and sustainable environment, system and practices to ensure accountability, transparency, fairness in all the transactions in the widest sense to meet stakeholders and societal expectations. The Code of Conduct and other policies adopted by the Company apply to the employees of the Company. In addition, the Company has a Whistle Blower Policy through which the Company seeks to provide a mechanism to the employees and directors to disclose any unethical and/or improper practice(s) suspected to be taking place in the Company for appropriate action and reporting. Further, no employee is denied access to the Audit Committee and all disclosures are reported to the Chairman of the Audit Committee. The Code of Conduct and Whistle Blower Policy are uploaded on the Company's website- www.trivenigroup.com.

1. **Does the Policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / Joint Ventures / Suppliers/ Contractors / NGOs/ Others?**
   The policies, philosophy and thinking in respect of the above issues are practiced by the Company in the normal conduct of the business and it also encourages its suppliers and contractors to adopt such practices. While the subsidiary companies engaged in tangible business activities will follow such policies of the Company, the associate companies in India do practice their own well-structured policies on the same lines.

2. **How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.**

Stakeholder	Complaints received During 2019-20	Complaints resolved during 2019-20	%age resolved
Investors' Complaints	17	17	100%
Customers' Complaints	304	298	98%
Total	**321**	**315**	**98%**

Principle 2: Sustainability of Products & Services across Life –Cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities**
   Most of the products manufactured or dealt with by the Company are environmental friendly:

- Through its cogeneration plants or incidental cogeneration facilities set up in the Sugar manufacturing units, the Company produces power mostly from captive generation of bagasse (a by-product produced during manufacture of sugar from sugarcane), which is a renewable source of energy.

- The distilleries of the Company use captive generated molasses (a by-product produced during manufacture of sugar from sugarcane) to manufacture environment friendly Ethanol (in substitution of fossil fuels) which is used by the Oil Marketing Companies to blend with petrol as per the mandate of the Government. The Company uses effective systems and equipment to reduce effluents and has installed incineration boilers alongwith other aux systems to ensure zero liquid discharge (ZLD) in both the distilleries.

- In the aftermath of Covid 19, there was a huge demand of hand sanitizers, which were in short supply. The Company set up hand sanitizer producing facilities at its distillery in a short span to meet the demand.

- The Water business of the Company is engaged in offering solution to the industries and municipalities in the area of waste water, sewage and effluents treatment which has the impact of preserving much precious water and reduce pollution and contamination.

- High speed gears manufactured by the Company inter-alia are used to operate steam turbines based on various renewable energy sources, such as, biomass, agricultural waste, waste heat recovery etc. The Company also supplies gearboxes for hydel applications and also for wind gear components, both of which are used for renewable energy generation.

2. **For each such product provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (Optional).**

   a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain? b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   - The Company is continually engaged in energy conservation (please refer to Annexure -E of the Director's Report) with a view to optimize the resource use.

   - In respect of Sugar operations, each of the by-product produced during the manufacture of sugar is majorly captively used to generate power, produce Ethanol or used as organic manure for the benefit of farmers. The conversion of by-products into environmentally beneficial products is made through the advanced energy efficient equipment.

   - The Company has been focusing on enhancing raw material productivity in sugar operations by propagating appropriate sugarcane varieties which provide higher yield to the farmers and thus augmenting their income and higher sugar recoveries which help the Company to lower its raw material costs per unit of output produced. During the crushing season 2019-20, the Company has achieved comparable recovery of 11.97% as against 11.79% in the previous season and raw material cost per unit of sugar produced has reduced by 2%.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

   Yes. The Company deploys procurement practices and procedures for sustainable sourcing based on the requirements of different businesses pursued by the Company.

   - The sugarcane required for the manufacture of sugar is sourced from the farmers and the Company deals with over 300000 farmers in respect of its seven sugar units. About 53% of the total requirement of sugarcane is supplied by the farmers at the sugar mill's gate and the balance about 47% is supplied at the cane centers which are up to 100 km from the sugar mills. There are about 576 cane centers operated by our seven sugar mills. To avoid staling of cane, the Company employs an extensive and efficient arrangements as well as logistics services to transport cane from cane centers to the mill in a timely and cost effective manner.

   - Cogeneration plants are set up at the sugar mills and they seamlessly get supply of bagasse, which is produced during manufacture of sugar, through conveyer belts.

   - In respect of Distilleries, the main raw material (molasses) is sourced from the adjacent sugar mills through pipelines or transported through tankers for far away distilleries. The reliability of transport arrangement is ensured for uninterrupted operation of the distilleries.

   - Water Business is engaged in project execution at the customer's site. Most of the supplies are engineered-to-order and are outsourced to approved vendors who are entrusted to transport the material directly to the project site after appropriate factory inspection. There is a structured mechanism to develop vendors and to maintain a list of approved vendors for various machineries / components required in project execution. In some cases, recommended list of vendors is provided by customers.

- The Gear Business has an active domestic and global supply chain for various raw material / components. Based on the criticality and vendor ratings, orders are placed on reliable vendors. The selection of vendor is based on their past performance, reliability, adherence to delivery timelines, cost competitiveness, compliance to laws, including the standards set up by the Company towards EHS, quality of products / services and willingness to reduce costs / wastages and increase productivity as a supply chain partner.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company procures sugarcane from over 3,00,000 farmers for its seven sugar mills in the state of Uttar Pradesh. As a part of the cane development programme, the Company partners with the famers on an ongoing basis to improve sowing, cultivation, crop protection and harvesting techniques in a mutually beneficial manner. The sugar business of the Company has been able to substantially change the sugarcane varietal balance in partnership with farmers which resulted in increase in recoveries and yields which has immensely helped the Company and the farmers.

The Company also encourages SMEs, especially in the vicinity of the manufacturing plants, to supply their products and services to the Company and imparts training to them to improve their technical skills.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

In respect of the Sugar Business, the Company has an effective system to treat the industrial effluents and it regularly monitors the efficacy of ETP. Further, it has installed well engineered Bag Filters/ESPs/Wet Scrubbers in its boilers to limit air pollution. All the by-products generated during manufacture of sugar are used to produce environment friendly products of commercial value. The Company has effective systems for the treatment & recycle of the water to conserve its utilization.

Additionally, other waste products include used lubricants, machinery oil and manufacturing scrap which are disposed of to be recycled for further use.

Principle 3: Employee Well-being.

Sl. No.	Category	Response
1.	Total number of employees	6799 as on 31st March 2020 (includes Permanent, Temporary, trainee and contractual employees)
2.	Total numbers of employees hired on temporary / contractual / casual basis	2753 as on 31st March 2020
3.	Total number of permanent women employees	37 as on 31st March 2020
4.	Total number of permanent employees with disabilities	NIL
5.	Do you have employee association that is recognized by management?	Yes
6.	What percentages of your permanent employees are members of this recognized employee association?	Around 28.7%
7.	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:	Nil
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	

	Category	**Safety (%)**	**Skill Up-gradation (%)**
a.	Permanent employees	90%	65%
b.	Permanent Women Employees	77%	75%
c.	Casual / Temporary / Contractual employees	85%	45%
d.	Employees with disabilities	Nil	Nil

Principle 4: Stake Holder Engagement

1. **Has the Company mapped its internal and external stakeholders?**
   Yes, the key stakeholders of the Company are employees, customers, government authorities, farmers, suppliers and shareholders.

2. (a) **Out of the above has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   (b) **Are there any special initiative taken by the Company to engage with the disadvantage, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company treats all the stakeholders important and endeavours to remedy hardships, if any, being suffered by them. Further, the Company realizes that its sugar mills are situated in rural areas and it has responsibility to generate employment and entrepreneurship amongst the locals residing in the vicinity and encourage and support the farmers in upgrading farming techniques to augment their income. It operates and manages schools for the betterment of the local people.

Principle 5: Human Rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?**
   While the Company or its subsidiaries do not have a stated policy on human rights, it has been practicing to respect human rights as a responsible corporate citizen, without any gender discrimination and exploitation. It believes in providing equal opportunity and to remunerate them in a fair manner commensurate with their skills and competence. The Company ensures conformance to fundamental labour principles including prohibition of child labour, forced labour, freedom of association and protection from discrimination in all its operation.

2. **How many stakeholders' complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   During FY 2019-20, the Company has not received any complaints from any stakeholder pertaining to the human rights.

Principle 6: Protection & Restoration of the Environment

1. **Does the Policy related to Principle 6 cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/Others.**
   The Company's Policy on Safety, Health & Environment extend to all its offices, manufacturing locations, its employees and its surrounding places and habitat which could be impacted by its operations. The Company encourages its vendors, suppliers, and contractors and subsidiary company having tangible business activity to follow the Principle envisaged in the Policy.

2. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc.? (Y/N) If yes, please give hyperlink for webpage etc.**
   Yes, as a responsible corporate, the Company considers environment issues very seriously. In fact, most of the products manufactured by the Company are environment friendly (manufacture of ethanol for blending with petrol; waste water / sewage / effluent treatment business being pursued by Water Business of the Company) and promote generation of power from renewable energy resources (Cogeneration Plants use bagasse which is a renewable fuel as feedstock for producing power). The Company has associated with Confederation of Indian Industry (CII) and formed a center of excellence "CII Triveni Water Institute" which does extensive research and advise wide ranging interventions to improve the quality of water and restore adequate water tables.

3. **Does the Company identify and assess potential environmental risks? (Y/N)**
   The Company is cognizant of the environment risks and continually evaluates the impact of its manufacturing operations on the environment and endeavours to improve its benchmarks for stringent compliance. Further, all decisions relating to development of new products duly incorporate implications, if any, to the environment. The Company has during the year installed an incineration boiler at its existing distillery to achieve zero liquid discharge and likewise, the new distillery commissioned during the year has also been set up with the same technology.

   (a) **Does the Company have any Project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed.**
   Yes, two of the Cogeneration Plants of the Company at Deoband and Khatauli (Phase I) were registered with UNFCCC under Clean Development Mechanism.

   (b) **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.**
   The Company generates green power from renewable energy sources and also manufactures green fuel (Ethanol) for blending with petrol, Additionally, the Company is also engaged in

segments relating to waste water, sewage and effluent treatment. Apart from the environment friendly products manufactured by the Company, the Company is conscious of its responsibility to conduct its operations in a manner to conserve energy

(c) **Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?**
Yes, the emissions / waste generated by the Company are within the permissible limits prescribed by Central Pollution Control Board ("CPCB") / UP State Pollution Control Board /Karnataka State Pollution Control Board ("SPCB").

(d) **Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**
No such notice from CPCB/SPCB is pending at the end of the financial year.

Principle 7: Responsible Advocacy

1. **Is your Company a member of any trade and chamber or association? If yes, name only the ones that your business deals with:**
The Company is a member of various trade and chamber associations. The major ones are:

    a. Confederation of Indian Industry (CII)

    b. Federation of Indian Chambers of Commerce and Industry (FICCI)

    c. Indian Sugar Mills Association (ISMA)

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas.**
The Company is continuously in touch with various organization, namely, CII, FICCI, ISMA for improvement of various economic and social policies for sustainable growth in the Sugar and Water Industry. The company has also associated with Confederation of Indian Industry (CII) and formed a center of excellence "CII Triveni Water Institute" which does extensive research and advise wide ranging interventions to improve the quality of water and restore adequate water tables.

Principle 8: Supporting inclusive Growth & Equitable Development

1. **Does the Company have specified programs / initiatives/ projects in pursuit of the Policy related to Principle 8? If yes, details thereof.**
    - The Company deals with over 3,00,000 farmers across all its seven sugar mills relating to the procurement of sugarcane for the manufacture of sugar. The Company engages in meaningful cane development programme which aims to develop improved sowing, cultivation, crop protection and harvesting techniques and to improve quality of crop and land productivity resulting in enhanced income in the hands of farmers. During the FY 2019-20, the Company has purchased cane worth Rs. 2706.33 crore from its farmers.

    - All the payments to the farmers are made through banking channels as a result of which they become entitled for crop related banking assistance.

    - The Company encourages employment of local people and promotes entrepreneurship amongst them to supply goods or render services to the sugar mills. The technical training and skill upgradation are provided by the Company, if required.

    - The Company operates and manages 03 schools in the vicinity of the sugar mills to provide education to the children residing in the vicinity.

2. **Are the Programs/ Projects undertaken through in house team / own foundation/ external NGO/ Government structures / any other organisation?**
Most of the programmes are undertaken by the In-house team. The specialized services, wherever required, are procured from expert third parties, including through various tie-ups.

3. **Have you done any impact assessment of your initiatives?**
While it is difficult to quantify, the results are visible through better income accruing in the hands of farmers and improved operational performance of the Company in terms of better sugar recovery and increased supply of sugarcane. The mutual cooperation with its farmers will help the Company to meet its social and commercial objectives.

4. **What is your Company's direct contribution to community development projects – amount in INR and the details of the project undertaken?**
In addition to CSR activities undertaken, the Company has incurred ₹ 1.64 crore in the cane development activities and financial assistance, as required, is provided to the schools being maintained by the Sugar mills. The time spent in counselling, educating farmers, managing schools and providing other services are administrative and time extensive, and thus, are difficult to be quantified.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the Community?**

   The Company believes that if the activities are carried out in a structured manner as per well laid out plan with proper identification of the target segment of the community, it is bound to be received well and adopted by the community. The Company stringently follows this line of thinking and continually monitors community development initiatives through various parameters such as productivity of land, income accruing to farmers, health indicators, literacy levels, sustainable livelihood processes and state of infrastructure among others.

Principle 9: Providing value to Customers and Consumers

1. **What percentage of customer complaints / consumer cases are pending as on the end of the financial year.**

   The Company considers customer satisfaction as an important objective and has a well-structured policy on customer complaints resolution. The Company endeavours to resolve all complaints in an expeditious manner. As on 31.03.2020, there were 2% complaints pending for resolution.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   The Company displays applicable product information as mandated by Bureau of Indian Standards/FSSAI. The Company complies with all the applicable regulations as provided in Legal Metrology Act, Bureau of Indian Standards Specifications, Food Safety and Standards Act and the relevant rules prescribed therein.

3. **Is there any case filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   The Company has not indulged in any unfair trade practices, irresponsible advertising or anti-competitive behavior.

   There is a pending case of appeal by the distilleries (including our Company) to NCLAT wherein a stay has been granted to the Company upon deposit of 10% of the penalty amount ₹ 174.16 lakhs ordered to be paid by Competition Commission of India (CCI) vide its order dated 18.09.2018 on the charges of collusion in submitting bids by the distilleries against a tender for the procurement of Ethanol.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   The Company considers customer satisfaction as one of its foremost objectives and endeavors to take feedback from customers through practical means. In the Engineering Businesses, wherein the number customers are not very large, the Company takes feedback directly from the customers, including through electronic means. In the Sugar business, such feedback, essentially on quality, is received through sugar agents as it not possible to deal with innumerable final customers.

For and on behalf of the Board of Directors

Dhruv M. Sawhney

Place: New Delhi
Chairman and Managing Director

Date : June 17, 2020
DIN: 00102999

Annexure-J

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2020

of

Triveni Engineering & Industries Limited

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L15421UP1932PLC022174
ii)	Registration Date	27th July, 1932
iii)	Name of the Company	Triveni Engineering & Industries Limited
iv)	Category/sub-Category of the Company	Public Company limited by shares / Indian Non-Government Company
v)	Address of the Registered Office and contact details	Deoband, District Saharanpur, Uttar Pradesh-247 554; Ph: (01336) 222185
vi)	Whether listed company (Yes/No)	Yes
vii)	Name, Address and Contract details of Registrar and Transfer Agent, if any	M/s KFin Technologies Pvt. Ltd. Karvy Selenium Tower-B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032 Ph: 040 6716 2222 Email : einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of Sugar	1072	78%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Triveni Engineering Limited 8th Floor, Express Trade Towers, 15-16, Sector-16A, Noida-201 301 (U.P.)	U29119UP2006PLC032060	Subsidiary	100%	2(87)
2.	Triveni Energy Systems Limited 8th Floor, Express Trade Towers, 15-16, Sector-16A, Noida-201 301 (U.P.).	U40102UP2008PLC034648	Subsidiary	100%	2(87)
3.	Triveni Entertainment Limited H.No.100, Street No.2, Uttranchal Enclave, Kamalpur, Delhi-110 084.	U52110DL1986PLC024603	Subsidiary	100%	2(87)
4.	Triveni Sugar Limited (formerly Bhudeva Projects Limited) A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	U45201UP2014PLC063454	Subsidiary	100%	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5.	Svastida Projects Limited A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	U45201UP2014PLC063455	Subsidiary	100%	2(87)
6.	Triveni Industries Limited Sugar Unit, Deoband-247 554, Uttar Pradesh	U15122UP2015PLC072202	Subsidiary	100%	2(87)
7.	Mathura Wastewater Management Pvt. Limited A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	U41000UP2018PTC105231	Subsidiary	100%	2(87)
8.	Triveni Turbine Limited A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	L29110UP1995PLC041834	Associate	21.85	2(6)
9.	Aqwise-Wise Water Technologies Ltd., Israel	Foreign Company	Associate	25.04	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

	Category of shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Promoter**									
	Indian									
(a)	Individuals/ HUF	34511253	0	34511253	13.379	51180775	0	51180775	20.642	7.263
(b)	Central Government									
(c)	State Government(s)									
(d)	Bodies Corporate	82696056	0	82696056	32.060	79631128	0	79631128	32.116	0.057
(e)	Bank /FI									
(f)	Any Other									
	Sub-Total (A)(1)	**117207309**	**0**	**117207309**	**45.439**	**130811903**	**0**	**130811903**	**52.758**	**7.320**
	Foreign									
(a)	NRI - Individuals	58749920	0	58749920	22.776	38650774	0	38650774	15.588	-7.188
(b)	Other - Individuals									
(c)	Bodies Corporate									
(d)	Bank /FI									
(e)	Any Other									
	Sub-Total (A)(2)	**58749920**	**0**	**58749920**	**22.776**	**38650774**	**0**	**38650774**	**15.588**	**-7.188**
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**175957229**	**0**	**175957229**	**68.215**	**169462677**	**0**	**169462677**	**68.347**	**0.132**
(B)	**Public shareholding**									
	Institutions									
(a)	Mutual Funds/UTI	5441760	0	5441760	2.110	8575027	0	8575027	3.458	1.349
(b)	Bank / FI	282443	0	282443	0.109	361135	0	361135	0.146	0.036
(c)	Central Government									
(d)	State Government(s)									
(e)	Venture Capital Funds									
(f)	Insurance Companies									
(g)	FIIs									
(h)	Foreign Venture Capital Investors									

Category of shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i)	Any Other (specify)									
(j)	Foreign Portfolio Investor (Corporate)	9522133	0	9522133	3.692	10087165	0	10087165	4.068	0.377
	Sub-Total (B)(1)	**15246336**	**0**	**15246336**	**5.911**	**19023327**	**0**	**19023327**	**7.672**	**1.762**
	Non-institutions									
(a)	Bodies Corporate									
i)	Indian	14970671	1	14970672	5.804	8316524	1	8316525	3.354	-2.450
ii)	Overseas									
(b)	Individuals -									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.*	28502424	243141	28745565	11.144	26261379	239229	26500608	10.688	-0.456
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	18282707	0	18282707	7.088	18561478	0	18561478	7.486	0.398
(c)	Any Other (specify)									
	[i] NRI	2287069	0	2287069	0.887	3531965	0	3531965	1.424	0.538
	[ii] HUF	1845051	0	1845051	0.715	2033042	0	2033042	0.820	0.105
	[iii] Clearing Member	513492	0	513492	0.199	419060	0	419060	0.169	-0.030
	[iv] Trust	19540	0	19540	0.008	19540	0	19540	0.008	0.000
	[v] Foreign National	118	0	118	0.000	0	0	0	0.000	0.000
	[vi] IEPF	77331	0	77331	0.030	76888	0	76888	0.031	0.001
	Sub-Total (B)(2)	**66498403**	**243142**	**66741545**	**25.874**	**59219876**	**239230**	**59459106**	**23.981**	**-1.894**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**81744739**	**243142**	**81987881**	**31.785**	**78243203**	**239230**	**78482433**	**31.653**	**-0.132**
(C)	**Shares held by Custodians for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**257701968**	**243142**	**257945110**	**100.000**	**247705880**	**239230**	**247945110**	**100.000**	**0.000**

(ii) Shareholding of Promoters

Sr. No.	Shareholders's Name	Shareholding at the beginning of the year			Shares holding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered of total shares	No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered of total shares	
(a) Individual/Hindu Undivided Family / NRI								
1	Mr. Dhruv M. Sawhney	40130756	15.557	0	38650774	15.588	0	0.030
2	Mrs. Rati Sawhney	18619164	7.218	0	17935928	7.234	0	0.016
3	Mr. Tarun Sawhney	14695375	5.697	0	14156123	5.709	0	0.012
4	Mr. Nikhil Sawhney	15277653	5.923	0	14717033	5.936	0	0.013
5	Manmohan Sawhney (HUF)	4513225	1.750	0	4347608	1.753	0	0.004
6	Mrs. Tarana Sawhney	25000	0.010	0	24083	0.010	0	0.000
	Total (a)	**93261173**	**36.155**	**0**	**89831549**	**36.230**	**0**	**0.075**

Sr. No.	Shareholders's Name	Shareholding at the beginning of the year			Shares holding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered of total shares	No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered of total shares	
(b) Bodies Corporate								
1	STFL Trading & Finance Private Limited	82696056	32.060	0	79631128	32.116	0	0.057
2	Tarun Sawhney Trust	0	0.000	0	0	0.000	0	0.000
3	Nikhil Sawhney Trust	0	0.000	0	0	0.000	0	0.000
Total (b)		**82696056**	**32.060**	**0**	**79631128**	**32.116**	**0**	**0.057**
TOTAL (a+b)		**175957229**	**68.215**	**0**	**169462677**	**68.347**	**0**	**0.132**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	STFL Trading & Finance Private Limited	82696056	32.060	09.08.2019	-3064928	Buyback	79631128	32.116
2	Mr. Dhruv M sawhney	40130756	15.557	09.08.2019	-1479982	Buyback	38650774	15.588
3	Mrs. Rati Sawhney	18619164	7.218	09.08.2019	-683236	Buyback	17935928	7.234
4	Mr. Tarun Sawhney	14695375	5.697	09.08.2019	-539252	Buyback	14156123	5.709
5	Mr. Nikhil Sawhney	15277653	5.923	09.08.2019	-560620	Buyback	14717033	5.936
6	Manmohan Sawhney (HUF)	4513225	1.750	09.08.2019	-165617	Buyback	4347608	1.753
7	Mrs. Tarana Sawhney	25000	0.010	09.08.2019	-917	Buyback	24083	0.010

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	DSP Small Cap Fund	5034035	1.952	9-Aug-2019	-181497	Buyback	4852538	1.957
				11-Oct-2019	630599	Transfer	5483137	2.211
				18-Oct-2019	693575	Transfer	6176712	2.491
				25-Oct-2019	194631	Transfer	6371343	2.570
				1-Nov-2019	163371	Transfer	6534714	2.636
				31-Mar-2020	1265489	Transfer	7800203	3.146
				31-Mar-2020			7800203	3.146
2	Government Pension Fund Global	5700000	2.210	31-May-2019	-316091	Transfer	5383909	2.087
				7-Jun-2019	-324328	Transfer	5059581	1.961
				14-Jun-2019	-7947	Transfer	5051634	1.958
				9-Aug-2019	-194646	Buyback	4856988	1.959
				6-Sep-2019	43012	Transfer	4900000	1.976
				3-Jan-2020	-25875	Transfer	4874125	1.966
				10-Jan-2020	-26529	Transfer	4847596	1.955
				31-Mar-2020			4847596	1.955

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
3	Anil Kumar Goel	5350000	2.074	24-May-2019	119149	Transfer	5469149	2.120
				14-Jun-2019	28253	Transfer	5497402	2.131
				19-Jun-2019	2598	Transfer	5500000	2.132
				21-Jun-2019	60000	Transfer	5560000	2.155
				28-Jun-2019	20000	Transfer	5580000	2.163
				2-Aug-2019	-280000	Transfer	5300000	2.055
				9-Aug-2019	242854	Transfer	5542854	2.236
				16-Aug-2019	34333	Transfer	5577187	2.249
				30-Aug-2019	286	Transfer	5577473	2.249
				30-Sep-2019	947527	Transfer	6525000	2.632
				25-Oct-2019	1651	Transfer	6526651	2.632
				15-Nov-2019	349	Transfer	6527000	2.632
				22-Nov-2019	3000	Transfer	6530000	2.634
				29-Nov-2019	20000	Transfer	6550000	2.642
				6-Dec-2019	43266	Transfer	6593266	2.659
				13-Dec-2019	9678	Transfer	6602944	2.663
				24-Jan-2020	-600000	Transfer	6002944	2.421
				14-Feb-2020	-1000000	Transfer	5002944	2.018
				21-Feb-2020	7056	Transfer	5010000	2.021
				28-Feb-2020	90000	Transfer	5100000	2.057
				6-Mar-2020	100000	Transfer	5200000	2.097
				20-Mar-2020	-70000	Transfer	5130000	2.069
				27-Mar-2020	-591456	Transfer	4538544	1.830
				31-Mar-2020			4538544	1.830
4**	Manohar Devabhaktuni	561828	0.218	5-Apr-2019	901702	Transfer	1463530	0.567
				12-Apr-2019	194094	Transfer	1657624	0.643
				19-Apr-2019	44169	Transfer	1701793	0.660
				9-Aug-2019	-59747	Buyback	1642046	0.662
				30-Aug-2019	103913	Transfer	1745959	0.704
				27-Sep-2019	51287	Transfer	1797246	0.725
				30-Sep-2019	8448	Transfer	1805694	0.728
				31-Mar-2020			1805694	0.728
5**	Point Break Capital LP	0	0.000	19-Apr-2019	114161	Transfer	114161	0.044
				26-Apr-2019	179690	Transfer	293851	0.114
				3-May-2019	417633	Transfer	711484	0.276
				10-May-2019	500612	Transfer	1212096	0.470
				17-May-2019	145904	Transfer	1358000	0.526
				24-May-2019	26550	Transfer	1384550	0.537
				26-Jul-2019	100000	Transfer	1484550	0.576
				9-Aug-2019	-48609	Buyback	1435941	0.579
				24-Jan-2020	56998	Transfer	1492939	0.602
				31-Jan-2020	163002	Transfer	1655941	0.668
				31-Mar-2020			1655941	0.668
6	Seema Goel	1350000	0.523	2-Aug-2019	-80000	Transfer / Buyback	1270000	0.492
				9-Aug-2019	32813	Transfer	1302813	0.525
				16-Aug-2019	187	Transfer	1303000	0.526
				30-Aug-2019	2000	Transfer	1305000	0.526

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				4-Oct-2019	28099	Transfer	1333099	0.538
				11-Oct-2019	1901	Transfer	1335000	0.538
				18-Oct-2019	15000	Transfer	1350000	0.544
				6-Mar-2020	90000	Transfer	1440000	0.581
				27-Mar-2020	100000	Transfer	1540000	0.621
				31-Mar-2020			1540000	0.621
7	Anil Kumar Goel	1500000	0.582	9-Aug-2019	-52473	Buyback	1447527	0.584
				30-Sep-2019	-947527	Transfer	500000	0.202
				24-Jan-2020	600000	Transfer	1100000	0.444
				14-Feb-2020	1000000	Transfer	2100000	0.847
				6-Mar-2020	30000	Transfer	2130000	0.859
				13-Mar-2020	23000	Transfer	2153000	0.868
				20-Mar-2020	617000	Transfer	2770000	1.117
				27-Mar-2020	-1255069	Transfer	1514931	0.611
				31-Mar-2020			1514931	0.611
8	Shradha Gupta	1200000	0.465	9-Aug-2019	-46237	Buyback	1153763	0.465
				7-Feb-2020	10000	Transfer	1163763	0.469
				28-Feb-2020	20000	Transfer	1183763	0.477
				6-Mar-2020	10000	Transfer	1193763	0.481
				20-Mar-2020	20000	Transfer	1213763	0.490
				31-Mar-2020			1213763	0.490
9	Dhanpati Devi	1090000	0.423	21-Jun-2019	10000	Transfer	1100000	0.426
				9-Aug-2019	-41999	Buyback	1058001	0.427
				6-Dec-2019	2761	Transfer	1060762	0.428
				13-Dec-2019	10000	Transfer	1070762	0.432
				6-Mar-2020	5000	Transfer	1075762	0.434
				31-Mar-2020	10000	Transfer	1085762	0.438
				31-Mar-2020			1085762	0.438
10	VLS Finance Ltd	202441	0.078	12-Apr-2019	24400	Transfer	226841	0.088
				26-Apr-2019	38620	Transfer	265461	0.103
				3-May-2019	35380	Transfer	300841	0.117
				31-May-2019	10095	Transfer	310936	0.121
				7-Jun-2019	16000	Transfer	326936	0.127
				14-Jun-2019	42000	Transfer	368936	0.143
				21-Jun-2019	81064	Transfer	450000	0.174
				9-Aug-2019	-15818	Buyback	434182	0.175
				13-Sep-2019	10000	Transfer	444182	0.179
				20-Sep-2019	42036	Transfer	486218	0.196
				8-Nov-2019	13782	Transfer	500000	0.202
				27-Dec-2019	-4000	Transfer	496000	0.200
				24-Jan-2020	4000	Transfer	500000	0.202
				7-Feb-2020	274000	Transfer	774000	0.312
				14-Feb-2020	126319	Transfer	900319	0.363
				21-Feb-2020	25000	Transfer	925319	0.373
				28-Feb-2020	86331	Transfer	1011650	0.408
				6-Mar-2020	42000	Transfer	1053650	0.425
				31-Mar-2020			1053650	0.425

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
11*	Indianivesh Capitals Limited	3426139	1.328	5-Apr-2019	13500	Transfer	3439639	1.333
				12-Apr-2019	-34500	Transfer	3405139	1.320
				19-Apr-2019	23500	Transfer	3428639	1.329
				26-Apr-2019	-17500	Transfer	3411139	1.322
				31-May-2019	-10000	Transfer	3401139	1.319
				21-Jun-2019	-5000	Transfer	3396139	1.317
				5-Jul-2019	5000	Transfer	3401139	1.319
				2-Aug-2019	-242000	Transfer	3159139	1.225
				9-Aug-2019	167101	Transfer	3326240	1.342
				30-Aug-2019	1796	Transfer	3328036	1.342
				13-Sep-2019	-2303548	Transfer	1024488	0.413
				27-Sep-2019	-1019488	Transfer	5000	0.002
				4-Oct-2019	-5000	Transfer	0	0.000
				31-Mar-2020			0	0.000
12*	Indianivesh Securities Limited	1300403	0.504	5-Apr-2019	-5000	Transfer	1295403	0.502
				12-Apr-2019	6000	Transfer	1301403	0.505
				19-Apr-2019	-11000	Transfer	1290403	0.500
				3-May-2019	-25000	Transfer	1265403	0.491
				10-May-2019	5000	Transfer	1270403	0.493
				17-May-2019	910	Transfer	1271313	0.493
				24-May-2019	-60	Transfer	1271253	0.493
				31-May-2019	-850	Transfer	1270403	0.493
				7-Jun-2019	2000	Transfer	1272403	0.493
				14-Jun-2019	-7000	Transfer	1265403	0.491
				21-Jun-2019	5000	Transfer	1270403	0.493
				12-Jul-2019	300	Transfer	1270703	0.493
				19-Jul-2019	-300	Transfer	1270403	0.493
				26-Jul-2019	280	Transfer	1270683	0.493
				2-Aug-2019	-88504	Transfer	1182179	0.458
				23-Aug-2019	654	Transfer	1182833	0.477
				30-Aug-2019	-2450	Transfer	1180383	0.476
				13-Sep-2019	-5000	Transfer	1175383	0.474
				20-Sep-2019	7654	Transfer	1183037	0.477
				27-Sep-2019	-2654	Transfer	1180383	0.476
				30-Sep-2019	-1180383	Transfer	0	0.000
				31-Mar-2020			0	0.000
13*	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc. (DFAIDG)	1082175	0.420	9-Aug-2019	-37725	Buyback	1044450	0.421
				15-Nov-2019	12319	Transfer	1056769	0.426
				20-Mar-2020	-18889	Transfer	1037880	0.419
				27-Mar-2020	-102262	Transfer	935618	0.377
				31-Mar-2020			935618	0.377

*Ceased to be in the list of top 10 shareholders as on 31.3.2020. However, the same has been reflected above since the shareholder was one of the top 10 shareholders as on 01.04.2019.

**Not in the list of top 10 shareholders as on 01.04.2019. However, the same has been reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2020.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
A.	**DIRECTORS**							
1	Mr. Dhruv M Sawhney	40130756	15.557	09.08.2019	-1479982	Buyback	38650774	15.588
2	Mr. Tarun Sawhney	14695375	5.697	09.08.2019	-539252	Buyback	14156123	5.709
3	Mr. Nikhil Sawhney	15277653	5.923	09.08.2019	-560620	Buyback	14717033	5.936
4	Dr. F.C. Kohli*	0	0.000	-	0	-	0	0.000
5	Lt. Gen. K.K. Hazari (Retd.)**	0	0.000	-	0	-	0	0.000
6	Mr. Shekhar Datta	10000	0.004	-	0	-	10000	0.004
7	Ms. Homai A. Daruwalla	0	0.000	-	0	-	0	0.000
8	Dr. Santosh Pande	0	0.000	-	0	-	0	0.000
9	Mr. Sudipto Sarkar	0	0.000	-	0	-	0	0.000
10	Mr. J.K. Dadoo	0	0.000	-	0	-	0	0.000
B.	**KEY MANAGERIAL PERSONNEL**							
11	Mr. Suresh Taneja	14000	0.005	09.08.2019	-539	Buyback	13461	0.005
12	Mrs. Geeta Bhalla	0	0.000	-	0	-	0	0.000

* Ceased to be a director w.e.f. 24.1.2020

** Ceased to be a director w.e.f. 8.11.2019

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding Deposits*	Unsecured Loans	Unclaimed Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
i) Principal Amount	172590.40	0.00	0.00	172590.40
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	26.30	0.00	0.00	26.30
Total (i+ii+iii)	**172616.70**	**0.00**	**0.00**	**172616.70**
Change in Indebtedness during the financial year				
• Addition	21354.87	0.00	0.00	21354.87
• Reduction	37947.22	0.00	0.00	37947.22
Net Change	**-16592.35**	**0.00**	**0.00**	**-16592.35**
Indebtedness at the end of the year				
i) Principal Amount	155815.55	0.00		155815.55
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	208.80	0.00		208.80
Total (i+ii+iii)	**156024.35**	**0.00**	**0.00**	**156024.35**

*Includes short term borrowings(cash credit) from banks

Note :- Term Loans have been considered at undiscounted value

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr Dhruv M. Sawhney CMD	Mr Tarun Sawhney VCMD	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	320.74	320.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	34.34	34.34
	(c) Profits in lieu of salary under17(3) Income-tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission			
	- as % of profit	–	150.00	150.00
	- others, please specify	–	–	–
5.	Others (Retiral Benefits)	–	51.19*	51.19*
	Total (A)	**–**	**556.27**	**556.27**
	Ceiling as per the Act	10% of the net profit, calculated as per Section 198 of the Companies Act, 2013.		

*does not include gratuity as it is provided on actuarial valuation.

B. Remuneration to other directors:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1.	**Independent Directors**				
	Dr F.C. Kohli*	–	–	–	–
	Lt. Gen. K.K. Hazari (Retd.)**	8.20	–	–	8.20
	Mr Shekhar Datta	11.25	8.50	–	19.75
	Ms. Homai A. Daruwalla	10.50	8.50	–	19.00
	Dr Santosh Pande	10.80	8.50	–	19.30
	Mr Sudipto Sarkar	9.50	8.50	–	18.00
	Mr J.K.Dadoo	7.00	8.50	–	15.50
	Total (1)	**57.25**	**42.50**	**–**	**99.75**
2.	**Other Non-Executive Directors**				
	Mr Nikhil Sawhney	11.40	30.00	–	41.40
	Total (2)	**11.40**	**30.00**	**–**	**41.40**
	Total (B) = (1+2)	**68.65**	**72.50**		**141.15**
	Total Remuneration (A+B)				**697.42**
	Overall ceiling as per the Act	11% of the net profit, calculated as per Section 198 of the Companies Act, 2013.			

*Ceased to be a director w.e.f. 24.1.2020

**Ceased to be a director w.e.f. 8.11.2019

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	209.46	82.93	292.39
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	NA	7.70	0.70	8.40
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	–	–	–
2	Stock Option	NA	–	–	–
3	Sweat Equity	NA	–	–	–
4	Commission				
	- as % of profit	NA	–	–	–
	- others, specify	NA	–	–	–
5	Others (Retiral benefits)*	NA	9.00	3.53	12.53
	Total	**NA**	**226.16**	**87.16**	**313.32**

*does not include gratuity as it is provided based on actuarial valuation.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT /COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			**None**		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			**None**		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			**None**		
Compounding					

For and on behalf of the Board of Directors

Dhruv M. Sawhney
Chairman and Managing Director
DIN: 00102999

Place: New Delhi
Date : June 17, 2020

Standalone Financial Statements

Independent Auditor's Report

To
The Members of
Triveni Engineering & Industries Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of **TRIVENI ENGINEERING & INDUSTRIES LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2020, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit (including other comprehensive loss), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Auditor's Response
1	**Recognition of Subsidies:** We identified recognition of subsidies as a key audit matter as it involves significant management judgement. The area of management judgement includes management risk assessment with respect to recognition of subsidies based on substantive compliance of the conditions and reasonable certainty of receipt of subsidy. (Refer Note no. 2(a)(iii) & 43 of the standalone financial statements)	Our audit procedures included the following: • Obtaining policy from the Company defining the management perspective and basis for recognition of Government subsidies in the books of accounts; • Obtaining an understanding of internal controls over recognition and recoverability of subsidy claims and testing, on a sample basis, their design, implementation and operating effectiveness; • Considered the relevant circulars/notifications issued by various authorities; and • Evaluated the management's assessment regarding the reasonable certainty for complying with the relevant conditions as specified in circulars/notifications issued by various authorities.

Sr. No.	Key Audit Matters	Auditor's Response
2	**Appropriateness of cost to complete the project:** The Company recognizes revenue from construction contracts on percentage of completion method as specified in Indian Accounting Standards (Ind AS) 115- Revenue from Contract with Customers. (Refer Accounting policy Note no. 1(b)(iii)) We identified this matter as a key audit matter as it involves significant judgement by the management in estimation of cost to complete the project and any variation may have consequential impact on revenue.	Our audit procedures included the following: • Obtaining an understanding of internal controls over estimation of cost of completion of projects and testing, on a sample basis, their design, implementation and operating effectiveness; • Agreed the total project revenue estimates to contracts with customers; • Obtained computation of estimated costs to complete and the percentage of project completion and verified the same against the contracts on sample basis and also checked arithmetic accuracy of the same; • Performed the walkthrough procedure and verified the invoices, purchase orders etc. for actual cost incurred till the year end; and • Compared the management estimates revised during the year with the estimate made in earlier years and obtained reasons/ approval for such revision.

Information other than the Standalone financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to the other 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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, 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 as at 31 March 2020 on its financial position in its standalone financial statements – Refer Note no. 46 to the standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including long term derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta
Partner
Membership No.: 093214
UDIN: 20093214AAAABA2558

Place: Faridabad (Haryana)
Date: June 17, 2020

"Annexure A" to the Independent Auditors' Report

The Annexure **as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements'** of our Independent Auditors' Report to the members of **TRIVENI ENGINEERING & INDUSTRIES LIMITED** on the standalone financial statements for the year ended 31 March 2020. We report that:

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

(b) The Company has a regular program of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this program, all major items of fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.

(c) According to the information and explanation given to us and on the basis of examination of title deeds / sale deeds / transfer deeds / conveyance deeds / possession letters / allotment letters and other relevant records evidencing title/ possession provided and legal opinion obtained by the Company, we report that the title deeds of the immovable properties are held in the name of the Company as at the balance sheet date except for 3 cases having gross book value of Rs. 13.13 lakhs in respect of freehold land as disclosed in Note no. 3 on Property, Plant & Equipment and 15 cases having gross book value of Rs. 96.54 lakhs in respect of freehold land, disclosed in Note no. 4 on Investment Property, to the standalone financial statements, where the title deeds are not held in the name of the Company.

ii. The physical verification of the inventory has been conducted at reasonable intervals by the management during the year. As far as we could ascertain and according to information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.

iii. According to the information and explanations given to us, the Company has granted loans to two body corporates, covered in the register maintained under section 189 of the Act, in respect of which:

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to body corporates covered in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In respect of aforesaid loans, repayment of principal and payment of interest has been stipulated in the agreements entered with the respective body corporates. In respect of one of the loans, principal is not due for repayment and payment of interest have been regular as per stipulations, while in the other case, principal due for repayment amounting to Rs. 291.53 lacs along with the interest due thereon has been rolled over twice as a fresh loan on similar stipulation regarding interest, for aggregate periods of ten months.

(c) There is no overdue amount remaining outstanding as at the year-end.

iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted any loans or provided any guarantees or securities to parties which are covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

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

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of section 148 of the Act and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues with the appropriate authorities to the extent applicable.

(b) According to the information and explanations given to us and on the basis of examination of the records of the Company there are no undisputed aforesaid statutory dues payable as at 31 March 2020 for a period of more than six months from the date they became payable.

(c) According to the records and information and explanations given to us, there are no dues in respect of income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute except as given below:

Name of Statute	**Nature of Dues**	**Period (F.Y.) to which the amount relates**	**Amount Demanded (Excluding interest) (₹ in Lakhs)**	**Amount paid (₹ in Lakhs)**	**Forum where dispute is pending**
The Central Excise Act,1944	Excise Duty	1998 to 2004-05, 2006-07 to 2012-13	116.11	13.82	High Court
The Central Excise Act,1944	Penalty	1998 to 2004-05, 2006-07 to 2012-13	269.30	266.00	High Court
The Central Excise Act,1944	Excise Duty	1995-96 to 1996-97, 2010-11	1.61	1.61	Custom, Excise and Service Tax Appellate Tribunal
The Central Excise Act,1944	Penalty	1995-96 to 1996-97, 2010-11	0.07	0.07	Custom, Excise and Service Tax Appellate Tribunal
The Finance Act, 1994 (Service Tax)	Service Tax	2012-13 and 2013-14 (Q1)	23.37	-	High Court
The Custom Act, 1962	Penalty	2004-05	19.93	6.19	Custom, Excise and Service Tax Appellate Tribunal
The Custom Act, 1962	Penalty	2004-05	2.00	2.00	Commissioner (Appeal)
Central Sales Tax Act, 1956 & State VAT Act	Sales Tax	1993-94 & 2010-11 to 2011-12	28.23	1.82	High Court
Central Sales Tax Act, 1956 & State VAT Act	Sales Tax	1998-99 to 2000-01, 2012-13 to 2013-14	259.71	96.48	Tribunal
Central Sales Tax Act, 1956 & State VAT Act	Sales Tax	2009-10, 2014-15 to 2017-18 (Q1)	213.13	22.89	Addl/ Joint Commissioner
Central Sales Tax Act, 1956 & State VAT Act	Penalty	2009-10, 2014-15 to 2017-18 (Q1)	16.21	-	Addl/ Joint Commissioner
Goods and Service Tax	GST	2018-19 to 2019-20	0.29	0.29	Commissioner (Appeal)
Goods and Service Tax	Penalty	2018-19 to 2019-20	0.29	0.29	Commissioner (Appeal)
The Income Tax Act, 1961	Income Tax	2002-03, 2004-05, 2005-06, 2007-08 & 2010-11	2765.94	1069.20	Income Tax Appellate Tribunal
The UP Sugarcane (Purchase Tax) Act, 1961	Purchase Tax	2016-17 to 2017-18 (Q1)	482.80	-	High Court
Delhi Sales Tax Act,1975	Sales Tax	1993-94	74.17	64.00	Addl. Commissioner I, Sales Tax Delhi
Delhi Sales Tax Act,1975	Sales Tax	1994-95	90.08	50.00	Addl. Commissioner I, Sales Tax Delhi

Name of Statute	Nature of Dues	Period (F.Y.) to which the amount relates	Amount Demanded (Excluding interest) (₹ in Lakhs)	Amount paid (₹ in Lakhs)	Forum where dispute is pending
Delhi Sales Tax Act,1975	Sales Tax	2002-03	12.46	1.53	Dy Comm II Sales Tax Delhi
Orissa Sales Tax Act,1947	Sales Tax	1991-95	9.21	2.00	Assistant Commissioner Sales Tax Range 2 Cuttack Orissa
Orissa Sales Tax Act,1947	Sales Tax	1987-88	0.44	0.32	Sales Tax Tribunal-Orissa Cuttack

viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks, financial institutions or government during the year. The Company has not issued any debentures.

ix. According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were raised.

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

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

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 section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act.

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

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable.

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta
Partner
Membership No.: 093214
UDIN: 20093214AAAABA2558

Place: Faridabad (Haryana)
Date: June 17, 2020

"Annexure B" to the Independent Auditor's Report

of even date on the Standalone Financial Statements of TRIVENI ENGINEERING & INDUSTRIES LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT") AS REFERRED TO IN PARAGRAPH 2(F) OF 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS'

We have audited the internal financial controls over financial reporting of **TRIVENI ENGINEERING & INDUSTRIES LIMITED** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone 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 controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Act.

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta
Partner
Membership No.: 093214
UDIN: 20093214AAAABA2558

Place: Faridabad (Haryana)
Date: June 17, 2020

Standalone Balance Sheet

as at March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	As at 31-Mar-20	As at 31-Mar-19
ASSETS			
Non-current assets			
Property, plant and equipment	3	107393.34	82992.00
Capital work-in-progress	3	2615.84	20477.27
Investment property	4	538.58	821.14
Intangible assets	5	93.12	47.71
Investments in subsidiaries and associates	6 (a)	6977.36	4987.36
Financial assets			
i. Investments	6 (b)	333.47	415.18
ii. Trade receivables	7	29.73	59.77
iii. Loans	8	1511.82	81.35
iv. Other financial assets	9	917.92	956.87
Income tax assets (net)	22	4336.79	5006.62
Other non-current assets	10	700.51	887.51
Total non-current assets		**125448.48**	**116732.78**
Current assets			
Inventories	11	191212.69	211865.90
Financial assets			
i. Trade receivables	7	29501.79	23737.62
ii. Cash and cash equivalents	12 (a)	3058.30	1367.60
iii. Bank balances other than cash and cash equivalents	12 (b)	80.85	18.17
iv. Loans	8	337.96	312.94
v. Other financial assets	9	208.08	206.24
Other current assets	10	43751.14	19144.38
		268150.81	**256652.85**
Assets classified as held for sale	13	3.05	-
Total current assets		**268153.86**	**256652.85**
Total assets		**393602.34**	**373385.63**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2479.47	2579.47
Other equity	15	124585.87	105249.33
Total equity		**127065.34**	**107828.80**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16	44359.64	37349.54
ii. Other financial liabilities	17	1221.63	-
Provisions	18	4793.34	4323.69
Deferred tax liabilities (net)	23	4949.03	3238.67
Other non-current liabilities	19	1821.52	2946.77
Total non-current liabilities		**57145.16**	**47858.67**
Current liabilities			
Financial liabilities			
i. Borrowings	20	94343.87	123540.95
ii. Trade payables	21		
(a) total outstanding dues of micro enterprises and small enterprises		6.73	92.00
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		75633.30	63669.21
iii. Other financial liabilities	17	20079.20	12608.90
Other current liabilities	19	15355.95	13544.03
Provisions	18	3182.95	3227.16
Income tax liabilities (net)	22	789.84	1015.91
Total current liabilities		**209391.84**	**217698.16**
Total liabilities		**266537.00**	**265556.83**
Total equity and liabilities		**393602.34**	**373385.63**

The accompanying notes 1 to 51 form an integral part of these standalone financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Faridabad (Haryana)

Date : June 17, 2020

For and on behalf of the Board of Directors of Triveni Engineering & Industries Limited

Dhruv M. Sawhney
Chairman & Managing Director
Place : New Delhi

Homai A. Daruwalla
Director & Chairperson Audit Committee
Place : Mumbai

Suresh Taneja
Group CFO
Place : Delhi

Geeta Bhalla
Group Vice President & Company Secretary
Place : Delhi

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	Year ended 31-Mar-20	Year ended 31-Mar-19
Revenue from operations	24	442357.18	315156.34
Other income	25	4006.70	6763.71
Total income		**446363.88**	**321920.05**
Expenses			
Cost of materials consumed	26	301067.82	275190.34
Purchases of stock-in-trade	27	2229.42	1924.82
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	21882.64	(53981.66)
Employee benefits expense	29	25497.80	22386.65
Finance costs	30	7931.70	6798.78
Depreciation and amortisation expense	31	7489.12	5695.14
Impairment loss on financial assets (including reversals of impairment losses)	32	861.47	16.62
Other expenses	33	37541.42	38715.21
Total expenses		**404501.39**	**296745.90**
Profit before exceptional items and tax		**41862.49**	**25174.15**
Exceptional items	34	282.04	2034.85
Profit before tax		**42144.53**	**27209.00**
Tax expense:			
- Current tax	35	7633.98	6011.97
- Deferred tax	35	1762.03	(859.32)
Total tax expense		**9396.01**	**5152.65**
Profit for the year		**32748.52**	**22056.35**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	38	(147.86)	(211.11)
		(147.86)	**(211.11)**
A (ii) Income tax relating to items that will not be reclassified to profit or loss	35	(51.67)	(73.77)
		(96.19)	**(137.34)**
B (i) Items that may be reclassified to profit or loss		-	-
B (ii) Income tax relating to items that may be reclassified to profit or loss	35	-	-
Other comprehensive income for the year, net of tax		**(96.19)**	**(137.34)**
Total comprehensive income for the year		**32652.33**	**21919.01**
Earnings per equity share (face value ₹ 1 each)			
Basic	36	13.01	8.55
Diluted	36	13.01	8.55

The accompanying notes 1 to 51 form an integral part of these standalone financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Faridabad (Haryana)

Date : June 17, 2020

For and on behalf of the Board of Directors of Triveni Engineering & Industries Limited

Dhruv M. Sawhney
Chairman & Managing Director
Place : New Delhi

Homai A. Daruwalla
Director & Chairperson Audit Committee
Place : Mumbai

Suresh Taneja
Group CFO
Place : Delhi

Geeta Bhalla
Group Vice President & Company Secretary
Place : Delhi

Standalone Statement of Changes in Equity

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 1 each issued, subscribed and fully paid up (including paid up value of ₹ 0.02 lakhs pertaining to forfeited shares)

As at 31 March 2018	**2579.47**
Changes during the year	-
As at 31 March 2019	**2579.47**
Extinguishment of shares upon buy-back [refer note 14 (iv)]	(100.00)
As at 31 March 2020	**2479.47**

B. OTHER EQUITY

	Reserves and surplus							
	Capital redemption reserve	Capital reserve	Securities premium	Amalgamation reserve	General reserve	Molasses storage fund reserve	Retained earnings	Total other equity
Balance as at 31 March 2018	**397.40**	**2855.85**	**26546.93**	**926.34**	**49212.72**	**196.28**	**5371.58**	**85507.10**
Profit for the year	-	-	-	-	-	-	22056.35	22056.35
Other comprehensive income, net of income tax	-	-	-	-	-	-	(137.34)	(137.34)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**21919.01**	**21919.01**
Transferred to molasses storage fund reserve	-	-	-	-	-	35.76	(35.76)	-
Withdrawal from molasses storage fund reserve	-	-	-	-	-	(15.68)	15.68	-
Transactions with owners in their capacity as owners								
- Dividends paid	-	-	-	-	-	-	(1805.63)	(1805.63)
- Dividend distribution tax	-	-	-	-	-	-	(371.15)	(371.15)
Balance as at 31 March 2019	**397.40**	**2855.85**	**26546.93**	**926.34**	**49212.72**	**216.36**	**25093.73**	**105249.33**
Profit for the year	-	-	-	-	-	-	32748.52	32748.52
Other comprehensive income, net of income tax	-	-	-	-	-	-	(96.19)	(96.19)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**32652.33**	**32652.33**
Transferred from retained earnings to molasses storage fund reserve	-	-	-	-	-	21.60	(21.60)	-
Withdrawal from molasses storage fund reserve	-	-	-	-	-	(97.25)	97.25	-
Transactions with owners in their capacity as owners:								
- Amount utilised for buy-back of equity shares [refer note 14(iv)]	-	-	(9900.00)	-	-	-	-	(9900.00)
- Transferred from securities premium to capital redemption reserve on buy-back of equity shares [refer note 14(iv)]	100.00	-	(100.00)	-	-	-	-	-
- Transaction costs related to buy-back of equity shares [refer note 14(iv)]	-	-	(127.76)	-	-	-	-	(127.76)
- Dividends paid	-	-	-	-	-	-	(2727.40)	(2727.40)
- Dividend distribution tax	-	-	-	-	-	-	(560.63)	(560.63)
Balance as at 31 March 2020	**497.40**	**2855.85**	**16419.17**	**926.34**	**49212.72**	**140.71**	**54533.68**	**124585.87**

The accompanying notes 1 to 51 form an integral part of these standalone financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Faridabad (Haryana)

Date : June 17, 2020

For and on behalf of the Board of Directors of Triveni Engineering & Industries Limited

Dhruv M. Sawhney
Chairman & Managing Director
Place : New Delhi

Homai A. Daruwalla
Director & Chairperson Audit Committee
Place : Mumbai

Suresh Taneja
Group CFO
Place : Delhi

Geeta Bhalla
Group Vice President & Company Secretary
Place : Delhi

Standalone Statement of Cash Flows

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-20	Year ended 31-Mar-19
Cash flows from operating activities		
Profit before tax	**42144.53**	**27209.00**
Adjustments for:		
Depreciation and amortisation expense	7489.12	5695.14
Bad debts written off - trade receivables carried at amortised cost	315.06	501.56
Bad debts written off - other financial assets carried at amortised cost	-	2.98
Impairment loss allowance on trade receivables and other financial assets (net of reversals)	546.41	(487.92)
Bad debts written off - non financial assets	17.36	69.59
Impairment loss allowance on non financial assets (net of reversals)	(8.65)	(41.53)
Provision for non moving / obsolete inventory (net of reversals)	(74.29)	97.79
Loss on sale /write off of inventory	200.44	27.03
Net fair value (gains)/losses on investments	61.77	(17.79)
Mark-to-market losses / (gains) on derivatives	2.19	(65.10)
Credit balances written back	(208.16)	(187.05)
Exceptional items - profit on disposal of investments	(282.04)	(2034.85)
Unrealised losses / (gains) from changes in foreign exchange rates	(19.69)	6.37
Loss on sale / write off / impairment of property, plant and equipment	19.86	53.31
Net (profit)/loss on sale / redemption of investments	(0.10)	0.32
Interest income	(253.30)	(377.95)
Dividend income	(356.00)	(399.03)
Finance costs	7931.70	6798.78
Working capital adjustments:		
Change in inventories	20527.06	(54072.08)
Change in trade receivables	(6597.20)	7381.97
Change in other financial assets	(4.55)	168.95
Change in other assets	(24600.10)	(10526.95)
Change in trade payables	12067.08	1056.90
Change in other financial liabilities	105.30	376.23
Change in other liabilities	2033.74	4454.27
Change in provisions	277.59	1438.17
Cash generated from / (used in) operations	**61335.13**	**(12871.89)**
Income tax (paid)/ refund (net)	(7075.51)	(4412.10)
Net cash inflow / (outflow) from operating activities	**54259.62**	**(17283.99)**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(11691.61)	(23888.08)
Proceeds from sale of property, plant and equipment	87.73	66.29
Advance given against purchase of investments	(160.00)	-
Advance received against assets held for sale	10.00	-
Purchase of investments in subsidiaries	(1990.00)	(0.30)
Proceeds from disposal of investments in associate	-	2048.57
Proceeds from sale of investment property	561.55	-
Proceeds from disposal / redemption of investments (other than subsidiaries and associate)	20.72	58.52
Loans to subsidiary and associate	(1430.00)	(347.06)
Decrease / (increase) in deposits with banks	24.79	169.84
Interest received	205.79	366.78
Dividend received	356.00	399.03
Net cash outflow from investing activities	**(14005.03)**	**(21126.41)**

Standalone Statement of Cash Flows (Contd.)

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-20	Year ended 31-Mar-19
Cash flows from financing activities		
Proceeds from long term borrowings	21354.87	45666.79
Repayment of long term borrowings	(8932.63)	(13195.09)
Increase / (decrease) in short term borrowings	(29197.08)	15893.72
Interest paid (other than on lease liabilities)	(7728.18)	(6747.85)
Payment of lease liabilities (interest portion)	(180.75)	-
Payment of lease liabilities (principal portion)	(467.59)	-
Buy-back of equity shares	(10000.00)	-
Buy-back costs	(127.76)	-
Dividend paid to Company's shareholders	(2727.40)	(1805.63)
Dividend distribution tax	(560.63)	(371.15)
Increase / (decrease) in unclaimed dividends	3.26	(1.49)
Net cash inflow / (outflow) from financing activities	**(38563.89)**	**39439.30**
Net increase / (decrease) in cash and cash equivalents	1690.70	1028.90
Cash and cash equivalents at the beginning of the year [refer note 12 (a)]	1367.60	338.70
Cash and cash equivalents at the end of the year [refer note 12 (a)]	**3058.30**	**1367.60**

Reconciliation of liabilities arising from financing activities:

	Non-current borrowings (including current maturities and deferred grant related to borrowings)	Current borrowings	Interest payable (other than on lease liabilities)	Lease liabilities	Buy-back of equity shares (including buy-back costs)	Dividend paid to Company's shareholders (including DDT)	Unpaid dividends
Balance as at 31 March 2018	**16577.74**	**107647.23**	**96.00**	**-**	**-**	**-**	**3.48**
Cash flows	32471.70	15893.72	(6747.85)	-	-	(2176.78)	(1.49)
Finance costs accruals (including interest capitalised)	-	-	6821.54	-	-	-	-
Dividend distributions (including DDT) accruals	-	-	-	-	-	2,176.78	-
Balance as at 31 March 2019	**49049.44**	**123540.95**	**169.69**	**-**	**-**	**-**	**1.99**
Cash flows	12422.24	(29197.08)	(7728.18)	(648.34)	(10127.76)	(3288.03)	3.26
Finance costs accruals (including interest capitalised)	-	-	7795.97	185.93	-	-	-
Lease liabilities accruals	-	-	-	2228.91	-	-	-
Buy-back of equity shares (including buy-back costs) accruals	-	-	-	-	10127.76	-	-
Dividend distributions (including DDT) accruals	-	-	-	-	-	3288.03	-
Balance as at 31 March 2020	**61471.68**	**94343.87**	**237.48**	**1766.50**	**-**	**-**	**5.25**

The accompanying notes 1 to 51 form an integral part of these standalone financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Faridabad (Haryana)

Date : June 17, 2020

For and on behalf of the Board of Directors of Triveni Engineering & Industries Limited

Dhruv M. Sawhney
Chairman & Managing Director
Place : New Delhi

Homai A. Daruwalla
Director & Chairperson Audit Committee
Place : Mumbai

Suresh Taneja
Group CFO
Place : Delhi

Geeta Bhalla
Group Vice President & Company Secretary
Place : Delhi

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

CORPORATE INFORMATION

Triveni Engineering & Industries Limited ("the Company") is a company limited by shares, incorporated and domiciled in India. The Company's equity shares are listed at two recognised stock exchanges in India (BSE and NSE). The registered office of the Company is located at Deoband, Distt. Saharanpur, Uttar Pradesh – 247554. The Company is engaged in diversified businesses, mainly categorised into two segments – Sugar & allied businesses and Engineering business. Sugar & allied businesses primarily comprises manufacture of sugar, co-generation of power and distillation of alcohol. Engineering business primarily comprises manufacture of high speed gears, gearboxes and providing water/waste-water treatment solutions.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation and presentation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

The financial statements have been prepared on an accrual basis under historical cost convention except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the respective accounting policies described in subsequent paragraphs.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 *Leases* (see note 1(d)), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 (see note 1(l)) or value in use in Ind AS 36 Impairment of Assets (see note 1(f)).

(iii) Classification of assets and liabilities into current/non-current

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 Schedule III to the Act. The operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

(b) Revenue recognition

Revenue from contracts with customers is recongised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Transaction price at which revenue is recognised is net of goods & services tax and amounts collected on behalf of third parties, if any and includes effect of variable consideration (viz. returns, rebates, trade allowances, credits, penalties etc.). Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance and is included in the transaction price only to the extent it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Recognising revenue from major business activities

(i) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods are transferred to the customer (i.e. satisfaction of performance obligation), generally on dispatch of

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

the goods. The Company, in its engineering business, generally provides warranties to its customers in the nature of assurance, which is considered as an obligation and provided for under Ind AS 37 *Provisions, Contingent Liabilities and Contingent Assets* (refer note 1(n)).

(ii) **Rendering of services**

The Company provides engineering services that are either sold separately or bundled together with the sale of goods to a customer.

Contracts for bundled sales of goods and engineering services are comprised of two performance obligations because the promises to transfer goods and provide engineering services are distinct and capable of being separately identifiable. Accordingly, the Company allocates the transaction price based on relative stand-alone selling prices of such goods and engineering services.

The Company recognises revenue from engineering services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. The progress towards complete satisfaction of the service is determined as follows:

- erection & commissioning / servicing revenue - based on technical estimate of completion of physical proportion of the contract work;
- operation & maintenance revenue - as the proportion of the total period of services contract that has elapsed at the end of the reporting period

(iii) **Construction contracts**

Construction contracts are analysed to determine combination of contracts and identification of performance obligations and accordingly transaction price is allocated amongst performance obligations based on stand-alone selling prices. Performance obligations, in construction contracts, generally includes construction/ turnkey related activities and operation & maintenance related activities which are satisfied over time with the customer receiving benefits from the activities being performed by the Company.

When the progress towards complete satisfaction of performance obligations of a construction contract can be estimated reliably, revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, because the customer simultaneously receives and consumes the benefits provided by the Company. Contract costs excludes costs that do not depict the Company's progress in satisfying the performance obligation.

When the outcome of performance obligations of a construction contract cannot be estimated reliably, but the Company expects to recover the costs incurred in satisfying the performance obligation, contract revenue is recognised only to the extent of the contract costs incurred until such time that it can reasonably measure the outcome of the performance obligation. Contract costs are recognised as expenses in the period in which they are incurred.

(iv) **Dividend income**

Dividend income from investments is recognised when the Company's right to receive payment has been established.

(v) **Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(c) Government grants

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

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

Government grants relating to the purchase of property, plant and equipment are deducted from its gross value and are recognised in profit or loss on a systematic and rational basis over the expected useful lives of the related assets by way of reduced depreciation.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The Government grants by way of a benefit of a Government loan at a below market rate of interest is measured as the difference the between proceeds received and the fair value of the loan based on prevailing market interest rates.

See note 43 for disclosures and treatment of government grants in financial statements.

(d) Leases

(i) As a lessee

The Company's lease assets classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use ("ROU") assets and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset (see note 1(i) below) and is also evaluated for impairment (see note 1(f) below). The lease liability is measured at amortised cost at the present value of the future lease payments. The lease term includes (a) the non-cancellable period of the lease; (b) the period covered by an option to extend the lease, if it is reasonably certain that such option shall be exercised; and (c) the period covered by an option to terminate the lease, if it is reasonably certain that such option shall not be exercised. Lease liabilities are remeasured with a corresponding adjustment to the related ROU assets if the Company changes its assessment concerning the right to exercise its option of extending or terminating the lease provided to it under the relevant arrangement.

For short-term and low value leases as mentioned above, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

(ii) As a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company has given certain portion of its office / factory premises under operating leases (refer note 44). Lease income from operating leases is recognised as income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Respective leased assets are included in the balance sheet based on their nature.

(e) Foreign currency translation

(i) Functional and presentation currency

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(ii) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates that approximates the actual rate at the date of respective transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss in the period in which they arise except for foreign exchange gains or losses on settlement or translation of foreign currency borrowings that are directly attributable to acquisition, construction or production of a qualifying asset, which are included in cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Foreign exchange gains or losses which are regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses, as the case may be.

(f) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so however that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Borrowing costs are not capitalised during extended periods in which active development of qualifying assets is suspended. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(h) Income tax

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

(i) **Current tax**

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

(ii) **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(i) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price after deducting trade discounts/rebates, government grants related to assets and including import duties and non-refundable purchase taxes, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and costs of dismantling/removing the item and restoring the site on which it was located under an obligation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

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

The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives as stated in Schedule II along with residual values of 5% except for the following:

- On the basis of technical assessment and past experience:
  - o the useful lives of mill rollers, instrumentation and control devices installed at sugar plants is considered at ten years as against prescribed life of twenty five years in respect of continuous process plant.
  - o mobile phones costing ₹ 5,000/- or more are depreciated over two years.
  - o patterns, tools, Jigs etc. are depreciated over three years.
  - o machinery spares are depreciated over a life ranging from five to ten years.
- Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

Estimated useful lives considered are as follows:

Assets	Estimated useful life
Buildings	3 - 60 years
Roads	3 - 10 years
Plant & equipment	3 - 25 years
Furniture & fixtures	10 years
Vehicles	8 - 10 years
Office equipment	2 - 5 years
Computers	3 - 6 years
Laboratory equipment	10 years
Electrical installations and equipment	10 years

Fixture and fittings and improvements to leasehold buildings not owned by the Company are amortised over the unexpired lease period or estimated useful life of such fixture, fittings and improvements, whichever is lower.

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

(j) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Investment property is measured initially at its cost, including related transaction costs and, where applicable, borrowing costs. Cost comprises purchase price after deducting trade discounts/rebates, government grants related to assets and including duties and taxes, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling/removing the item and restoring the site on which it was located under an obligation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

asset) is included in profit or loss in the period in which the property is derecognised.

Investment property being building is depreciated using the straight-line method over their estimated useful lives as stated in Schedule II at 30 years along with residual values of 5%.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(k) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Costs comprises purchase price after deducting trade discounts/rebates, government grants related to assets and including import duties and non-refundable purchase taxes, borrowing costs and any directly attributable cost of preparing the asset for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Intangible assets being computer software is amortised using straight-line method over estimated useful life of 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(l) Inventories

(i) Finished goods and work-in-progress are valued at lower of cost and net realisable value. The cost of finished goods and work-in-progress is computed on weighted average basis and includes raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. Finished goods and work-in-progress are written down if their net realisable value declines below the carrying amount of the inventories and such write downs of inventories are recognised in profit or loss. When reasons for such write downs ceases to exist, the write downs are reversed through profit or loss.

(ii) Inventories of raw materials & components, stores & spares and stock-in-trade are valued at lower of cost and net realisable value. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Write down of such inventories are recognised in profit or loss and when reasons for such write downs ceases to exist, such write downs are reversed through profit or loss. Cost of such inventories comprises of purchase price and other directly attributable costs that have been incurred in bringing the inventories to their present location and condition. By-products used as raw material are valued at transfer price linked with net realisable value. Cost for the purpose of valuation of raw materials & components, stores & spares and stock-in-trade is considered on the following basis :

Raw materials & Components

Business Units	Basis
Sugar	First in first out
Co-generation & Distillery	Weighted average
Water Business Group	Specific cost
Gears Business Group	Weighted average and Specific cost

Stores & Spares

Business Units	Basis
Water Business Group	Specific cost
Other units	Weighted average

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for the year ended March 31, 2020

Stock-in-trade

Business Units	Basis
Branded goods trading business	Weighted average
Diesel/petrol retailing business	First in first out

(iii) By-products (excluding those used as raw materials) and scrap are valued at estimated net realisable value.

(m) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets once classified as held for sale are neither depreciated nor amortised.

(n) Provisions, contingent liabilities and contingent assets

(i) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is measured at the present value of cash flows estimated to settle the present obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(ii) A contingent liability is not recognised in the financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If it becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognised in the financial statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).

(iii) A contingent asset is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the asset is no longer a contingent asset, and is recognised as an asset.

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

(o) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

Other long-term employee benefits include earned leaves and sick leaves. The liabilities for earned leaves and sick leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the market yield on government bonds at the end of the reporting period that have maturity term approximating to the estimated term of the related obligation. Remeasurements as a result of experience

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as provisions in the balance sheet.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined benefit plan

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

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such net interest cost along with the current service cost and, if applicable, the past service cost and settlement gain/loss, is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions, comprising actuarial gains/losses and return on plan assets (excluding the amount recognised in net interest on the net defined liability), are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plans

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

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

  The Company makes monthly contributions at prescribed rates towards Employees' Provident Fund/ Employees' Pension Scheme to a Fund administered and managed by the Government of India. The Company had also set up a Provident Fund Trust, to secure the provident fund dues in respect of a specific establishment of the Company. During the year, the Company has voluntarily applied for surrender of the exemption under section 17(1)(a) of Employees' Provident Fund & Miscellaneous Provisions Act, 1952 granted to the said establishment [refer note 38(1)(a)].

- Employee State Insurance

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

- Superannuation Scheme

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

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- **National Pension Scheme**
  The Company makes contributions to the National Pension Scheme fund in respect of certain employees of the Company.

(p) Dividends

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

(q) Financial assets

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

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

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

(ii) Measurement

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

Debt instruments

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

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

Equity instruments

The Company subsequently measures all equity investments at fair value, except for equity investments in subsidiaries and associates where the Company has

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for the year ended March 31, 2020

the option to either measure it at cost or fair value. The Company has opted to measure equity investments in subsidiaries and associates at cost hence investments in subsidiaries and associates are carried at cost less impairment, if any. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

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

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

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

ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. Note 41(i) details how the Company determines expected credit loss.

(iv) Derecognition of financial assets

A financial asset is derecognised only when the Company

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

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

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing

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involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(v) **Effective interest method**

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

(r) Financial liabilities and equity instruments

(i) **Classification**

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

Equity instruments

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

Financial liabilities

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

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

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

(ii) **Measurement**

Equity instruments

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

Financial liabilities

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

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

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

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as part of costs of an asset is included in the 'Finance costs' line item.

(iii) Derecognition

Equity instruments

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

Financial liabilities

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

(iv) Effective interest method

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

(v) Foreign exchange gains and losses

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

(s) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

(t) Offsetting financial instruments

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

(u) Fair value of financial instruments

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(v) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing of financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(w) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash on hand, cheques on hand, balance with banks

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on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of change in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(x) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(y) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 37 for segment information presented.

NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

(a) Critical accounting judgements

Following are the areas which involved complex and subjective judgements:

(i) Incentives under the U.P. Sugar Industry Promotion Policy, 2004

In a writ petition filed by the Company against the illegal withdrawal of U.P. Sugar Industry Promotion Policy, 2004 ("the Policy") by the State Government of Uttar Pradesh, the Hon'ble Allahabad High Court had decided the matter in favour of the Company and directed the State Government to quantify and pay all the incentives that were promised under the said Policy. The State Government however filed a Special Leave Petition before the Hon'ble Supreme Court challenging the decision of the Hon'ble High Court against it.

While the case was sub-judice, the Company continued to avail the remissions of statutory levies and duties aggregating to ₹ 4158.38 lakhs, which it was entitled to under the Policy, in accordance with the interim directions of the High Court. Based on the aforesaid decision of Hon'ble Allahabad High Court in its favour, the Company is pursuing for its claim of ₹ 11375 lakhs filed towards one time capital subsidy and shall pursue its claims towards other incentives by way of reimbursements against specified expenses aggregating to and ₹ 13015.88 lakhs, by filing necessary documents for the verification of the State Government authorities. The aforesaid amounts do not include any interest towards delayed settlement.

In view of uncertainties involved on account of the fact that the State Government has challenged the decision rendered against it and since the process of verification and quantification of claims by the State Government for the incentive period of 10 years is yet to be taken up in earnest, the Company has not recognised the above benefits/incentives receivable under the Policy.

(ii) Society commission

In the cane price package offered by the State Government of Uttar Pradesh ("State Government") to sugar mills, the State Government had reduced the rate of commission payable to cane societies

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for sugar season 2012-13 and 2014-15 by way of notification dated 12 June 2015 and for 2015-16 vide notification dated 5 February 2016, to provide relief to the Sugar Industry in view of disparity in the cane price and the market outlook of the sugar prices. In the writ petitions filed by certain cane societies against such reduction in commission rates, the Hon'ble Allahabad High Court has held that these notifications cannot have retrospective applicability. The reduction in the rate of commission payable being part of the relief package announced by the State Government, the Company believes that the State Government is not likely to pass the cost burden upon the sugar industry and instead, may explore other ways to meet the outcome of the order of the Court. Accordingly, no provision to this effect has been considered necessary.

(iii) Central Government subsidies

As a measure of relief to the sugar industry, to facilitate export and for speedy cane payments, the Central Government announced incentives to the sugar industry for the sugar season 2019-20 whereby sugar mills shall be entitled to assistance towards marketing and transportation costs related to export of sugar upto the Maximum Admissible Export Quantity (MAEQ) as determined by the Central Government and allocated to respective sugar mills. The incentives announced shall be made available to the sugar mills upon fulfilment of prescribed conditions and stipulations which mainly includes export of atleast 50% of its MAEQ of sugar. In addition, the Central Government has the power to withdraw/amend the scheme at any time, based upon its monitoring of prevailing sugar prices and review of availability position of sugar.

Upon assessment of the conditions prescribed, the Company has recognized such subsidy in respect of quantities of sugar for which substantive condition of the abovesaid scheme has been fulfilled (i.e. to the extent of sugar quantities of which export completed till the year end subject to the condition that such exports are atleast 50% of MAEQ allocated to specific sugar mill). The Company will recognise subsidy in subsequent period in respect of quantities of sugar for which export is under process as at the year end, on consideration of prudence. The estimated amount of subsidy in respect of such sugar in the process of export as at 31 March 2020 is ₹ 5765.66 lakhs.

(b) Key sources of estimation uncertainty

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

(i) Global health pandemic from COVID-I9

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. During the period of lockdown, the main business of the Company i.e. Sugar Business, comprising manufacture of sugar and allied activities of cogeneration of power and distillation of ethanol, being essential goods, continued to operate uninterruptedly. However, the engineering businesses were closed for about 3-5 weeks during the lockdown period but these have resumed normal operation by the second week of May'2020. The Company has evaluated the impact of this pandemic on its business operations and financial position using internal and external sources of information, including economic forecasts and estimates from market sources, and based on its review of current indicators of future economic conditions, there is no significant impact on carrying amount of the assets due to impairment and on its financial results for the year ended 31 March 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different in future from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

(ii) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. When the fair values of these assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques by engaging third party qualified external valuers or internal valuation

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team to perform the valuation. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 4, 6, 9 and 42 for further disclosures.

(iii) Employee benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the market yields on government bonds with a maturity term that is consistent with the term of the concerned defined benefit obligation. Future salary increases are based on expected future inflation rates and expected salary trends in the industry. Attrition rates are considered based on past observable data of employees leaving the services of the Company. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. See note 38 for further disclosures.

(iv) Impairment of trade receivables

The Company has a stringent policy of ascertaining impairment, if any, as result of detailed scrutiny of major cases and through determining expected credit losses. Despite best estimates and periodic credit appraisals of customers, the Company's receivables are exposed to delinquency risks due to material adverse changes in business, financial or economic conditions that are expected to cause a significant change to the party's ability to meet its obligations. All such parameters relating to impairment or potential impairment are reviewed at each reporting date. See note 41(i) for further disclosures.

(v) Revenue and cost estimation for construction contracts

The revenue recognition pertaining to construction contracts are determined on proportionate completion method based on actual construction contract costs incurred till balance sheet date and total budgeted construction contract costs. An estimation of total budgeted construction contract cost involves making various assumptions that may differ from the actual developments in the future. These include delays in execution due to unforeseen reasons, inflation rate, future material rates, future labour rates etc. The estimates/assumptions are made considering past experience, market/inflation trends and technological developments etc. All such estimates/ assumptions are reviewed at each reporting date.

(vi) Provision for warranty claims

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

(vii) Provision for litigations and contingencies

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

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

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

(ix) Current taxes and deferred taxes

Significant judgement is required in determination of taxability of certain incomes and deductibility of certain expenses during the estimation of the provision for income taxes.

Deferred tax assets are recognised for deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that taxable profit would be available against which such deferred tax assets could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax optimisation strategies.

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	Property, plant and equipment											
	Freehold Land	Leasehold Land	Right-of-use assets (Land)	Buildings & Roads	Right-of-use assets (Building)	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total	Capital work-in-progress
Year ended 31 March 2019												
Gross carrying amount												
Opening gross carrying amount	3567.74	760.24	-	20107.02	-	73836.77	276.26	974.62	334.39	449.71	100306.75	1061.06
Additions	-	23.00	-	590.28	-	4142.09	25.09	362.32	55.15	116.70	5314.63	21167.76
Disposals	-	-	-	(14.58)	-	(97.25)	(1.17)	(97.86)	(7.86)	(4.88)	(223.60)	-
Transfers *	-	-	-	-	-	-	-	-	-	-	-	(1695.24)
Closing gross carrying amount	**3567.74**	**783.24**	**-**	**20682.72**	**-**	**77881.61**	**300.18**	**1239.08**	**381.68**	**561.53**	**105397.78**	**20533.58**
Accumulated depreciation and impairment												
Opening accumulated depreciation and impairment	-	13.92	-	2060.03	-	14019.58	137.91	301.33	121.53	195.46	16849.76	56.31
Depreciation charge during the year	-	4.64	-	768.90	-	4580.78	30.59	137.39	37.75	99.95	5660.00	-
Disposals	-	-	-	(2.36)	-	(26.80)	(0.85)	(66.40)	(5.79)	(1.78)	(103.98)	-
Closing accumulated depreciation and impairment	**-**	**18.56**	**-**	**2826.57**	**-**	**18573.56**	**167.65**	**372.32**	**153.49**	**293.63**	**22405.78**	**56.31**
Net carrying amount	**3567.74**	**764.68**	**-**	**17856.15**	**-**	**59308.05**	**132.53**	**866.76**	**228.19**	**267.90**	**82992.00**	**20477.27**
Year ended 31 March 2020												
Gross carrying amount												
Opening gross carrying amount	3567.74	783.24	-	20682.72	-	77881.61	300.18	1239.08	381.68	561.53	105397.78	20533.58
Opening reclassifications/ recognitions (refer note 44 & 49)	-	(349.66)	353.14	-	2232.26	-	-	-	-	-	2235.74	-
Additions	-	1553.17	-	1796.77	25.81	25516.05	111.27	236.15	243.18	249.56	29731.96	5546.87
Disposals	-	-	-	(10.09)	(68.28)	(156.91)	(1.81)	(97.96)	(12.78)	(11.25)	(359.08)	(33.21)
Transfers *	-	-	-	-	-	-	-	-	-	-	-	(23408.30)
Other adjustments	-	-	-	-	-	-	-	-	(0.48)	0.48	-	-
Closing gross carrying amount	**3567.74**	**1986.75**	**353.14**	**22469.40**	**2189.79**	**103240.75**	**409.64**	**1377.27**	**611.60**	**800.32**	**137006.40**	**2638.94**
Accumulated depreciation and impairment												
Opening accumulated depreciation and impairment	-	18.56	-	2826.57	-	18573.56	167.65	372.32	153.49	293.63	22405.78	56.31
Opening reclassifications/ recognitions (refer note 44 & 49)	-	(18.56)	18.56	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	-	5.40	984.32	626.64	5463.49	31.07	154.66	58.71	134.49	7458.78	-
Disposals	-	-	-	(1.76)	(68.28)	(96.37)	(1.37)	(67.93)	(9.83)	(5.96)	(251.50)	(33.21)
Other adjustments	-	-	-	-	-	-	-	-	(0.62)	0.62	-	-
Closing accumulated depreciation and impairment	**-**	**-**	**23.96**	**3809.13**	**558.36**	**23940.68**	**197.35**	**459.05**	**201.75**	**422.78**	**29613.06**	**23.10**
Net carrying amount	**3567.74**	**1986.75**	**329.18**	**18660.27**	**1631.43**	**79300.07**	**212.29**	**918.22**	**409.85**	**377.54**	**107393.34**	**2615.84**

* Represents amount capitalised during the year under property, plant and equipment out of capital work-in-progress.

Notes:

(i) Leasehold land

This comprises certain land acquired under agreements on perpetual lease terms from the Government and accordingly, classified and accounted for under Ind AS 16 Property, Plant and Equipment. Under the terms of the perpetual lease agreements, the Company has the right to sublet/ sub-lease/ assign/ transfer such land except in case of one perpetual lease relating to a small parcel of land where prior approval of the specified authority is required in case sub-lease/ assignment/ transfer relates to a part of such land demised under the lease. A parcel of leasehold land with original lease term of ninety years, which till previous year was classified as finance lease in accordance with criteria specified in previous accounting standard on leases i.e. Ind AS 17 Leases, has been recognised as Right-of-use assets during the current year consequent to the introduction of new accounting standard on leases i.e. Ind AS 116 Leases (refer note 44 and 49).

(ii) Restrictions on Property, plant and equipment

Refer note 16(i) & 20(i) for information on charges created on property, plant and equipment. Further, freehold land includes land having carrying amount of ₹ 13.13 lakhs for which transfer of titles in the name of the Company is pending.

(iii) Contractual commitments

Refer note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Capital work-in-progress

Capital work-in-progress mainly comprises of plant & equipment (viz. Pollution control equipment, Boiling house equipment etc.) under the process of installation pertaining to Distillery & Sugar business of the Company.

(v) Impairment loss

The impairment loss in Capital work-in-progress relates to expenditure incurred on construction of residential buildings at certain factories, which were under progress till financial year 2011-12. However, the said project was subsequently discontinued and the entire expenditure incurred was recognised as an impairment loss in the statement of profit and loss during the financial year 2015-16 considering no possible future economic benefits flowing from the project.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 4: INVESTMENT PROPERTY

	Year ended 31-Mar-20	Year ended 31-Mar-19
Gross carrying amount		
Opening gross carrying amount	821.14	821.14
Additions	-	-
Disposals	(279.51)	-
Classified as held for sale (refer note 13)	(3.05)	-
Closing gross carrying amount	**538.58**	**821.14**
Accumulated depreciation and impairment		
Opening accumulated depreciation	-	-
Depreciation charge/impairment losses	-	-
Closing accumulated depreciation and impairment	**-**	**-**
Net carrying amount	**538.58**	**821.14**

(i) Description about investment properties

Investment properties consist of :

(a) various parcels of freehold land located in the states of Uttar Pradesh.

(b) an office flat owned by the Company having carrying amount of ₹ 0.12 lakhs, constructed by a Society on a leasehold land at Mumbai.

(ii) Amount recognised in statement of profit and loss

	Year ended 31-Mar-20	Year ended 31-Mar-19
Rental income from office flat at Mumbai	15.24	14.16
Direct operating expenses on property that generated rental income	-	-
Direct operating expenses on property that did not generate rental income	(10.11)	(10.14)
Profit from investment properties before depreciation	**5.13**	**4.02**
Depreciation	-	-
Profit from investment properties	**5.13**	**4.02**

(iii) Restrictions on realisability and contractual obligations

Though the transfer of titles in the name of the Company is pending in respect of freehold land having carrying amount of ₹ 101.96 lakhs, the Company has no restrictions on the realisability of any of its investment properties and it is under no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iv) Fair value

	As at 31-Mar-20	As at 31-Mar-19
Investment properties		
- Land at Digrauli, District Saharanpur, Uttar Pradesh	*	*
- Land at Bhopura, District Baghpat, Uttar Pradesh	*	*
- Land at Dibai, District Bulandshahar, Uttar Pradesh	*	*
- Office flat at Mumbai	503.88	503.88

*The parcels of land owned by the Company are situated in the sugar belts of Uttar Pradesh. In view of slowdown in real estate and industrial activities, the circle rates may not be fully reflective of the fair value in the absence of transactions of similar properties (including size) in the vicinity of the subject properties.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Estimation of fair value of office flat at Mumbai

The valuation of the office flat situated at Mumbai has been carried by a registered approved valuer, conversant with and having knowledge of real estate activities in the concerned area, based on prevalent rates and other observable market inputs (Level 2 fair value).

NOTE 5: INTANGIBLE ASSETS

	Computer software
Year ended 31 March 2019	
Gross carrying amount	
Opening gross carrying amount	240.19
Additions	47.01
Disposals	(0.02)
Closing gross carrying amount	**287.18**
Accumulated amortisation	
Opening accumulated amortisation	204.35
Amortisation charge for the year	35.14
Disposals	(0.02)
Closing accumulated amortisation	**239.47**
Closing net carrying amount	**47.71**
Year ended 31 March 2020	
Gross carrying amount	
Opening gross carrying amount	287.18
Additions	77.24
Disposals	-
Closing gross carrying amount	**364.42**
Accumulated amortisation	
Opening accumulated amortisation	239.47
Amortisation charge for the year	31.83
Disposals	-
Closing accumulated amortisation	**271.30**
Closing net carrying amount	**93.12**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 6: INVESTMENTS

(a) Investments in subsidiaries and associates

	As at 31-Mar-20	As at 31-Mar-19
At Cost		
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Associate		
70,627,980 (31 March 2019: 70,627,980) Equity shares of ₹ 1/- each of Triveni Turbine Limited	706.35	706.35
Total aggregate quoted investments	**706.35**	**706.35**
Unquoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Subsidiaries		
26,500,000 (31 March 2019: 26,500,000) Equity shares of ₹ 1/- each of Triveni Engineering Limited	265.00	265.00
38,500,000 (31 March 2019: 38,500,000) Equity shares of ₹ 1/- each of Triveni Energy Systems Limited	385.00	385.00
20,500,000 (31 March 2019: 500,000) Equity shares of ₹ 1/- each of Triveni Sugar Limited	205.00	5.00
45,500,000 (31 March 2019: 21,500,000) Equity shares of ₹ 1/- each of Svastida Projects Limited	455.00	215.00
4,170,000 (31 March 2019: 4,170,000) Equity shares of ₹ 10/- each of Triveni Entertainment Limited	404.02	404.02
20,050,000 (31 March 2019: 50,000) Equity shares of ₹ 1/- each of Triveni Industries Limited	200.50	0.50
135,030,000 (31 March 2019: 30,000) Equity shares of ₹ 1/- each of Mathura Wastewater Management Private Limited	1350.30	0.30
- of Associate		
13,008 (31 March 2019: 13,008) Equity shares of New Israeli Shekel 0.10 each of Aqwise Wise Water Technologies Limited (Israel)	3006.19	3006.19
Total aggregate unquoted investments	**6271.01**	**4281.01**
Total investments in subsidiaries and associates	**6977.36**	**4987.36**
Total investments in subsidiaries and associates	**6977.36**	**4987.36**
Aggregate amount of quoted investments	706.35	706.35
Aggregate amount of market value of quoted investment	41317.37	76136.96
Aggregate amount of unquoted investments	6271.01	4281.01
Aggregate amount of impairment in the value of investments	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

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

Name of Subsidiaries / Associates	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
		As at 31-Mar-20	As at 31-Mar-19
Subsidiaries			
Triveni Engineering Limited	India	100%	100%
Triveni Energy Systems Limited	India	100%	100%
Svastida Projects Limited	India	100%	100%
Triveni Entertainment Limited	India	100%	100%
Triveni Industries Limited	India	100%	100%
Triveni Sugar Limited	India	100%	100%
Mathura Wastewater Management Private Limited	India	100%	100%
Associates			
Triveni Turbine Limited	India	21.85%	21.85%
Aqwise Wise Water Technologies Limited	Israel	25.04%	25.04%

(b) Non-current investments

	As at 31-Mar-20	As at 31-Mar-19
At Amortised cost		
Unquoted Investments		
Investments in Government or trust securities		
National Saving Certificates (kept as security)	0.03	0.03
Total non-current investments carried at amortised cost [A]	**0.03**	**0.03**
At Fair value through Profit or Loss (FVTPL) (refer note 42)		
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
13,500 (31 March 2019: 13,500) Equity shares of ₹ 2/- each of Housing Development Finance Corporation Limited	220.47	265.71
5,000 (31 March 2019: 2,500) Equity shares of ₹ 1/- (31 March 2019: ₹ 2/-) each of HDFC Bank Limited	43.09	57.97
24,175 (31 March 2019: 24,175) Equity shares of ₹ 2/- each of Punjab National Bank	7.82	23.09
76 (31 March 2019: 76) Equity shares of ₹ 10/- each of Central Bank of India	0.01	0.03
3,642 (31 March 2019: 3,642) Equity shares of ₹ 5/- each of NBI Industrial Finance Co. Limited	51.38	37.88
Total aggregate quoted investments	**322.77**	**384.68**
Unquoted Investments (fully paid-up)		
Investments in Bonds		
Nil (31 March 2019: 2) 8.90% bonds of ₹ 10 lakhs each of UCO Bank	-	19.94
1 (31 March 2019: 1) 8.57% bonds of ₹ 10 lakhs each of Central Bank of India	10.67	10.53
Total Aggregate unquoted investments	**10.67**	**30.47**
Total non-current investments carried at FVTPL [B]	**333.44**	**415.15**
Total non-current investments ([A]+[B])	**333.47**	**415.18**
Total non-current investments	**333.47**	**415.18**
Aggregate amount of quoted investments	322.77	384.68
Aggregate amount of market value of quoted investment	322.77	384.68
Aggregate amount of unquoted investments	10.70	30.50
Aggregate amount of impairment in the value of investments	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 7: TRADE RECEIVABLES

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non- current	Current	Non- current
Trade receivables (at amortised cost)				
- Considered good - Unsecured	29649.44	29.73	23850.30	59.77
- Trade receivables which have significant increase in credit risk	-	614.57	16.67	731.34
- Trade receivables - Credit impaired	-	1039.11	15.39	378.84
Less: Allowance for bad and doubtful debts	(147.65)	(1653.68)	(144.74)	(1110.18)
Total trade receivables	**29501.79**	**29.73**	**23737.62**	**59.77**

(i) Refer note 41(i) for credit risk, impairment of trade receivables under expected credit loss model and other related disclosures.

NOTE 8: LOANS

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non- current	Current	Non- current
At amortised cost				
Loan to related parties (refer note 39)				
- Loans receivables considered good - Unsecured	291.53	1510.00	267.06	80.00
Loan to employees				
- Loans receivables considered good - Unsecured	45.86	1.82	45.59	1.35
Loan to others				
- Loans receivables considered good - Unsecured	0.57	-	0.29	-
- Loans receivables - Credit impaired	-	44.53	-	44.53
Less: Allowance for bad and doubtful loans	-	(44.53)	-	(44.53)
	0.57	**-**	**0.29**	**-**
Total loans	**337.96**	**1511.82**	**312.94**	**81.35**

(i) Loan to related parties includes loan of ₹ 1510 lakhs (31 March 2019: ₹ 80 lakhs) provided to a wholly owned subsidiary company, Mathura Wastewater Management Private Limited (MWMPL), as part of promoter's contribution in terms of the term lender's stipulations for financing a project to be executed by MWMPL and loan of ₹ 291.53 lakhs (31 March 2019: ₹ 267.06 lakhs) provided to an Israeli based associate company, Aqwise Wise Water Technologies Limited, for meeting its working capital requirements.

NOTE 9: OTHER FINANCIAL ASSETS

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non- current	Current	Non- current
At amortised cost				
Security deposits (see (i) below)	45.65	639.92	44.66	595.49
Earnest money deposits	51.73	2.00	13.90	2.00
Less: Allowance for bad and doubtful deposits	(0.15)	-	(0.15)	-
	51.58	**2.00**	**13.75**	**2.00**
Bank balances:				
Earmarked balances with banks:				
- Deposit against molasses storage fund (refer note 15(vi))	-	195.89	-	260.52
Balances under lien/margin/kept as security:				
- Post office savings account	-	0.19	-	0.19

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non- current	Current	Non- current
- Fixed / margin deposits	-	73.82	-	93.39
Other balances:				
- Fixed deposits	-	4.20	-	4.20
	-	**274.10**	**-**	**358.30**
Accrued interest	52.94	1.90	25.76	1.08
Insurance claim recoverable	54.79	-	42.62	-
Miscellaneous other financial assets	3.12	14.90	7.73	14.90
Less: Allowance for bad and doubtful assets	-	(14.90)	-	(14.90)
	3.12	**-**	**7.73**	**-**
Total other financial assets at amortised cost [A]	**208.08**	**917.92**	**134.52**	**956.87**
At fair value through Profit or Loss (FVTPL) (refer note 42)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps	-	-	71.72	-
Total other financial assets at FVTPL [B]	**-**	**-**	**71.72**	**-**
Total other financial assets ([A]+[B])	**208.08**	**917.92**	**206.24**	**956.87**

(i) Investment of ₹ 79.72 lakhs (31 March 2019: ₹ 65.48 lakhs) in equity shares of Atria Wind Power (Bijapur1) Private Limited, under group captive arrangement to secure power, has been considered as security deposit in accordance with applicable accounting standards.

NOTE 10: OTHER ASSETS

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non- current	Current	Non- current
Capital advances	-	238.25	-	342.00
Advances to suppliers	1084.87	18.06	780.88	18.06
Less: Allowance for bad and doubtful advances	(54.89)	(18.06)	(54.00)	(18.06)
	1029.98	**-**	**726.88**	**-**
Advances to related parties (refer note 39)	1.16	-	2.13	-
Indirect tax and duties recoverable	2105.96	309.76	2534.37	339.37
Less: Allowance for bad and doubtful amounts	(13.82)	(1.46)	(13.82)	(1.46)
	2092.14	**308.30**	**2520.55**	**337.91**
Deposit with sales tax authorities	142.73	6.55	131.35	43.55
Less: Allowance for bad and doubtful deposits	-	-	-	(37.00)
	142.73	**6.55**	**131.35**	**6.55**
Bank guarantee encashment recoverable	-	200.00	-	200.00
Less: Allowance for bad and doubtful claims	-	(200.00)	-	(200.00)
	-	**-**	**-**	**-**
Export incentives receivable	28.73	-	17.56	-
Less: Allowance for bad and doubtful claims	(7.46)	-	(4.21)	-
	21.27	**-**	**13.35**	**-**
Government grant receivables (refer note 43)	23513.85	-	693.07	-
Advances to employees	30.55	1.45	22.31	1.45

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-20		As at 31-Mar-19	
	Current	**Non- current**	**Current**	**Non- current**
Prepaid expenses	727.72	44.88	646.90	84.01
Due from customers under construction contracts [refer (ii) below]	7251.03	-	8294.60	-
Unbilled revenue [refer (ii) below]	144.30	-	174.08	-
Customer retentions [refer (i) and (ii) below]	8784.88	-	5903.51	-
Less: Allowance for bad and doubtful debts	(61.66)	-	(36.75)	-
	8723.22	**-**	**5866.76**	**-**
Miscellaneous other assets	73.19	121.98	52.40	137.19
Less: Allowance for bad and doubtful assets	-	(20.90)	-	(21.60)
	73.19	**101.08**	**52.40**	**115.59**
Total other assets	**43751.14**	**700.51**	**19144.38**	**887.51**

(i) Customer retentions include ₹ 6017.73 lakhs (31 March 2019 : ₹ 2703.45 lakhs) expected to be received after twelve months within the operating cycle.

(ii) Contract balances

	As at 31-Mar-20	**As at 31-Mar-19**
Contract assets		
- Amounts due from customers under construction contracts	7251.03	8294.60
- Unbilled revenue	144.30	174.08
- Customer retentions	8723.22	5866.76
Contract liabilities		
- Amounts due to customers under construction contracts	5873.72	2612.71
- Advance from customers	5330.66	7399.77

(a) Contract assets are initially recognised for revenue earned as receipt of consideration is conditional on successful achievement of milestones. Upon achievement of milestones contract assets are reclassified to trade receivables. A trade receivable represents the Company's right to an amount of consideration that is billed on the customer and which become due unconditionally (i.e. only the passage of time is required before payment of the consideration is due). Different businesses of the Company have their different credit terms [refer note 41 (i)].

Contract costs incurred to date plus recognised profits less recognised losses is compared with the progress billings raised on the customer - any surplus is considered as contract assets and shown as amounts due from customers under construction contracts, whereas any shortfall is considered as contract liabilities and shown as the amounts due to customers under construction contracts. Amounts of revenue earned for work performed pending billing on customers is considered as contract assets and shown as unbilled revenue. Amounts billed for work performed which will become due upon fulfillment of specified conditions is considered as contract assets and shown as customer retentions. Amounts received before the related work is performed is considered as contract liabilities and is shown as advances from customers.

(b) Significant changes in contract assets and liabilities:

Decrease in contract assets (Due from customers under construction contracts) is mainly attributable to sewage treatment projects in the municipal segment, where substantial work was performed by the Company during the last year against which bills were raised on the customer during the current year upon achievement of contractual milestones.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Increase in contract assets (customer retentions) is mainly attributable to wastewater/sewage treatment projects in the industrial/municipal segment which were started during last year, where significant billing is done during the current year with the progress in project work but will become due upon fulfillment of specified conditions.

Increase in contract liabilities (Amount due to customers under construction contracts) is mainly attributable to wastewater/sewage treatment projects in the industrial/municipal segment, where major billing done based on achievement of contractual milestones is in excess of revenue recognised in accordance with Ind AS 115 *Revenue from Contracts with Customers*.

Decrease in contract liabilities (Advances from Customers) is mainly attributable to adjustment of mobilsation advances against billings under water/ waste-water treatment projects.

(c) Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	Year ended 31-Mar-20	Year ended 31-Mar-19
Revenue recognised that was included in the contract liability balance at the beginning of the period	5832.92	3921.98
Revenue recognised from performance obligations satisfied in previous periods	-	-

NOTE 11: INVENTORIES

	As at 31-Mar-20	As at 31-Mar-19
Raw materials and components	2988.14	2144.99
Less: Provision for obsolescence/slow moving raw materials and components	(129.71)	(197.24)
Work-in-progress	3406.72	4247.69
Finished goods [including stock in transit ₹ 686.69 lakhs as at 31 March 2020 (31 March 2019: ₹ 1379.99 lakhs)]	180701.02	201739.45
Stock in trade	28.41	31.65
Stores and spares [including stock in transit ₹ 1.49 lakhs as at 31 March 2020 (31 March 2019: ₹ 10.93 lakhs)]	4389.51	4131.83
Less: Provision for obsolescence/slow moving stores and spares	(278.14)	(284.90)
Others - Scrap & low value patterns	106.74	52.43
Total inventories	**191212.69**	**211865.90**

(i) The cost of inventories recognised as an expense during the year was ₹ 373266.32 lakhs (31 March 2019: ₹ 261964.60 lakhs)

(ii) Refer note 20(i) for information on charges created on inventories.

(iii) The mode of valuation of inventories has been stated in note 1(l).

(iv) All inventories are expected to be utilised/sold within twelve months except certain items of stores and spares, which are utilised on need basis. Quantum of such stores and spares, which may be utilised beyond one year, is not determinable and is not expected to be material with reference to the total value of inventories.

(v) For impairment losses recognised during the year refer note 25 & 33.

(vi) In addition to the cost of inventories recognised as expense as mentioned in (i) above, there are reversal of write-downs of inventories to net realisable value amounting to ₹ 143.12 lakhs (net of write-downs of ₹ 226.42 lakhs) [31 March 2019: write-downs of ₹ 6983.97 lakhs (net of reversal of write-downs of ₹ 620.83 lakhs)] which are also recognised as an expense/income during the year and included in 'Changes in inventories of finished goods, stock-in-trade and work-in-progress' in statement of profit and loss. Reversal of write-downs are consequent to improved market conditions.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 12: CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at 31-Mar-20	As at 31-Mar-19
At amortised cost		
Balances with banks	2969.52	1125.28
Cheques / drafts on hand	60.93	210.27
Cash on hand	27.85	32.05
Total cash and cash equivalents	**3058.30**	**1367.60**

(b) Bank balances other than cash and cash equivalents

	As at 31-Mar-20	As at 31-Mar-19
At amortised cost		
Earmarked balances with banks:		
- unpaid dividend and preference share redemption accounts	5.27	2.00
Balances under lien/margin/kept as security:		
- in fixed/margin deposits	70.58	12.04
Other balances:		
- in fixed deposits	5.00	4.13
Total bank balances other than cash and cash equivalents	**80.85**	**18.17**

NOTE 13: ASSETS CLASSIFIED AS HELD FOR SALE

	As at 31-Mar-20	As at 31-Mar-19
Freehold land	3.05	-
Total assets classified as held for sale	**3.05**	**-**

The above represents carrying value of land situated in Gujarat intended to be disposed of by the Company. The Company has entered into an agreement to sell such land and has also received advance of ₹ 10 lakhs (refer note 19) in terms of such agreement to sell. The Company expects to transfer the title of such land in the near future. The asset does not form part of any segment assets. No impairment loss was recognised on reclassification of the land as held for sale (refer note 4) as the contractual sale price of such land is higher than the carrying amount.

NOTE 14: SHARE CAPITAL

	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 1 each	50,00,00,000	5000.00	50,00,00,000	5000.00
Preference shares of ₹ 10 each	2,00,00,000	2000.00	2,00,00,000	2000.00
		7000.00		**7000.00**
Issued				
Equity shares of ₹ 1 each	24,79,53,110	2479.53	25,79,53,110	2579.53
Subscribed and Paid Up				
Equity shares of ₹ 1 each, fully paid up	24,79,45,110	2479.45	25,79,45,110	2579.45
Add: Paid up value of equity shares of ₹ 1 each forfeited	8,000	0.02	8,000	0.02
		2479.47		**2579.47**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Movements in equity share capital

	Number of shares	Amount
As at 31 March 2018	25,79,45,110	2579.45
Movement during the year	-	-
As at 31 March 2019	**25,79,45,110**	**2579.45**
Extinguishment of shares upon buy-back (see (iv) below)	(1,00,00,000)	(100.00)
As at 31 March 2020	**24,79,45,110**	**2479.45**

(ii) Terms and rights attached to equity shares

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

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

(iii) Details of shareholders holding more than 5% shares in the Company

	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	% holding	Number of shares	% holding
Dhruv M. Sawhney	3,86,50,774	15.59	4,01,30,756	15.55
Rati Sawhney	1,79,35,928	7.23	1,86,19,164	7.22
STFL Trading and Finance Private Limited	7,96,31,128	32.12	8,26,96,056	32.06
Nikhil Sawhney	1,47,17,033	5.94	1,52,77,653	5.92
Tarun Sawhney	1,41,56,123	5.71	1,46,95,375	5.70

(iv) Buy-back of equity shares

During the year, the Company has completed buy-back of 1,00,00,000 equity shares of ₹ 1/- each (representing 3.88% of total pre buy-back paid up equity share capital of the Company) from the shareholders of the Company on a proportionate basis, through the tender offer route under the Securities and Exchange Board of India (Buy-back of Securities), Regulations 2018, at a price of ₹ 100 per equity share for an aggregate amount of ₹ 10000 lakhs. Accordingly, the Company has extinguished 1,00,00,000 fully paid up equity shares of ₹ 1 each (in dematerialized form) and the fully paid up equity share capital of the Company (post extinguishment) is 24,79,45,110 shares of ₹ 1/- each. The Company has funded the buy-back (including transaction costs incurred in relation thereto) from its securities premium. In accordance with section 69 of the Companies Act, 2013, the Company has transferred an amount of ₹ 100 lakhs to capital redemption reserve which is equal to the nominal value of the shares bought back, as an appropriation from securities premium.

NOTE 15: OTHER EQUITY

	As at 31-Mar-20	As at 31-Mar-19
Capital redemption reserve	497.40	397.40
Capital reserve	2855.85	2855.85
Securities premium	16419.17	26546.93
Amalgamation reserve	926.34	926.34
General reserve	49212.72	49212.72
Molasses storage fund reserve	140.71	216.36
Retained earnings	54533.68	25093.73
Total other equity	**124585.87**	**105249.33**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Capital redemption reserve

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	397.40	397.40
Transferred from securities premium on buy-back of equity shares [refer note 14(iv)]	100.00	-
Closing balance	**497.40**	**397.40**

Capital redemption reserve upto 31 March 2019 was created consequent to redemption of preference share capital, as required under the provisions of the Companies Act, 1956. Consequent to the buy-back of equity shares during the year, the Company has recognised capital redemption reserve from its securities premium at an amount equal to the nominal amount of equity shares bought back. This reserve shall be utilised in accordance with the provisions of Companies Act, 2013.

(ii) Capital reserve

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	2855.85	2855.85
Movement during the year	-	-
Closing balance	**2855.85**	**2855.85**

Capital reserve majorly comprises reserve created consequent to business combination in earlier years, in accordance with the accounting standards then prevailing.

(iii) Securities premium

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	26546.93	26546.93
Amount utilised for buy-back of equity shares [refer note 14(iv)]	(9900.00)	-
Transferred to capital redemption reserve on buy-back of equity shares [refer note 14(iv)]	(100.00)	-
Transaction costs related to buy-back of equity shares [refer note 14(iv)]	(127.76)	-
Closing balance	**16419.17**	**26546.93**

Securities premium is used to record the premium received on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013. During the year, the Company has utilised securities premium for buy-back of its equity shares [refer note 14(iv)].

(iv) Amalgamation reserve

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	926.34	926.34
Movement during the year	-	-
Closing balance	**926.34**	**926.34**

Amalgamation reserve was created consequent to business combinations in past in accordance with the accounting standards then prevailing.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(v) General reserve

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	49212.72	49212.72
Movement during the year	-	-
Closing balance	**49212.72**	**49212.72**

General reserve represents amount kept by the Company out of its profits for future purposes. It is not earmarked for any specific purpose.

(vi) Molasses storage fund reserve

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	216.36	196.28
Amount transferred from retained earnings	21.60	35.76
Amount transferred to retained earnings	(97.25)	(15.68)
Closing balance	**140.71**	**216.36**

Molasses storage fund reserve is created and maintained under the provisions of the Uttar Pradesh Sheera Niyantran Adhiniyam, 1964 (U.P. Act No. XXIV of 1964) and is to be utilised for the provision and maintenance of adequate storage facilities for molasses. Fixed deposit of ₹ 195.89 lakhs (31 March 2019: ₹ 260.52 lakhs) is earmarked against molasses storage fund (refer note 9).

(vii) Retained earnings

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	25093.73	5371.58
Net profit for the year	32748.52	22056.35
Other comprehensive income arising from the remeasurement of defined benefit obligation net of income tax	(96.19)	(137.34)
Withdrawn from molasses storage fund reserve	97.25	15.68
Transfer to molasses storage fund reserve	(21.60)	(35.76)
Dividends paid	(2727.40)	(1805.63)
Dividend distribution tax	(560.63)	(371.15)
Closing balance	**54533.68**	**25093.73**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

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

(b) Details of dividend distributions made:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Cash dividends on equity shares declared and paid:		
Interim dividend for the year ended 31 March 2020: 110% (₹ 1.10 per equity share of ₹ 1/- each) [31 March 2019: 70% (₹ 0.70 per equity share of ₹ 1/- each)]	2727.40	1805.63
Dividend distribution tax on interim dividend	560.63	371.15
Total cash dividends on equity shares declared and paid	**3288.03**	**2176.78**

NOTE 16: NON-CURRENT BORROWINGS

	As at 31-Mar-20		As at 31-Mar-19	
	Current maturities	Non-current	Current maturities	Non-current
Secured- at amortised cost				
Term loans				
- from banks	8127.90	22284.07	3425.87	9211.82
- from other parties	6178.82	22075.57	4118.38	28137.72
	14306.72	**44359.64**	**7544.25**	**37349.54**
Less: Amount disclosed under the head “Other financial liabilities- current” (refer note 17)	(14306.72)	-	(7544.25)	-
Total non-current borrowings	**-**	**44359.64**	**-**	**37349.54**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 16: NON-CURRENT BORROWINGS (CONTD.)

(i) Details of long term borrowings of the Company

	Amount outstanding as at		Effective interest rate	Coupon rate	Number of instalments		Terms of Repayment	Nature of Security
	31-Mar-20	31-Mar-19			31-Mar-20	31-Mar-19		
Secured- at amortised cost Term loans from banks (₹ loans)								
1 RBL Bank Limited *	7673.59	4975.00	The effective interest rate as on 31.03.2020 range between 8.65% to 9.98% per annum.	At MCLR plus applicable spread. The interest rate as on 31.03.2020 range between 8.60% to 9.55% per annum.	16	16	Equal quarterly installments from September 2020 to June 2024	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company and second pari-passu charge on current assets of the Company.
2 Central Bank of India*	4978.97	3990.00			16	16	Equal quarterly installments from September 2020 to June 2024	
3 Punjab National Bank *	4996.91	-			16	N/A	Equal quarterly installments from September 2020 to June 2024	
4 RBL Bank Limited	-	527.03			Nil	1	-	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

		Amount outstanding as at		Effective interest rate	Coupon rate	Number of instalments		Terms of Repayment	Nature of Security
		31-Mar-20	31-Mar-19			31-Mar-20	31-Mar-19		
5	Central Bank of India	-	1102.28			Nil	8	-	Secured by first pari-passu charge on current assets, third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
6	Axis Bank	-	157.53			Nil	1	-	Secured by second pari-passu charge on current assets, third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
7	Central Bank of India	-	249.25			Nil	2	-	Secured by first pari-passu charge on the fixed assets of the Company
8	Punjab National Bank (Soft loan) *	12485.48	-			24	N/A	Equal monthly installments from July 2020 to June 2022.	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company and second pari-passu charge on current assets of the Company.
9	Axis Bank (Vehicle loan)	221.72	305.09	Ranging from 8.30% to 9.99% p.a.	At fixed rates ranging from 8.30% to 9.99% p.a.	1 to 56	3 to 50	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
10	PNB Bank (Vehicle loan)	18.10	23.75						
11	Yes Bank (Vehicle loan)	37.20	55.78						
		30411.97	**11385.71**						

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Amount outstanding as at		Effective interest rate	Coupon rate	Number of instalments		Terms of Repayment	Nature of Security
	31-Mar-20	31-Mar-19			31-Mar-20	31-Mar-19		
Term loans from banks (US$ loans)								
1 RBL Bank Limited (FCTL)	-	1251.98	8.50% p.a.	At USD 6M Libor +1.95% p.a.	Nil	2	-	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
	-	**1251.98**						
Total term loans from banks	**30411.97**	**12637.69**						
Term loans from other parties (₹ loans)								
1 Daimler Financial Services Pvt. Ltd. (Vehicle loan)	119.71	11.75	Ranging from 6.86% p.a. to 8.91% p.a.	At fixed rates ranging from 6.86% p.a. to 8.91% p.a.	4 to 22	16	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
2 Govt. of Uttar Pradesh through RBL Bank Ltd. under SEFASU 2018*	28134.68	32244.35	10% p.a.	5% p.a.	51	60	Equal monthly installments from July 2019 to June 2024	Secured by first pari-passu charge on the fixed assets of the Company
Total term loans from other parties	**28254.39**	**32256.10**						
Total loans	**58666.36**	**44893.79**						

*Loans with interest subvention or below market rate under various schemes of the Government, refer note 43.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 17: OTHER FINANCIAL LIABILITIES

	As at 31-Mar-20		As at 31-Mar-19	
	Current	**Non-current**	**Current**	**Non-current**
At amortised cost				
Current maturities of long-term borrowings (refer note 16)	14306.72	-	7544.25	-
Accrued interest	208.80	-	26.30	-
Capital creditors	1894.29	-	1979.37	-
Employee benefits & other dues payable	2725.94	-	2653.96	-
Lease liabilities	544.87	1221.63	-	-
Security deposits (see (i) below)	391.14	-	396.42	-
Unpaid dividends (see (ii) below)	5.25	-	1.99	-
Total other financial liabilities at amortised cost [A]	**20077.01**	**1221.63**	**12602.29**	**-**
At fair value through Profit or Loss (FVTPL) (refer note 42)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps	2.19	-	6.61	-
Total other financial liabilities at FVTPL [B]	**2.19**	**-**	**6.61**	**-**
Total other financial liabilities ([A]+[B])	**20079.20**	**1221.63**	**12608.90**	**-**

(i) Security deposits as at 31 March 2020 include ₹ 314 lakhs (31 March 2019 : ₹ 332 lakhs) deposits from sugar selling agents which are interest bearing subject to fulfillment of terms and conditions. These deposits are repayable on cessation of contractual arrangements. Interest payable is normally settled annually.

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

NOTE 18: PROVISIONS

	As at 31-Mar-20		As at 31-Mar-19	
	Current	**Non-current**	**Current**	**Non-current**
Provision for employee benefits				
Gratuity (refer note 38)	333.28	3794.78	313.88	3432.15
Compensated absences	509.39	998.56	487.93	891.54
Other Provisions				
Warranty	1855.08	-	1307.65	-
Cost to completion	385.76	-	1024.47	-
Arbitration/Court case claims	99.44	-	93.23	-
Total provisions	**3182.95**	**4793.34**	**3227.16**	**4323.69**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Information about individual provisions and significant estimates

(a) Warranty

The Company provides warranties on certain products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements based on best estimate considering the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The timing of the outflows is expected to be within a period of two years.

(b) Cost to completion

The provision represents costs of materials and services required for integration of water treatment package at the site (the revenue of which has been fully recognised), prior to commissioning.

(c) Arbitration / Court-case Claims

Represents the provision made towards certain claims awarded against the Company in legal proceedings which have been challenged by the Company before appropriate authorities. The timing of the outflows is uncertain.

(ii) Movement in provisions

Movement in each class of provision are set out below:

	Year ended 31-Mar-20			Year ended 31-Mar-19		
	Warranty	Cost to completion	Arbitration/ Court case claims	Warranty	Cost to completion	Arbitration/ Court case claims
Balance at the beginning of the year	1307.65	1024.47	93.23	838.49	314.29	254.19
Additional provisions recognised	577.53	299.65	6.21	507.29	924.47	8.37
Amounts used during the year	(16.84)	(838.36)	-	(28.94)	(204.29)	(169.33)
Unused amounts reversed during the year	(13.26)	(100.00)	-	(9.19)	(10.00)	-
Balance at the end of the year	**1855.08**	**385.76**	**99.44**	**1307.65**	**1024.47**	**93.23**

NOTE 19: OTHER LIABILITIES

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non-current	Current	Non-current
Revenue received in advance				
Deferred revenue arising from government grant related to assets (refer note 43)	-	141.45	-	141.45
Deferred revenue arising from government grant related to income (refer note 43)	1125.25	1680.07	1350.33	2805.32
Amount due to customers under construction contracts [refer note 10(ii)]	5873.72	-	2612.71	-
Other advances				
Advance from customers	5330.66	-	7399.77	-
Advance against assets classified as held for sale (refer note 13)	10.00	-	-	-
Others				
Statutory remittances	2766.19	-	2109.36	-
Miscellaneous other payables	250.13	-	71.86	-
Total other liabilities	**15355.95**	**1821.52**	**13544.03**	**2946.77**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 20: CURRENT BORROWINGS

	As at 31-Mar-20	As at 31-Mar-19
Secured- at amortised cost		
Repayable on demand		
- Cash credits/working capital demand loans/soft loans from banks (see (i) below)	94343.87	123540.95
Total current borrowings	**94343.87**	**123540.95**

(i) Above loans are secured by pledge/hypothecation of the stock-in-trade, raw material, stores and spare parts, work-in-progress and trade receivables and second charge created/to be created on the properties of all the Engineering units & immovable property at New Delhi and third charge on the properties of Sugar, Co-Generation and Distillery units of the Company on pari-passu basis. Working capital demand loans as at 31 March 2019 includes a loan of ₹ 5000 lakhs (repaid in full during the current year), which was secured by sub-servient charge on the current assets of the Company by way of hypothecation. Interest rates on the above loans outstanding as at the year end majorly ranges between 7.75% to 9.00% (weighted average interest rate : 8.45% p.a.). Above loans include a loan of ₹ 18500 lakhs availed during the current year with interest subvention @ 7% for one year by Government of India under the scheme for soft loans to sugar mills, refer note 43.

NOTE 21: TRADE PAYABLES

	As at 31-Mar-20	As at 31-Mar-19
Trade payables (at amortised cost)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 47)	6.73	92.00
- Total outstanding dues of creditors other than micro enterprises and small enterprises	75633.30	63669.21
Total trade payables	**75640.03**	**63761.21**

NOTE 22: INCOME TAX BALANCES

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non-current	Current	Non-current
Income tax assets				
Tax refund receivable (net)	-	4336.79	-	5006.62
	-	**4336.79**	**-**	**5006.62**
Income tax liabilities				
Provision for income tax (net)	789.84	-	1015.91	-
	789.84	**-**	**1015.91**	**-**

NOTE 23: DEFERRED TAX BALANCES

	As at 31-Mar-20	As at 31-Mar-19
Deferred tax assets	8319.33	13064.96
Deferred tax liabilities	(13268.36)	(16303.63)
Net deferred tax assets/(liabilities)	**(4949.03)**	**(3238.67)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Movement in deferred tax balances

For the year ended 31 March 2020

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/(liabilities)				
Deferred tax assets				
Difference in carrying values of investment property	278.52	(87.66)	-	190.86
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	1955.90	(343.67)	51.67	1663.90
- Statutory taxes and duties	231.39	(50.96)	-	180.43
- Other contractual provisions	863.87	(138.45)	-	725.42
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	660.93	(68.26)	-	592.67
Other temporary differences	56.77	(16.06)	-	40.71
Unused tax credits	9017.58	(4092.24)	-	4925.34
	13064.96	**(4797.30)**	**51.67**	**8319.33**
Deferred tax liabilities				
Difference in carrying values of property, plant & equipment and intangible assets	(16303.63)	3035.27	-	(13268.36)
	(16303.63)	**3035.27**	**-**	**(13268.36)**
Net deferred tax assets/(liabilities)	**(3238.67)**	**(1762.03)**	**51.67**	**(4949.03)**

For the year ended 31 March 2019

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/(liabilities)				
Deferred tax assets				
Difference in carrying values of investment property	265.09	13.43	-	278.52
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	1585.43	296.70	73.77	1955.90
- Statutory taxes and duties	184.70	46.69	-	231.39
- Other contractual provisions	437.63	426.24	-	863.87
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	811.77	(150.84)	-	660.93
Other temporary differences	3.16	53.61	-	56.77

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Unused tax credits	9069.28	(51.70)	-	9017.58
	12357.06	**634.13**	**73.77**	**13064.96**
Deferred tax liabilities				
Difference in carrying values of property, plant & equipment and intangible assets	(16528.82)	225.19	-	(16303.63)
	(16528.82)	**225.19**	**-**	**(16303.63)**
Net deferred tax assets/(liabilities)	**(4171.76)**	**859.32**	**73.77**	**(3238.67)**

(ii) Unrecognised deductible temporary differences, unused tax losses and unused tax credits:

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

	As at 31-Mar-20	As at 31-Mar-19
Tax effect on unused tax losses (long term capital loss) (see table below for expiry)	12.79	12.91
Net deferred tax assets/(liabilities)	**12.79**	**12.91**
Expiry profile of unrecognised unused tax losses		
Unused tax losses shall expire on -		
(i) Long term capital loss		
March 31, 2020	-	0.57
March 31, 2021	11.77	11.77
March 31, 2028	0.45	-
(ii) Short term capital loss		
March 31, 2025	0.23	0.23
March 31, 2026	0.34	0.34
	12.79	**12.91**

NOTE 24 : REVENUE FROM OPERATIONS

	Year ended 31-Mar-20	Year ended 31-Mar-19
Sale of products [refer note 37(vii)]		
Finished goods	388704.38	289621.96
Stock-in-trade	1859.51	1864.51
Sale of services		
Erection and commissioning	4.66	67.38
Servicing	194.66	226.96
Operation and maintenance	2978.25	3346.53
Construction contract revenue	24707.01	19794.35
Other operating revenue		
Subsidy from Central Government (refer note 43)	23472.11	89.63
Income from sale of renewable energy certificates	254.00	11.50
Income from scrap	182.60	133.52
Total revenue from operations	**442357.18**	**315156.34**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Unsatisfied long-term construction contracts:

The transaction price allocated to all contracts (viz. water/wastewater treatment and turnkey projects relating to steam turbine) that are partially or fully unsatisfied as at reporting date alongwith expected period of its revenue recognition, are as follows:

	As at 31-Mar-20#	As at 31-Mar-19#
Within one year	25562.44	32369.71
More than one year	20296.04	41098.75
Total	**45858.48**	**73468.46**

#As permitted under Ind AS 115, all contracts having original expected duration of one year or less or which are billed based on time incurred are not disclosed.

(ii) Reconciliation of revenue recognised with contract price:

	As at 31-Mar-20	As at 31-Mar-19
Contract price	442444.29	315227.18
Adjustments for Discounts/ Commissions to Customers	(87.11)	(70.84)
Total revenue from operations	**442357.18**	**315156.34**

NOTE 25: OTHER INCOME

	Year ended 31-Mar-20	Year ended 31-Mar-19
Interest income		
Interest income from financial assets carried at amortised cost	237.97	140.78
Interest income from investments carried at FVTPL	2.60	5.45
Interest income from others	12.73	231.72
	253.30	**377.95**
Dividend income		
Dividend income from equity investments	356.00	399.03
	356.00	**399.03**
Other non-operating income (net of expenses directly attributable to such income)		
Rental income [refer note 4(ii)]	45.11	38.11
Subsidy from U.P. Government (refer note 43)	-	3088.25
Subsidy from Central Government (refer note 43)	1224.58	1326.25
Miscellaneous income	1165.91	1012.81
	2435.60	**5465.42**
Other gains/(losses)		
Net fair value gains/(losses) on investments	(61.77)	17.79
Net gains/(losses) on derivatives	(14.16)	262.08
Net foreign exchange rate fluctuation gains	78.36	-
Credit balances written back	208.16	187.05
Net profit/(loss) on sale / redemption of investments	0.10	(0.32)
Net reversal of impairment loss allowance on contract assets (refer note 10)	-	2.22

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-20	Year ended 31-Mar-19
Net reversal of impairment loss allowance on other non financial assets (includes amounts written off ₹ 17.36 lakhs) (refer note 10)	16.20	-
Net reversal of provision for non moving / obsolete inventory (refer note 11)	74.29	-
Provision for cost to completion reversed (net) (refer note 18)	638.71	-
Excess provision of expenses reversed	21.91	52.49
	961.80	**521.31**
Total other income	**4006.70**	**6763.71**

NOTE 26: COST OF MATERIALS CONSUMED

	Year ended 31-Mar-20	Year ended 31-Mar-19
Stock at the beginning of the year	2144.99	2698.80
Add: Purchases	301919.31	274636.53
Less: Amount capitalised (included in the cost of property, plant and equipment)	(8.34)	-
Less: Stock at the end of the year	(2988.14)	(2144.99)
Total cost of materials consumed (refer note 43)	**301067.82**	**275190.34**

NOTE 27: PURCHASES OF STOCK-IN-TRADE

	Year ended 31-Mar-20	Year ended 31-Mar-19
Petroleum goods	2210.00	1897.17
Other consumer goods	19.42	27.65
Total purchases of stock-in-trade	**2229.42**	**1924.82**

NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	Year ended 31-Mar-20	Year ended 31-Mar-19
Inventories at the beginning of the year:		
Finished goods	201739.45	148847.59
Stock-in-trade	31.65	31.47
Work-in-progress	4247.69	3157.30
Certified emission reduction	-	0.77
Total inventories at the beginning of the year	**206018.79**	**152037.13**
Inventories at the end of the year:		
Finished goods	180701.02	201739.45
Stock-in-trade	28.41	31.65
Work-in-progress	3406.72	4247.69
Total inventories at the end of the year	**184136.15**	**206018.79**
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**21882.64**	**(53981.66)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 29: EMPLOYEE BENEFITS EXPENSE

	Year ended 31-Mar-20	Year ended 31-Mar-19
Salaries and wages	22464.36	19822.30
Contribution to provident and other funds (refer note 38)	2376.68	1976.77
Staff welfare expenses	704.57	638.37
	25545.61	**22437.44**
Less: Amount capitalised (included in the cost of property, plant and equipment)	(47.81)	(50.79)
Total employee benefits expense	**25497.80**	**22386.65**

NOTE 30: FINANCE COSTS

	Year ended 31-Mar-20	Year ended 31-Mar-19
Interest costs		
- Interest on loans with interest subvention (refer note 43)	1132.33	6.46
- Interest on loans with below-market rate of interest (refer note 43)	1696.46	627.72
- Interest on other borrowings	4859.23	5875.38
- Interest on lease liabilities	185.93	-
- Other interest expense	94.66	171.58
Total interest expense on financial liabilities not classified as at FVTPL	**7968.61**	**6681.14**
Less : Amount capitalised (included in the cost of property, plant and equipment)	(50.20)	(22.75)
	7918.41	**6658.39**
Exchange differences regarded as an adjustment to borrowing costs	5.17	119.16
Other borrowing costs		
- Loan monitoring and administration charges	8.12	21.23
Total finance costs	**7931.70**	**6798.78**

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31-Mar-20	Year ended 31-Mar-19
Depreciation of property, plant and equipment (refer note 3)	7458.78	5660.00
Amortisation of intangible assets (refer note 5)	31.83	35.14
	7490.61	**5695.14**
Less: Amount capitalised (included in the cost of property, plant and equipment)	(1.49)	-
Total depreciation and amortisation expense	**7489.12**	**5695.14**

NOTE 32: IMPAIRMENT LOSS ON FINANCIAL ASSETS (INCLUDING REVERSALS OF IMPAIRMENT LOSSES)

	Year ended 31-Mar-20	Year ended 31-Mar-19
Bad debts written off - trade receivables carried at amortised cost	315.06	501.56
Bad debts written off - other financial assets carried at amortised cost	-	2.98
Impairment loss allowance on trade receivables (net of reversals) (refer note 7)	546.41	(486.92)
Impairment loss allowance on other financial assets carried at amortised cost (net of reversals) (refer note 8 & 9)	-	(1.00)
Total impairment loss on financial assets (including reversals of impairment losses)	**861.47**	**16.62**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 33: OTHER EXPENSES

	Year ended 31-Mar-20	Year ended 31-Mar-19
Stores and spares consumed	3520.40	3296.07
Power and fuel	1575.37	1754.03
Design and engineering charges	71.49	64.17
Cane development expenses	164.34	132.06
Machining/fabrication expenses	86.84	108.15
Erection and commissioning expenses	855.68	380.01
Civil construction charges	4644.92	6076.17
Packing and stacking expenses	4007.31	4539.00
Repairs and maintenance		
- Machinery	4815.68	4346.47
- Building	728.34	412.72
- Others	345.37	321.59
Factory/operational expenses	2648.81	2509.51
Travelling and conveyance	1412.89	1334.70
Rent expense [refer note 44]	164.72	709.68
Rates and taxes	336.46	428.37
Insurance	467.73	339.83
Directors' fee	68.65	56.10
Directors' commission	72.50	45.00
Legal and professional expenses	1025.33	1042.72
Security service expenses	1549.45	1275.24
Net impairment loss allowance on contract assets (refer note 10)	24.91	-
Net impairment loss allowance on other non financial assets (31 March 2019: includes amounts written off ₹ 69.59 lakhs) (refer note 10)	-	30.28
Net foreign exchange rate fluctuation losses	-	241.72
Warranty expenses [includes provision for warranty (net) ₹ 564.27 lakhs (31 March 2019: ₹ 498.10 lakhs) (refer note 18)]	596.44	500.16
Liquidated damages charges	7.42	16.33
Provision for Arbitration/Court case claims (refer note 18)	6.21	8.37
Provision for cost to completion on construction contracts (net) (refer note 18)	-	710.18
Payment to Auditors (see (i) below)	73.34	63.42
Corporate social responsibility expenses (see (ii) below)	141.20	-
Provision for non moving / obsolete inventory (refer note 11)	-	97.79
Loss on sale /write off of inventory	200.44	27.03
Loss on sale / write off / impairment of property, plant and equipment	19.86	53.31
Loss under MIEQ obligation (third party exports)	-	3760.87
Selling commission	878.53	793.28

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-20	Year ended 31-Mar-19
Royalty	269.65	296.52
Advertisement and sales promotion	41.05	32.05
Outward freight and forwarding (refer note 43)	4685.85	1175.52
Other selling expenses	260.90	253.49
Miscellaneous expenses	1842.45	1575.23
Less: Amount capitalised (included in the cost of property, plant and equipment)	(69.11)	(91.93)
Total other expenses	**37541.42**	**38715.21**

(i) Detail of payment to auditors

	Statutory Auditors		Cost Auditors	
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
Audit fee	46.30	41.00	4.48	3.82
Limited review fee	16.95	15.00	-	-
Other services (Certification) *	1.80	0.50	0.65	0.46
Reimbursement of expenses	2.78	2.54	0.38	0.10
Total payment to auditors	**67.83**	**59.04**	**5.51**	**4.38**

*This amount is exclusive of ₹ 3 lakhs paid to the statutory auditors towards certificates in connection with buy-back of shares. The same has been adjusted against securities premium, as these are transaction costs pertaining to buy-back [refer note 14(iv)].

(ii) Corporate Social Responsibility (CSR)

(a) The Company has incurred CSR expenses mainly towards promoting education and sports, ensuring environmental sustainability and rural development which are specified in Schedule VII of the Companies Act, 2013.

(b) Detail of CSR expenses:

	Year ended 31-Mar-20	Year ended 31-Mar-19
(a) Gross amount required to be spent during the year	135.32	-
(b) Amount spent during the year		
In cash		
(i) Construction/acquisition of any asset	-	-
(ii) On purchases other than (i) above	109.69	-
Yet to be paid in cash		
(i) Construction/acquisition of any asset	-	-
(ii) On purchases other than (i) above	31.51	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 34: EXCEPTIONAL ITEMS

	Year ended 31-Mar-20	Year ended 31-Mar-19
Profit on sale of land to wholly-owned subsidiary companies	282.04	-
Profit on disposal of investment in equity shares of an associate company under buy-back scheme	-	2034.85
Total exceptional items	**282.04**	**2034.85**

NOTE 35: INCOME TAX EXPENSE

(i) Income tax recognised in profit or loss

	Year ended 31-Mar-20	Year ended 31-Mar-19
Current tax		
In respect of the current year	7644.44	6004.41
In respect of earlier years	(10.46)	7.56
Total current tax expense	**7633.98**	**6011.97**
Deferred tax		
In respect of current year origination and reversal of temporary differences*	1762.03	(859.32)
Total deferred tax expense	**1762.03**	**(859.32)**
Total income tax expense recognised in profit or loss	**9396.01**	**5152.65**

* includes utilisation of MAT credit of ₹ 4092.24 lakhs (31 March 2019: ₹ 51.70 lakhs).

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

	Year ended 31-Mar-20	Year ended 31-Mar-19
Profit before tax	42144.53	27209.00
Income tax expense calculated at 34.944% (including surcharge and education cess) (2018-19: 34.944%)	14726.99	9507.90
Effect of changes in tax rate #	(4059.47)	-
Effect of income that is exempt from taxation	(222.96)	(143.50)
Effect of income that is taxable at lower rates	1.94	(713.00)
Effect of expenses that are non-deductible in determining taxable profit	172.18	118.13
Effect of tax incentives and concessions	(1568.41)	(3239.76)
Effect of changes in tax base of assets not considered in profit or loss (net of reversal of temporary differences)	285.79	(13.42)
Effect of recognition of deferred tax assets/liabilities due to changes in estimates	70.41	(371.26)
Effect of changes in estimates related to prior years	(10.46)	7.56
Total income tax expense recognised in profit or loss	**9396.01**	**5152.65**

#Upon review of alternatives available to the Company, the current tax charge has been arrived at without opting for the lower tax rate and attendant conditions prescribed under section 115BAA of the Income Tax Act, 1961, as introduced by The Taxation Laws (Amendment) Act, 2019. Based upon the assessment carried out by the Company as to when it expects to opt for the lower tax rate, the Company has remeasured its deferred tax liabilities in accordance with Ind AS 12 Income Taxes, using the dual tax rates as presently enacted and as a consequence, the deferred tax charge for the year is lower by ₹ 4059.47 lakhs.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Income tax recognised in other comprehensive income

	Year ended 31-Mar-20	Year ended 31-Mar-19
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	(51.67)	(73.77)
Total income tax expense recognised in other comprehensive income	**(51.67)**	**(73.77)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(51.67)	(73.77)
Items that may be reclassified to profit or loss	-	-
Total income tax expense recognised in other comprehensive income	**(51.67)**	**(73.77)**

NOTE 36: EARNINGS PER SHARE

	Year ended 31-Mar-20	Year ended 31-Mar-19
Profit for the year attributable to owners of the Company [A]	32748.52	22056.35
Weighted average number of equity shares for the purposes of basic EPS/ diluted EPS [B]	25,16,33,635	25,79,45,110
Basic earnings per share (face value of ₹ 1 per share) [A/B]	13.01	8.55
Diluted earnings per share (face value of ₹ 1 per share) [A/B]	13.01	8.55

NOTE 37: SEGMENT INFORMATION

(i) Description of segments and principal activities

The operating segments are classified under two major businesses which the Company is engaged in, and are briefly described as under:

Sugar & Allied Business

(a) **Sugar :** The Company is a manufacturer of white crystal sugar, having seven manufacturing plants situated in the states of Uttar Pradesh. The sugar is sold to wholesalers and industrial users. The Company sells the surplus molasses and bagasse, which are produced as by-products in the manufacturing of sugar, after meeting its captive requirements. The Company also sells the surplus power incidentally produced at three of its sugar units.

(b) **Co-generation :** This segment uses captively produced bagasse, generated as a by-product in the manufacture of sugar, as a feed stock and apart from meeting the power and steam requirements of the associated sugar units, also exports power to the state grid. It has installed capacity of 68 MW spread over Khatauli and Deoband sugar mills.

(c) **Distillery :** The Company with its two distilleries having total capacity of 320 kilo-litres per day located at Muzaffarnagar, Uttar Pradesh and Sabitgarh, Uttar Pradesh, uses captive molasses produced in manufacture of sugar as the principal raw material in production of various categories of alcohol.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Engineering Business

(a) **Gears:** This business segment is focused on all high speed and niche low speed products - supply of new equipment as well as providing replacement solutions to power sector as well as other industrial segments, having its manufacturing facility located at Mysore, Karnataka.

(b) **Water/Wastewater treatment:** The business segment operates from Noida, Uttar Pradesh and provides engineered to order process equipment and comprehensive solutions in the water and wastewater management.

The 'Other Operations' mainly include selling of own manufactured sugar and trading of jaggery, under the Company's brand name and retailing of diesel/petrol through a Company operated fuel station. It also operate a turnkey project relating to steam turbines which was awarded to it pursuant to bids tendered prior to demerger of business of steam turbine.

The above reportable segments have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments.

There are no geographical segments as the volume of exports is not significant and the major turnover of the Company takes place indigenously. There is no major reliance on a few customers or suppliers.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Segment revenue and segment profit

	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
REVENUE																				
From external customers	346822.28	240910.84	4160.58	8600.61	39095.34	21366.53	390078.20	270877.98	15360.28	13282.02	29280.91	24911.10	44641.19	38193.12	7637.79	6085.24	-	-	442357.18	315156.34
From inter-segments sales	38988.69	12189.04	14146.53	11678.29	21.31	31.40	53156.53	23898.73	61.86	26.45	6.50	3.40	68.36	29.85	433.16	114.71	(53658.05)	(24043.29)	-	-
Total revenue from operations	**385810.97**	**253099.88**	**18307.11**	**20278.90**	**39116.65**	**21397.93**	**443234.73**	**294776.71**	**15422.14**	**13308.47**	**29287.41**	**24914.50**	**44709.55**	**38222.97**	**8070.95**	**6199.95**	**(53658.05)**	**(24043.29)**	**442357.18**	**315156.34**
RESULT																				
Segment Profit/(loss)	30253.20	7920.66	5323.85	9111.49	11054.94	13271.11	46631.99	30303.26	4853.53	3814.28	1349.12	733.12	6202.65	4547.40	(47.09)	6.30	-	-	52787.55	34856.96
Unallocated expenses (Net)																			(3246.66)	(3261.98)
Finance cost																			(7931.70)	(6798.78)
Interest income																			253.30	377.95
Exceptional items																			282.04	2034.85
Profit before tax																			42144.53	27209.00
Current tax																			(7633.98)	(6011.97)
Deferred tax																			(1762.03)	859.32
Profit for the year																			32748.52	22056.35

- The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 1.
- Inter-Segment transfers are priced based on competitive market prices or determined to yield a desired margin or agreed on a negotiated basis.
- Segment profit is the Segment revenue less Segment expenses. Segment revenue/expenses includes all revenues/expenses that are attributable to the segments.
- Dividend income, finance income, finance costs, fair value gains & losses on certain financial assets/liabilities, current tax/deferred tax charge are not allocated to individual segments as since these are managed on Company basis.

(iii) Segment assets and liabilities

	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
ASSETS																				
Segment assets	274043.50	275499.22	14268.80	13564.45	40520.38	29303.58	328832.68	318367.25	11089.69	14353.03	35127.12	28518.82	46216.81	42871.85	2020.70	1928.51	-	-	377070.19	363167.61
Unallocated assets																			16532.15	10218.02
Total assets	**274043.50**	**275499.22**	**14268.80**	**13564.45**	**40520.38**	**29303.58**	**328832.68**	**318367.25**	**11089.69**	**14353.03**	**35127.12**	**28518.82**	**46216.81**	**42871.85**	**2020.70**	**1928.51**	**-**	**-**	**393602.34**	**373385.63**
LIABILITIES																				
Segment liabilities	76131.94	63351.86	427.02	430.52	2305.85	2261.06	78864.81	66043.44	2436.49	3159.88	20458.92	19571.06	22895.41	22730.94	1435.81	1444.75	-	-	103196.03	90219.13
Unallocated liabilities																			163340.97	175337.70
Total liabilities	**76131.94**	**63351.86**	**427.02**	**430.52**	**2305.85**	**2261.06**	**78864.81**	**66043.44**	**2436.49**	**3159.88**	**20458.92**	**19571.06**	**22895.41**	**22730.94**	**1435.81**	**1444.75**	**-**	**-**	**266537.00**	**265556.83**

- The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 1.
- All assets are allocated to reportable segments other than investments, loans, current/deferred tax assets and certain financial assets. Segment assets include all assets that are attributable to the segments.
- All liabilities are allocated to reportable segments other than borrowings, current and deferred tax liabilities and certain financial liabilities. Segment liabilities include all liabilities that are attributable to the segments.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(iv) Other segment information

	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
Amount considered in segment results																				
Depreciation and amortisation	3919.17	3364.47	695.96	696.87	1317.93	510.41	5933.06	4571.75	811.91	832.35	191.13	177.43	1003.04	1009.78	19.09	4.78	-	-	6955.19	5586.31
Unallocated depreciation and amortisation																			533.93	108.83
Total depreciation and amortisation	**3919.17**	**3364.47**	**695.96**	**696.87**	**1317.93**	**510.41**	**5933.06**	**4571.75**	**811.91**	**832.35**	**191.13**	**177.43**	**1003.04**	**1009.78**	**19.09**	**4.78**	**-**	**-**	**7489.12**	**5695.14**
Non cash items (other than depreciation and amortisation)	(42.16)	56.47	0.01	295.02	113.89	0.95	71.74	352.44	191.23	8.56	550.14	(64.68)	741.37	(56.12)	(0.12)	0.91	-	-	812.99	297.23
Unallocated non cash items (other than depreciation and amortisation)																			39.14	(109.74)
Total non cash items (other than depreciation and amortisation)	**(42.16)**	**56.47**	**0.01**	**295.02**	**113.89**	**0.95**	**71.74**	**352.44**	**191.23**	**8.56**	**550.14**	**(64.68)**	**741.37**	**(56.12)**	**(0.12)**	**0.91**	**-**	**-**	**852.13**	**187.49**
Amounts not considered in segment results																				
Interest expense	6785.00	6263.60	25.07	25.40	622.43	40.97	7432.50	6329.97	31.33	112.51	352.10	231.48	383.43	343.99	0.98	0.02	-	-	7816.91	6673.98
Unallocated interest expense																			114.79	124.80
Total interest expense	**6785.00**	**6263.60**	**25.07**	**25.40**	**622.43**	**40.97**	**7432.50**	**6329.97**	**31.33**	**112.51**	**352.10**	**231.48**	**383.43**	**343.99**	**0.98**	**0.02**	**-**	**-**	**7931.70**	**6798.78**
Interest income	50.91	40.38	3.79	3.89	4.36	2.40	59.06	46.67	12.14	3.18	14.12	32.95	26.26	36.13	-	-	-	-	85.32	82.80
Unallocated interest income																			167.98	295.15
Total interest income	**50.91**	**40.38**	**3.79**	**3.89**	**4.36**	**2.40**	**59.06**	**46.67**	**12.14**	**3.18**	**14.12**	**32.95**	**26.26**	**36.13**	**-**	**-**	**-**	**-**	**253.30**	**377.95**
Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated exceptional items																			282.04	2034.85
Total exceptional items	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**282.04**	**2034.85**
Capital expenditure	4116.13	5249.11	66.13	28.49	4914.10	18889.71	9096.36	24167.31	307.03	202.33	195.46	186.44	502.49	388.77	33.30	108.72	-	-	9632.15	24664.80
Unallocated capital expenditure																			2289.81	169.36
Total Capital expenditure	**4116.13**	**5249.11**	**66.13**	**28.49**	**4914.10**	**18889.71**	**9096.36**	**24167.31**	**307.03**	**202.33**	**195.46**	**186.44**	**502.49**	**388.77**	**33.30**	**108.72**	**-**	**-**	**11921.96**	**24834.16**

Notes to the Standalone Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

(v) Break-up of revenue by geographical area

	Year ended 31-Mar-20	Year ended 31-Mar-19
India (country of domicile)	438908.01	314009.28
Foreign countries	3449.17	1147.06
	442357.18	**315156.34**

(vi) Non-current assets by geographical area

All non current assets of the Company are located in India except investment of ₹ 3006.19 lakhs in an Associate company located in Israel.

(vii) Break-up of revenue from major products and services

	Timing of revenue recognition	Year ended 31-Mar-20	Year ended 31-Mar-19
Sale of products			
Finished goods			
- Sugar	At a point in time	323525.14	238497.07
- Molasses	At a point in time	505.73	167.53
- Bagasse	At a point in time	3324.20	3816.77
- Power	At a point in time	5415.62	10930.79
- Alcohol	At a point in time	38977.88	21288.41
- Mechanical equipment - Water/Waste-water	At a point in time	1540.60	1667.81
- Gears/Gear Boxes (including spares)	At a point in time	15027.23	12926.45
- Others	At a point in time	387.98	327.13
		388704.38	**289621.96**
Stock in trade			
- Petroleum goods (Diesel/Petrol/Lubricants)	At a point in time	1841.41	1835.57
- Other consumer goods	At a point in time	18.10	28.94
		1859.51	**1864.51**
		390563.89	**291486.47**
Sale of services			
Erection and commissioning	Over time	4.66	67.38
Servicing	Over time	194.66	226.96
Operation and maintenance	Over time	2978.25	3346.53
		3177.57	**3640.87**
Construction contract revenue			
Water, Waste-water and Sewage treatment	Over time	24625.52	19788.71
Power generation and evacuation system	Over time	81.49	5.64
		24707.01	**19794.35**
Other operating revenue			
Subsidy from Central Government	At a point in time	23472.11	89.63
Income from sale of renewable energy certificates	At a point in time	254.00	11.50
Income from scrap	At a point in time	182.60	133.52
		23908.71	**234.65**

(viii) Information about major customers

There is no single customer who has contributed 10% or more to the Company's revenue in either of the years ended 31 March 2020 and 31 March 2019.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 38: EMPLOYEE BENEFIT PLANS

(i) Defined contribution plans

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

Provident Fund Plan & Employee Pension Scheme: The Company makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme administered and managed by the Government of India. The Company had also set up a Provident Fund Trust, to secure the provident fund dues in respect of a specific establishment of the Company. During the year, the Company has voluntarily applied for surrender of the exemption under section 17(1)(a) of Employees' Provident Fund & Miscellaneous Provisions Act, 1952 granted to the said establishment. Pursuant to the directions subsequently received from the Regional Provident Fund Commissioner, Meerut (RPFC) to comply as an unexempted establishment, the Company has started depositing provident fund contributions in relation to such establishment with the RPFC w.e.f. 1 November 2019 (i.e. contributions pertaining to the salary payable for the month of October 2019) and has also initiated the process of transferring the accumulated balances standing to the credit of all the members of the said Provident Fund Trust into their respective member accounts to be maintained in future under the Employee Provident Fund Scheme administered and managed by the Government of India. The Company is committed to ensure that all such accumulated balances of the members are credited with the interest calculated at the applicable rate announced by the Government of India till the date of settlement. Any shortfall arising to the Trust (after considering amounts receivable on account of disposal/realisation/transfer of investments held by it) in meeting such obligation, shall be met by the Company. The Company has accordingly, during the year, provided for an amount of ₹ 189.50 lakhs on an estimate basis (included in contribution to provident and other funds shown under employee benefits expense), towards meeting such shortfall, which has mainly arisen due to diminution in the value of bonds issued by certain private sector non-banking financial companies in view of their delinquencies/defaults.

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

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

National Pension Scheme: The Company makes contributions to the National Pension Scheme fund in respect of certain employees of the Company.

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

	Year ended 31-Mar-20	Year ended 31-Mar-19
Employers' contribution to Employees' Provident Fund *	1227.20	1125.53
Administration and other expenses relating to above *	31.41	22.64
Employers' contribution to Employees' State Insurance Scheme	8.80	13.60
Employers' contribution to Superannuation Scheme	127.50	120.86
Employers' contribution to National Pension Scheme	43.56	29.59

*includes employers' contribution to Employees' Provident Fund of ₹ 179.27 lakhs (31 March 2019: ₹ 352.89 lakhs) and related administration and other expenses of ₹ 4.19 lakhs (31 March 2019: ₹ 8.44 lakhs) towards Provident Fund Trust set up to secure the provident fund dues in respect of a specific establishment of the Company [see (i)(a) above].

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Defined benefit plan (Gratuity)

(a) The Company operates a defined benefit retirement plan under which the Company pays certain defined benefit by way of gratuity to its employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/ termination of employment or upon death of an employee, based on the respective employees' salary and years of employment with the Company.

(b) **Risk exposure**

The plan typically exposes the Company to number of actuarial risks, the most significant of which are detailed below:

Investment risk: The plan liabilities are calculated using a discount rate set with references to government bond yields as at end of reporting period; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The investments in plan assets are made in accordance with pattern of investment prescribed by central government and ensures that the funds are invested in a balanced mix of investments comprising central government securities, state government securities, other debt instruments as well as equity instruments. Most of the plan investments is in fixed income securities with high grades and in government securities. The Company has a risk management strategy which defines exposure limits and acceptable credit risk rating.

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

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

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

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

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

	Valuation as at	
	31-Mar-20	**31-Mar-19**
Discounting rate	6.60%	7.55%
Future salary growth rate	5.50% for next 2 years and 8.00% thereafter	8.00%
Mortality table*	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate
Attrition rate	7.00% for Permanent employees 3.00% for Seasonal employees	6.00% for Permanent employees 2.00% for Seasonal employees
Method used	Projected unit credit method	Projected unit credit method

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(d) Amounts recognised in statement of profit and loss in respect of the defined benefit plan (gratuity) are as follows:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Current service cost	408.39	363.18
Net interest expense	255.66	232.48
Components of defined benefit costs recognised in profit or loss	**664.05**	**595.66**
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	66.50	15.50
- Actuarial gains and loss arising from changes in demographic assumptions	0.75	-
- Actuarial gains and loss arising from changes in financial assumptions	88.07	44.80
- Actuarial gains and loss arising from experience adjustments	(7.46)	150.81
Components of defined benefit costs recognised in other comprehensive income	**147.86**	**211.11**
Total	**811.91**	**806.77**

(e) Amounts included in the balance sheet arising from the entity's obligation in respect of the defined benefit plan (gratuity) is as follows:

	As at 31-Mar-20	As at 31-Mar-19
Present value of defined benefit obligation as at the end of the year	5727.01	5294.33
Fair value of plan assets	1598.95	1548.30
Funded status	**(4128.06)**	**(3746.03)**
Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet	**(4128.06)**	**(3746.03)**

(f) Movement in the present value of the defined benefit obligation (gratuity) is as follows:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Present value of defined benefit obligation at the beginning of the year	5294.33	4734.30
Expenses recognised in profit or loss		
- Current service cost	408.39	363.18
- Interest expense (income)	372.81	344.08
Remeasurement (gains)/losses recognised in other comprehensive income		
- Actuarial (gain)/loss arising from:		
i. Demographic assumptions	0.75	-
ii. Financial assumptions	88.07	44.80
iii. Experience adjustments	(7.46)	150.81
Benefit payments	(429.88)	(342.84)
Present value of defined benefit obligation at the end of the year	**5727.01**	**5294.33**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

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

	Year ended 31-Mar-20	Year ended 31-Mar-19
Fair value of plan assets at the beginning of the year	1548.30	1452.20
Recognised in profit or loss		
- Expected return on plan assets	117.15	111.60
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actual return on plan assets in excess of the expected return	(66.50)	(15.50)
Contributions by employer	429.88	342.84
Benefit payments	(429.88)	(342.84)
Fair value of plan assets at the end of the year	**1598.95**	**1548.30**

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

	As at 31-Mar-20			As at 31-Mar-19		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	-	17.58	**17.58**	-	11.95	**11.95**
Debt instruments						
- Government securities	-	265.60	**265.60**	-	259.21	**259.21**
- State development loans	-	563.19	**563.19**	-	494.04	**494.04**
- Private sector bonds	-	45.34	**45.34**	-	116.29	**116.29**
- Public sector bonds	-	170.85	**170.85**	-	122.42	**122.42**
- Fixed deposits with banks	-	142.50	**142.50**	-	166.00	**166.00**
- Special deposit scheme balance with RBI	-	102.13	**102.13**	-	102.13	**102.13**
- Debt mutual funds	-	74.96	**74.96**	-	70.01	**70.01**
Equity instruments						
- Index mutual funds	-	39.76	**39.76**	-	36.12	**36.12**
- Arbitrage mutual funds	-	14.34	**14.34**	-	13.42	**13.42**
Accrued interest and other recoverables	-	162.70	**162.70**	-	156.71	**156.71**
Total plan assets	**-**	**1598.95**	**1598.95**	**-**	**1548.30**	**1548.30**

The investible funds of the Gratuity Plan are invested in accordance with the investment pattern and norms prescribed by the Ministry of Finance, Government of India. The investment pattern mandates that the investible funds are invested across the permitted investments in the prescribed pattern, whereby the investment risk is spread across various categories of investment comprising sovereign government securities, state development loans monitored by the Reserve Bank of India, investment grade rated debt securities issued by private and public sector companies, fixed-deposit with banks fulfilling the prescribed norms, units of debt and equity mutual funds. The investments made are generally on held-to-maturity basis. It is the endeavour of the Company to mitigate risk by investing only in high-quality debt securities and in mutual funds after undertaking due diligence. There has been no change in the process used by the Company to manage its risks from prior periods.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(h) Sensitivity analysis

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

	Change in assumption by	Impact on defined benefit obligation (gratuity)				
		Increase/ decrease	Increase in assumption		Decrease in assumption	
			31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Discounting rate	0.50%	in ₹ lakhs	(167.32)	(156.33)	177.44	165.89
		in %	-2.92%	-2.95%	3.10%	3.13%
Future salary growth rate	0.50%	in ₹ lakhs	175.35	164.39	(167.01)	(156.40)
		in %	3.06%	3.11%	-2.92%	-2.95%
Attrition rate	0.50%	in ₹ lakhs	(13.04)	(4.83)	13.66	5.04
		in %	-0.23%	-0.09%	0.24%	0.10%
Mortality rate	10.00%	in ₹ lakhs	(0.90)	(0.30)	0.90	0.30
		in %	-0.02%	-0.01%	0.02%	0.01%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practise, this is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(i) Defined benefit liability (gratuity) and employer contributions

The Company remains committed to fund all gratuity payments falling due and shall strive to gradually reduce the deficit in funding of its obligation in the coming years.

The Company expects to contribute ₹ 841.31 lakhs to the defined benefit plan relating to gratuity during the next financial year.

The weighted average duration of the defined gratuity obligation (on discounted cash flow basis) as at 31 March 2020 is 6 years (31 March 2019: 7 years).

The expected maturity analysis of undiscounted defined benefit obligation (gratuity) as at 31 March 2020 is as follows:

	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
Defined benefit obligation (Gratuity)	1155.13	797.91	1608.69	5730.58	**9292.31**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 39: RELATED PARTY TRANSACTIONS

(i) Related parties where control exists

Subsidiaries (wholly owned)

Triveni Energy Systems Limited

Triveni Engineering Limited

Triveni Entertainment Limited

Svastida Projects Limited

Triveni Industries Limited

Triveni Sugar Limited

Mathura Wastewater Management Private Limited

(ii) Related parties with whom transactions have taken place during the year alongwith details of such transactions and outstanding balances as at the end of the year:

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-20	Year ended 31-Mar-19
Sales and rendering services			
Triveni Sugar Limited	Subsidiary	0.71	0.71
Svastida Projects Limited	Subsidiary	0.71	0.71
Triveni Entertainment Limited	Subsidiary	0.71	0.71
Triveni Energy Systems Limited	Subsidiary	0.71	0.71
Triveni Engineering Limited	Subsidiary	0.71	0.71
Triveni Industries Limited	Subsidiary	0.71	0.71
Mathura Wastewater Management Private Limited	Subsidiary	11141.70	-
Triveni Turbine Limited	Associate	3539.25	4310.02
Purchases and receiving services			
Triveni Turbine Limited	Associate	293.61	1923.53
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	0.91	1.39
Interest income			
Mathura Wastewater Management Private Limited	Subsidiary	26.58	1.47
Aqwise Wise Water Technologies Limited (Israel)	Associate	9.50	4.47
Rent & other charges received			
Triveni Turbine Limited	Associate	21.81	20.53
Dividend received from investment in equity shares			
Triveni Turbine Limited	Associate	353.14	396.00
Rent paid			
Dhruv M. Sawhney (Chairman & Managing Director) *	Key managerial personnel	53.97	51.40
Rati Sawhney	Relative of key managerial personnel	36.82	36.87

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for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-20	Year ended 31-Mar-19
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	84.88	80.83
Remuneration			
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	556.27	363.06
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	226.16	206.11
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	87.17	75.26
Directors fee paid			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	11.40	7.95
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	8.20	11.80
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	-	0.75
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	11.25	10.75
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	10.50	9.25
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	10.80	7.35
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	9.50	8.25
J. K. Dadoo (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Directors commission			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	30.00	7.00
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	-	5.00
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	-	5.00
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
J. K. Dadoo (Independent Non-Executive Director)	Key managerial personnel	8.50	-

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for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-20	Year ended 31-Mar-19
Contribution to post employment benefit plans			
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	428.04	342.85
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	127.50	120.32
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	529.59	1064.00
Contribution towards deficiency in providend fund trust			
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	189.50	-
Expenses incurred by the Company on behalf of party (net of expenses incurred by party on behalf of the Company) on reimbursable basis			
Mathura Wastewater Management Private Limited	Subsidiary	82.59	40.96
Triveni Sugar Limited	Subsidiary	3.05	-
Triveni Industries Limited	Subsidiary	3.21	-
Triveni Turbine Limited	Associate	23.91	(19.53)
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	(2.82)	(2.70)
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	(0.02)	(0.05)
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	(0.00)	(0.00)
Triveni Engineering Works Limited Employees' Provident Fund	Post employment benefit plan	(0.00)	(0.00)
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	(0.19)	(0.04)
Dividend paid on equity shares			
Dhruv M. Sawhney (Chairman & Managing Director) *	Key managerial personnel	425.16	268.74
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	155.72	102.87
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	161.89	106.94
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.15	0.10
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	0.11	0.07
Manmohan Sawhney HUF	Relative of key managerial personnel	47.82	31.59
Rati Sawhney	Relative of key managerial personnel	197.30	142.51

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-20	Year ended 31-Mar-19
Tarana Sawhney	Relative of key managerial personnel	0.26	0.18
Mira Hazari	Relative of key managerial personnel	-	0.01
STFL Trading and Finance Private Limited *	Enterprise over which key managerial personnel have substantial interest/ significant influence	875.94	578.87
Buy-back of equity shares			
Dhruv M. Sawhney (Chairman & Managing Director) *	Key managerial personnel	1479.98	-
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	539.25	-
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	560.62	-
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.54	-
Manmohan Sawhney HUF	Relative of key managerial personnel	165.62	-
Rati Sawhney	Relative of key managerial personnel	683.24	-
Tarana Sawhney	Relative of key managerial personnel	0.92	-
STFL Trading and Finance Private Limited *	Enterprise over which key managerial personnel have substantial interest/ significant influence	3064.93	-
Sale of property, plant & equipment			
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	1.29	-
Sale of investment property			
Triveni Sugar Limited	Subsidiary	173.15	-
Svastida Projects Limited	Subsidiary	213.07	-
Triveni Industries Limited	Subsidiary	175.33	-
Investment made in equity shares			
Triveni Industries Limited	Subsidiary	200.00	-
Triveni Sugar Limited	Subsidiary	200.00	-
Svastida Projects Limited	Subsidiary	240.00	-
Mathura Wastewater Management Private Limited	Subsidiary	1350.00	0.30

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-20	Year ended 31-Mar-19
Disposal of investment in equity shares under buy-back scheme			
Triveni Turbine Limited	Associate	-	2058.03
Advance paid against purchase of bonds			
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	160.00	-
Advance received against order			
Mathura Wastewater Management Private Limited	Subsidiary	-	1908.30
Loans given			
Mathura Wastewater Management Private Limited	Subsidiary	1430.00	80.00
Aqwise Wise Water Technologies Limited (Israel)	Associate	-	267.06

Related party transactions stated above are inclusive of applicable taxes

Outstanding balances

Name of related party and nature of balances	Relationship	As at 31-Mar-20	As at 31-Mar-19
Receivable			
Mathura Wastewater Management Private Limited	Subsidiary	6315.46	81.33
Triveni Turbine Limited	Associate	271.68	895.39
Aqwise Wise Water Technologies Limited (Israel)	Associate	305.50	271.53
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	160.00	-
Payable			
Mathura Wastewater Management Private Limited	Subsidiary	930.32	1908.30
Triveni Turbine Limited	Associate	1374.78	1737.67
Dhruv M. Sawhney (Chairman & Managing Director) *	Key managerial personnel	4.11	4.54
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	153.65	53.65
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.13	0.09
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	30.00	7.00
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	-	5.00
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	-	5.00
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of balances	Relationship	As at 31-Mar-20	As at 31-Mar-19
J. K. Dadoo (Independent Non-Executive Director)	Key managerial personnel	8.50	-
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	1.02	0.22
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	127.50	120.32
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	189.69	101.17
Guarantees / surety/ commitment outstanding			
Mathura Wastewater Management Private Limited (see (v) below)	Subsidiary	9915.00	9915.00

* Person or entity belonging to the promoter/promoter group holding 10% or more shareholding in the Company

(iii) Remuneration of key managerial personnel:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Short-term employee benefits	805.88	593.87
Post-employment benefits	63.72	50.56
Total	**869.60**	**644.43**

The remuneration of key managerial personnel is determined by the remuneration committee having regard to the performance of individuals, market trends and applicable provisions of Companies Act, 2013.

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

(v) The Company had during the previous year given a corporate guarantee amounting to ₹ 9915 lakhs in connection with a loan agreed to be granted by the lender to a wholly owned subsidiary of the Company, Mathura Wastewater Management Private Limited (MWMPL), which will come into force upon availment of loan by MWMPL in subsequent period(s).

(vi) Terms & conditions:

(a) Transactions relating to dividends, buyback of shares were on same terms and conditions that applied to other shareholders.

(b) Loans to subsidiary and associate are given at normal commercial terms & conditions at prevailing market rate of interest.

(c) Sales to and purchases from related parties, including rendering/availment of service, are made on terms equivalent to those that prevail in arm's length transactions. All other transactions were made on normal commercial terms and conditions and at market rates.

(d) The outstanding balances at the year-end are unsecured and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31 March 2020 and 31 March 2019.

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NOTE 40: CAPITAL MANAGEMENT

For the purpose of capital management, capital includes net debt and total equity of the Company. The primary objective of the capital management is to maximize shareholder value along with an objective to keep the leverage in check in view of cyclical capital intensive sugar business of the Company.

One of the major businesses of the Company is the sugar business, a seasonal industry, where the entire production occurs in about five to six months which is sold throughout the year. Thus, it necessitates keeping high levels of sugar inventory requiring high working capital funding. Sugar business being also a cyclical business, it is prudent to avoid high leverage and the resultant high finance cost. It is the endeavour of the Company to prune down debts to acceptable levels based on its financial position.

The Company may resort to further issue of capital when the funds are required to make the Company stronger financially or to invest in projects meeting the ROI expectations of the Company.

The Company monitors capital structure through gearing ratio represented by debt-equity ratio (debt/total equity). The gearing ratios for the Company as at the end of reporting period were as follows:

	As at 31-Mar-20	As at 31-Mar-19
Non-current borrowings (note 16)	44359.64	37349.54
Current borrowings (note 20)	94343.87	123540.95
Current maturities of long-term borrowings (note 17)	14306.72	7544.25
Total debt	**153010.23**	**168434.74**
Add: Deferred revenue arising from government grant related to borrowings (refer note 19)	2805.32	4155.65
Less: Cash and cash equivalents [note 12(a)]	(3058.30)	(1367.60)
Net debt	**152757.25**	**171222.79**
Total equity (note 14 & note 15)	**127065.34**	**107828.80**
Net debt to equity ratio	1.20	1.59
Long term debt equity ratio	0.48	0.45

In addition to the above gearing ratio, the Company also looks at operating profit to total debt ratio (EBITDA/Total Debts) which gives an indication of adequacy of earnings to service the debts. The Company carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. With a view to arrive at the desired capital structure based on the financial condition of the Company, the Company normally incorporates a clause in loan agreements for prepayment of loans without any premium. During the year, majority of the long term debts availed by the Company are with interest subvention under various schemes of the Government.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2020 and 31 March 2019.

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

NOTE 41: FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of the financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and bank balances that derive directly from its operations. The Company also holds investments measured at fair value through profit or loss and enters into derivative transactions, which are not extensive.

The Company's activities expose it mainly to market risk, liquidity risk and credit risk. The monitoring and management of such risks is undertaken by the senior management of the Company and there are appropriate policies and procedures in place through

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which such financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company has specialised teams to undertake derivative activities for risk management purposes and such team has appropriate skills, experience and expertise. It is the Company policy not to carry out any trading in derivative for speculative purposes. The Audit Committee and the Board are regularly apprised of these risks every quarter and each such risk and mitigation measures are extensively discussed.

(i) Credit risk

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

(a) Credit risk management

The customer credit risk is managed by each business subject to the Company's established policy, procedure and controls relating to customer credit risk management. Various businesses require different processes and policies to be followed based on the business risks, industry practice and customer profiles.

In the case of Sugar business, majority of the sales are made either against advance payments or on very short credit period upto 7-10 days to established sugar agents whereas in Cogeneration and Distillery, most of the sales are made to Government customers, such as, State Electricity Board (UPPCL) and Oil Marketing Companies (OMCs). There may be delays, generally not exceeding one year, in receiving payments from UPPCL but the risk in respect of realisation of dues is minimal. In Gear business, it is the policy of the Company to receive payment prior to delivery of the material except in the case of some well established OEMs, including group companies and public sector undertakings, where the credit up to 90 days is extended. Water business is engaged in Engineering, Procurement and Construction (EPC) business in the municipal and industrial sectors where it is customary to have prescribed retentions which are payable upon completion of the project and after satisfactory performance of the plant.

In order to contain the business risk, creditworthiness of the customer is ensured through scrutiny of its financials, status of financial closure of the project, if required, market reports and reference checks. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of its diversified business profile and considering the size of the Company, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customers. In addition, a large number of receivables are grouped and assessed for impairment collectively. The calculation of impairment loss is based on historical data of losses, current conditions and forecasts and future economic conditions. The Company's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset as detailed in note 6, 7, 8, 9 and 12.

The business wise receivable position as at the end of the year is provided here below:

	Year ended 31-Mar-20			Year ended 31-Mar-19		
	External sales (A)	Year end receivables (B)	% Receivables (B/A)	External sales (A)	Year end receivables (B)	% Receivables (B/A)
Sugar business	327355.07	4766.03	1%	242481.37	4125.88	2%
Cogeneration business	5415.62	4549.79	84%	10930.79	3337.56	31%
Distillery business	38977.88	3261.83	8%	21288.41	1537.74	7%
Water business	29149.03	13930.55	48%	24870.43	9996.92	40%
Gear business	15221.89	2661.87	17%	13153.41	4499.62	34%
Others	2328.98	361.45	16%	2197.28	299.67	14%
Total	**418448.47**	**29531.52**	**7%**	**314921.69**	**23797.39**	**8%**

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In the case of Cogeneration and Water business, the % receivables to external sales is high whereas the overall ratio for the Company is much lower. In the case of Cogeneration, the entire receivables are pertaining to UP Government owned UPPCL as the surplus power is exported to it in accordance with the long term PPA executed with it. Though there have been delays in receiving payments from UPPCL, there has never been any default. In the case of EPC projects undertaken by Water business, the receivables are high as per the norms of the industry and terms of the tender. Majority of projects are executed for the municipalities and before bidding for any contract, the Water business carries out due-diligence to ensure that the customer has made satisfactory funding arrangements.

Overall, the credit risk from receivable is low in view of diverse businesses and government customers.

(b) Provision for expected credit losses

Basis as explained above, life time expected credit loss ("ECL") is determined on trade receivables except in cases where advance payment terms are prescribed or payment is due from Central / State Government or Government Authorities / entities where there is no track record of short receipts. ECL arising from delays in receiving payments from the Government customers pursuant to sale of goods or under construction contracts are not considered if such delays are commonly prevalent in the industry and / or the delays are not exceeding one year. All other short receipts, other than arising from expense claims, are duly considered in determining ECL. In view of the business model of the Company's engineered-to-order products and the profile of trade receivables, the determination of provision based on age analysis may not be realistic and hence, the provision of expected credit loss is determined for the total trade receivables outstanding as on the reporting date. This provision for ECL is made in addition to the specific credit losses, if any, provided on specific financial assets.

Provision matrix (%, amounts) of ECL for trade receivables (other than specific credit losses separately recognised) is as under:

Business	% ECL	ECL amount as at 31-Mar-20	ECL amount as at 31-Mar-19
Sugar	Nil	Nil	Nil
Co-generation	Nil	Nil	Nil
Distillery	Nil	Nil	Nil
Water	0.82%	114.75	79.25
Gear	1.19%	32.90	33.43

(c) Reconciliation of loss allowance provision

Trade receivables:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Balance at beginning of the year	1254.92	1741.84
Provision for credit loss allowance made during the year	931.04	16.66
Provision reversed/utilised during the year	(384.63)	(503.58)
Balance at the end of the year	1801.33	1254.92

Loans and other financials assets:

	Loans		Other financial assets	
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
Balance at beginning of the year	44.53	44.53	15.05	16.05
Movement in expected credit loss allowance	-	-	-	(1.00)
Balance at the end of the year	44.53	44.53	15.05	15.05

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(ii) Liquidity risk

The Company uses liquidity forecast tools to manage its liquidity. The Company operates capital intensive sugar business and has obligation to timely make cane price payments within the statutory time period. The Company is able to organise liquidity through own funds and through working capital loans. The Company has good relationship with its lenders and has not defaulted at any point of time in the past, as a result of which it does not experience any difficulty in arranging funds from its lenders. However, when the sugar fundamentals are unfavourable, either due to market forces or due to excessive cane pricing by the Government, the payment of cane price gets delayed. However, it is the endeavour of the Company to make cane payment on a priority basis. It is the objective and focus of the Company to reduce debts to be able to meet the cyclicalities of the sugar business.

Apart from cyclical sugar business, the Company has alternate revenue streams in the form of cogeneration, distillery and engineering business, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Company as at the year end

	As at 31-Mar-20	As at 31-Mar-19
Total current assets	268153.86	256652.85
Total current liabilities	209391.84	217698.16
Current ratio	1.28	1.18

In view of seasonal nature of sugar business, which is a dominant business of the Company, there is a peak build-up of sugar inventories at the year end, resulting in peak working capital requirement. With the liquidation of such inventories over the year, the working capital requirement is gradually reduced. Thus, the current ratio computed at the year end is not a reflection of average and realistic ratio for the year.

(a) Maturities of financial instruments

Maturities of non-derivative financial liabilities:

The following tables detail the remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	on demand	< 1 year	1-3 years	3-5 years	> 5 years	Total	Carrying amount
As at 31 March 2020							
Borrowings	94343.87	15446.73	31439.22	14620.62	-	155850.44	153010.23
Trade payables	-	74901.11	738.92	-	-	75640.03	75640.03
Lease liabilities	-	544.87	575.14	618.11	28.38	1766.50	1766.50
Other financial liabilities	-	5225.42	-	-	-	5225.42	5225.42
	94343.87	**96118.13**	**32753.28**	**15238.73**	**28.38**	**238482.39**	**235642.18**
As at 31 March 2019							
Borrowings	123540.95	8810.46	18972.60	19084.00	2133.42	172541.43	168434.74
Trade payables	-	63391.08	370.13	-	-	63761.21	63761.21
Other financial liabilities	-	5058.04	-	-	-	5058.04	5058.04
	123540.95	**77259.58**	**19342.73**	**19084.00**	**2133.42**	**241360.68**	**237253.99**

Maturities of derivative financial instruments:

The Company enters into derivative contracts (viz. foreign exchange forward contracts, foreign currency swaps and interest rate swaps) to manage some of its foreign currency exposures and interest rate exposures that are settled on a net basis. Derivative liability (net) are of ₹ 2.19 lakhs as at 31 March 2020 (31 March 2019 : derivative asset (net) ₹ 65.11 lakhs), shall mature within one year from reporting date.

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(iii) Market risk

The Company is exposed to following key market risks:

(a) Interest rate risk on loans and borrowings

(b) Sugar price risk

(c) Other market risks

(a) Interest rate risk

Most of the borrowings availed by the Company are subject to interest on floating rate basis linked to the MCLR (Marginal Cost of funds based Lending Rate) or LIBOR (London Interbank Offer Rate). In view of the fact that the total borrowings of the Company are quite substantial, the Company is exposed to interest rate risk.

The strategy of the Company to opt for floating interest rates is helpful in maintaining market related realistic rates. Further, most of the loans and borrowings have a prepayment clause through which the loans could be prepaid without any prepayment premium. The said clause helps the Company to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held. The interest rate risk is largely mitigated as 99% of the long term debts as at 31 March 2020 (31 March 2019 : 92% of long term debts), comprises loans carrying concessional interest rates/interest subvention.

While declining interest rates would be beneficial to the Company, adverse interest rate fluctuations could increase the finance cost. The total impact, in respect of borrowings on floating interest rate basis, is limited as per sensitivity analysis provided here under:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Total debt as at the end of the year	153010.23	168434.74
Debt at floating rate of interest as at the end of the year	124478.82	134542.04
Average availment of borrowings at floating rate of interest	127516.81	79427.21
Impact of 1% interest rate variation	1275.17	794.27

The above sensitivity has been computed after excluding the impact of change in interest rates of the floating interest rate foreign currency borrowing having balance of USD 1,792,114.69 @ 4.833% p.a. (i.e. 6 months LIBOR plus 1.95%) as at 31 March 2019, fully repaid during the current year, since same has been hedged through interest rate swap @ fixed interest rate 8.5% p.a.

(b) Sugar price risk

The sugar prices are dependent inter-alia on domestic and global sugar balance - higher supplies lead to softening of sugar prices whereas higher demand than available supplies lead to hardening of sugar prices. The Company sells most of its sugar in the domestic market where there are no effective mechanism available to hedge sugar prices in view of limited breadth in the commodity exchanges. The Company also exports sugar in the years of surplus production based on Government policy and incentives being offered.

Adverse changes in sugar price impact the Company in the following manner:

- The Company values sugar stocks at lower of cost and net realisable value (NRV). In the event, the cost of production of sugar is higher than the NRV, the stocks are written down to NRV leading to recognition of loss on such inventory.
- The Company is a large producer of sugar and even a small variation in the sugar price leads to significant impact on the profitability of the Company.

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Sensitivity analysis in respect of sugar price risk is provided here below:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Annual production of sugar (MT)	971918	904663
Impact of sugar price variation by ₹ 1000/MT	9719.18	9046.63

However, in view of sugar operations being highly efficient, the cost of production is generally lower than the Minimum Sale Prices (MSP) prescribed by the Central Government for sale of sugar and hence, chances of significant losses due to inventory write down are low. Further, in view of floor prices being prescribed by way of MSP, the downside impact on the Company is limited.

(c) **Other market risks**

The other market risks includes Equity price risk and Foreign currency risk.

Equity price risk in respect of listed and non listed equity securities which are susceptible to market price risk arising from uncertainties about future value of the investment securities. In view of nominal value of investments being held by the Company, other than in the subsidiaries and associates which are measured at cost, the magnitude of risk is only nominal.

The Company is exposed to foreign currency risk on account of foreign currency loans receivables and foreign exchange trades.

Foreign currency risk exposure

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

		US$	EURO	GBP	AUD
As at 31 March 2020					
Financial assets					
- Trade receivables	in foreign currency lakhs	3.10	0.73	-	-
	in equivalent ₹ lakhs	231.64	60.07	-	-
- Loans receivables	in foreign currency lakhs	4.09	-	-	-
	in equivalent ₹ lakhs	305.50	-	-	-
Derivatives (in respect of underlying financial assets)					
- Foreign exchange forward contracts/ Swaps sell foreign currency	in foreign currency lakhs	4.06	-	-	-
	in equivalent ₹ lakhs	303.40	-	-	-
Net exposure to foreign currency risk (assets)	in foreign currency lakhs	**3.13**	**0.73**	**-**	**-**
	in equivalent ₹ lakhs	**233.74**	**60.07**	**-**	**-**
Financial liabilities					
- Trade payables	in foreign currency lakhs	3.59	0.40	0.65	-
	in equivalent ₹ lakhs	273.30	33.92	61.44	-
Derivatives (in respect of underlying financial liabilities)					
- Foreign exchange forward contracts/ Swaps buy foreign currency	in foreign currency lakhs	2.92	-	-	-
	in equivalent ₹ lakhs	222.20	-	-	-
Net exposure to foreign currency risk (liabilities)	in foreign currency lakhs	**0.67**	**0.40**	**0.65**	**-**
	in equivalent ₹ lakhs	**51.10**	**33.92**	**61.44**	**-**

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		US$	EURO	GBP	AUD
As at 31 March 2019					
Financial assets					
- Trade receivables	in foreign currency lakhs	0.06	0.95	-	-
	in equivalent ₹ lakhs	3.90	72.67	-	-
- Loans receivables	in foreign currency lakhs	3.97	-	-	-
	in equivalent ₹ lakhs	271.53	-	-	-
Derivatives (in respect of underlying financial assets)					
- Foreign exchange forward contracts/ Swaps sell foreign currency	in foreign currency lakhs	3.97	-	-	-
	in equivalent ₹ lakhs	271.53	-	-	-
Net exposure to foreign currency risk (assets)	in foreign currency lakhs	**0.06**	**0.95**	**-**	**-**
	in equivalent ₹ lakhs	**3.90**	**72.67**	**-**	**-**
Financial liabilities					
- Trade payables	in foreign currency lakhs	10.94	3.21	0.53	-
	in equivalent ₹ lakhs	765.38	253.66	49.20	-
- Borrowings (including interest)	in foreign currency lakhs	18.00	-	-	-
	in equivalent ₹ lakhs	1258.44	-	-	-
Derivatives (in respect of underlying financial liabilities)					
- Foreign exchange forward contracts/ Swaps buy foreign currency	in foreign currency lakhs	27.55	2.11	-	-
	in equivalent ₹ lakhs	1926.66	166.36	-	-
Net exposure to foreign currency risk (liabilities)	in foreign currency lakhs	**1.39**	**1.10**	**0.53**	**-**
	in equivalent ₹ lakhs	**97.16**	**87.30**	**49.20**	**-**

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

		US$	EURO	GBP	AUD
As at 31 March 2020					
Foreign exchange forward contracts to sell foreign currency	in foreign currency lakhs	5.69	-	-	-
	in equivalent ₹ lakhs	425.24	-	-	-
Foreign exchange forward contracts to buy foreign currency	in foreign currency lakhs	2.92	2.58	-	-
	in equivalent ₹ lakhs	222.20	218.47	-	-
As at 31 March 2019					
Foreign exchange forward contracts to sell foreign currency	in foreign currency lakhs	4.02	-	-	-
	in equivalent ₹ lakhs	275.10	-	-	-
Foreign exchange forward contracts/ Swaps to buy foreign currency	in foreign currency lakhs	29.49	2.11	-	5.63
	in equivalent ₹ lakhs	2062.31	166.36	-	282.21

All the above contracts are maturing within one year from the reporting date.

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Sensitivity

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

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
US$ sensitivity	5%	9.13	(4.66)	(9.13)	4.66
EURO sensitivity	5%	1.31	(0.73)	(1.31)	0.73
GBP sensitivity	5%	(3.07)	(2.46)	3.07	2.46
AUD sensitivity	5%	-	-	-	-

Further, the impact of change in foreign currency rates (assuming forward premium to remain unchanged) on the fair valuation of derivatives (excluding derivatives which have hedged the foreign currency denominated receivables and payables) as at the end of the year, is demonstrated in the table below. However, apart from the impact on the profit or loss due to fair value changes of the derivatives, the derivatives will help the Company in capturing the hedged rates including forward premium and the budgeted profitability will remain unaffected.

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
US$ sensitivity	5%	(6.09)	6.60	6.09	(6.60)
EURO sensitivity	5%	10.92	-	(10.92)	-
GBP sensitivity	5%	-	-	-	-
AUD sensitivity	5%	-	14.11	-	(14.11)

There is no impact on other components of equity since the Company has not elected to apply hedge accounting.

NOTE 42: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	As at 31-Mar-20		As at 31-Mar-19	
	FVTPL *	Amortised cost	FVTPL *	Amortised cost
Financial assets				
Investments				
- Equity instruments	322.77	-	384.68	-
- Bonds	10.67	-	30.47	-
- National Saving Certificates	-	0.03	-	0.03
Trade receivables	-	29531.52	-	23797.39
Loans	-	1849.78	-	394.29
Cash and bank balances	-	3413.25	-	1744.07
Security deposits	-	685.57	-	640.15
Earnest money deposits	-	53.58	-	15.75
Derivative financial assets	-	-	71.72	-
Other receivables	-	112.75	-	77.19
Total financial assets	**333.44**	**35646.48**	**486.87**	**26668.87**

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	As at 31-Mar-20		As at 31-Mar-19	
	FVTPL *	Amortised cost	FVTPL *	Amortised cost
Financial liabilities				
Borrowings	-	153010.23	-	168434.74
Trade payables	-	75640.03	-	63761.21
Capital creditors	-	1894.29	-	1979.37
Security deposits	-	391.14	-	396.42
Derivative financial liabilities	2.19	-	6.61	-
Lease liabilities	-	1766.50	-	-
Other payables	-	2939.99	-	2682.25
Total financial liabilities	**2.19**	**235642.18**	**6.61**	**237253.99**

*Mandatorily required to be measured at FVTPL. There is no financial instrument which is designated as FVTPL.

(ii) Fair value hierarchy

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

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

	Note No.	Level 1	Level 2	Level 3	Total
As at 31 March 2020					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	322.77	-	-	322.77
- Investments in bonds at FVTPL	6	-	10.67	-	10.67
		322.77	**10.67**	**-**	**333.44**
Financial liabilities					
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	17	-	2.19	-	2.19
		-	**2.19**	**-**	**2.19**
As at 31 March 2019					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	384.68	-	-	384.68
- Investments in bonds at FVTPL	6	-	30.47	-	30.47
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	9	-	71.72	-	71.72
		384.68	**102.19**	**-**	**486.87**
Financial liabilities					
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	17	-	6.61	-	6.61
		-	**6.61**	**-**	**6.61**

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Level 1: Level 1 hierarchy includes financial instruments measured using quoted unadjusted market prices in active markets for identical assets or liabilities. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of derivatives (viz. foreign exchange forward contracts, foreign currency swaps and interest rate swaps) is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.
- the fair value of bonds is determined using observable market data of yield to maturity and coupon rates of securities.

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

(iv) Valuation processes

The Corporate finance team has requisite knowledge and skills in valuation of financial instruments. The team headed by Group CFO directly reports to the audit committee on the fair value of financial instruments.

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

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values

	As at 31-Mar-20		As at 31-Mar-19	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Trade receivables	29531.52	29528.18	23797.39	23787.71
	29531.52	**29528.18**	**23797.39**	**23787.71**
Financial liabilities				
Trade payables	75640.03	75548.50	63761.21	63715.49
	75640.03	**75548.50**	**63761.21**	**63715.49**

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
As at 31 March 2020				
Financial assets				
Trade receivables	-	-	29528.18	29528.18
	-	**-**	**29528.18**	**29528.18**
Financial liabilities				
Trade payables	-	-	75548.50	75548.50
	-	**-**	**75548.50**	**75548.50**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Level 1	Level 2	Level 3	Total
As at 31 March 2019				
Financial assets				
Trade receivables	-	-	23787.71	23787.71
	-	**-**	**23787.71**	**23787.71**
Financial liabilities				
Trade payables	-	-	63715.49	63715.49
	-	**-**	**63715.49**	**63715.49**

(a) The fair values for trade receivables and trade payables which are expected to be settled after twelve months (including those which are within the operating cycle) are computed based on discounted cash flows. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The carrying amounts of the remaining trade receivables and trade payables are considered to be the same as their fair values, due to their short-term nature.

NOTE 43: GOVERNMENT GRANTS

(i) Government grants recognised in the financial statements

	Grants recognised in profit or loss			Grant recoverable	
	As at 31-Mar-20	As at 31-Mar-19	Treatment in financial statements	As at 31-Mar-20	As at 31-Mar-19
A Deferred government grants related to income					
a) Loans at below market interest rate aggregating to ₹ 36400 lakhs availed during financial year 2018-19 under the "Scheme for Extending Financial Assistance to Sugar Undertakings 2018" notified by the State Government of Uttar Pradesh.	1350.33	441.97	Reduced from finance cost (note 30)	-	-
b) Interest subvention @ 12% per annum on loans aggregating to ₹ 12626 lakhs availed during financial year 2012-13 under the "Scheme of Extending Financial Assistance to Sugar Undertakings, 2013" notified by the Government of India.	-	242.33	Reduced from finance cost (note 30)	-	-
c) Loans at below market interest rate from Sugar Development Fund, Government of India	-	8.53	Reduced from finance cost (note 30)	-	-
Total deferred government grants	**1350.33**	**692.83**		-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Grants recognised in profit or loss			Grant recoverable	
	As at 31-Mar-20	As at 31-Mar-19	Treatment in financial statements	As at 31-Mar-20	As at 31-Mar-19
B Other revenue government grants					
a) Financial assistance by Government of India under the Scheme for providing assistance to sugar mills for expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar during the sugar season 2019-20.	12967.82	-	Presented under "Other operating revenue" (note 24)	12967.82	-
b) Financial assistance of ₹ 13.88 per quintal of cane crushed during season 2018-19 by the Government of India under the "Scheme for Assistance to Sugar Mills".	8344.11	-	Presented under "Other operating revenue" (note 24)	4162.11	-
	2427.02	-	Reduced from Raw material consumed (note 26)		
c) Financial assistance by Government of India under the Scheme for defraying expenditure towards internal transport, freight, handling and other charges on export of sugar during the sugar season 2018-19.	2072.41	-	Presented under "Other operating revenue" (note 24)	1459.07	-
	1653.17	-	Reduced from outward freight and forwarding costs under "Other expenses" (note 33)	-	-
d) Financial assistance of ₹ 4.50 per quintal of cane purchased during season 2017-18 by the State Government of Uttar Pradesh	-	3088.25	Depicted under "Other income" (note 25)	-	-
	-	679.42	Reduced from Raw material consumed (note 26)	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Grants recognised in profit or loss			Grant recoverable	
	As at 31-Mar-20	**As at 31-Mar-19**	**Treatment in financial statements**	**As at 31-Mar-20**	**As at 31-Mar-19**
e) Financial assistance of ₹ 5.50 per quintal of cane crushed during season 2017-18 by the Government of India under the "Scheme for Assistance to Sugar Mills".	-	1116.00	Depicted under "Other income" (note 25)	-	-
	-	276.55	Reduced from Raw material consumed (note 26)		
f) Financial assistance by Government of India under the Scheme for Creation and Maintenance of Buffer Stock of sugar.	1224.58	210.25	Depicted under "Other income" (note 25)	2885.88	693.07
	2848.01	1112.83	Reduced from finance cost (note 30)		
g) Interest subvention @ 7% for one year by Government of India on soft loans of ₹ 31000 lakhs availed from banks under the scheme for soft loans to sugar mills	2044.58	-	Reduced from finance cost (note 30)	1367.97	-
h) Interest subvention @ 50% of rate charged by lenders (subject to maximum of 6%) by Government of India on loans of ₹ 17693 lakhs availed from banks for distilleries under the "Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity"	671.00	-	Reduced from finance cost (note 30)	671.00	-
i) Export incentives under Duty Draw back Scheme, Incremental Export Incentive Scheme and Merchandise Export Incentive Scheme.	87.77	89.63	Presented under "Other operating revenue" (note 24)	28.73	17.56
Total other revenue government grants	**34340.47**	**6572.93**		**23542.58**	**710.63**
Total government grants related to income	**35690.80**	**7265.76**		**23542.58**	**710.63**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Grants received			Grant recoverable	
	Year ended 31-Mar-20	Year ended 31-Mar-19	Treatment in financial statements	As at 31-Mar-20	As at 31-Mar-19
C Government grants related to assets					
a) Grant in respect of Moist Hot Air Treatment Plants (MHAT) and Soil treatment plant received from the State Government of Uttar Pradesh under Rashtriya Krishi Vikas Yojna.	7.00	17.00	Reduced from gross value of PPE upon receipt. Recognised in profit or loss by way of reduced depreciation (refer note 3 and 31)	-	-
b) Grant of ₹ 141.45 lakhs in the form of duties saved upon import of machinery under Export Promotion Capital Goods (EPCG) scheme.	-	-	Reduced from gross value of PPE upon fulfilment of export obligation(s). Recognised in profit or loss by way of reduced depreciation (refer note 3 and 31)	-	-
Total government grants related to assets	**7.00**	**17.00**		**-**	**-**

(ii) Movement of deferred government grants is provided here below:

	Year ended 31-Mar-20	Year ended 31-Mar-19
As at the beginning of the year	4297.10	392.32
Recognised during the year	-	4597.61
Released to the statement of profit and loss	(1350.33)	(692.83)
As at the end of the year	**2946.77**	**4297.10**
Current (refer note 19)	1125.25	1350.33
Non-current (refer note 19)	1821.52	2946.77
Total	**2946.77**	**4297.10**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 44: LEASES

As Lessee

The Company had acquired a land with original lease term of ninety years and had paid one-time payment of lease charges (i.e. the market value of the land) in respect of this lease at the inception of lease. There are no further future lease maintenance payments, no contingent rent or restriction imposed under the lease agreement and the Company has transfer rights in respect of such land. In terms of criteria specified in previous accounting standard on leases i.e. Ind AS 17 Leases, such lease had been classified as finance lease till last year. Consequent to the replacement of this accounting standard with Ind AS 116 Leases (refer note 49), the land acquired under the aforesaid lease has been recognised as Right-of-use assets during the current year (refer note 3).

Apart from above mentioned lease, assets taken under lease mainly includes various residential, office and godown premises. These are generally not non-cancellable leases (except for few premises) having unexpired period upto six years. The leases are renewable by mutual consent and on mutually agreeable terms. The Company has given refundable interest free security deposits under certain lease agreements. There is no contingent rent, sublease payments or restriction imposed in the lease agreement. In terms of criteria specified in previous accounting standard on leases i.e. Ind AS 17 Leases, these leases had been classified as operating lease and yearly lease payments under these leases were expensed off as rent expenses till last year (refer note 33). Consequent to the replacement of this accounting standard with Ind AS 116 Leases (refer note 49), for some of these leases (i.e. leases other than with short term period or low value assets), present value of all future lease payments has been recognised as Right-of-use assets and lease liabilities with the charge for depreciation on Right-of-use assets and interest on lease liabilities in the statement of profit and loss during the current year (refer note 3 & 30) and for other leases, yearly lease payments continued to be expensed off on straight line basis over lease term as rent expenses (refer note 33).

Amounts recognised as expense

	Year ended 31-Mar-20
Depreciation expense - Right-of-use assets (Land) (refer note 3)	5.40
Depreciation expense - Right-of-use assets (Building) (refer note 3)	626.64
Interest on lease liabilities (refer note 30)	185.93
Rent expense - short term leases (refer note 33)	164.72
	982.69

Total cash outflow for leases during the year ended 31 March 2020 is ₹ 809.87 lakhs.

Commitments for short term leases as at 31 March 2020 is ₹ 26.39 lakhs.

As Lessor

The Company has given certain portion of its office / factory premises under operating leases [including lease of investment property (refer note 4)]. These leases are not non-cancellable and are extendable by mutual consent and at mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation recognised in the statement of profit and loss in respect of such portion of the leased premises are not separately identifiable. There is no impairment loss in respect of such premises. No contingent rent has been recognised in the statement of profit and loss. There are no minimum future lease payments as there are no non-cancellable leases. Lease income is recognised in the statement of profit and loss under "Other income" (refer note 25). Lease income earned by the Company from its investment properties and direct operating expenses arising on the investment properties for the year is set out in note 4.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 45: COMMITMENTS

	As at 31-Mar-20	As at 31-Mar-19
Estimated amount of contracts remaining to be executed on capital account and not provided for (after adjusting advances aggregating to ₹ 238.25 lakhs (31 March 2019: ₹ 317.97 lakhs))	733.11	3279.00

NOTE 46: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

	As at 31-Mar-20	As at 31-Mar-19
Claims against the Company not acknowledged as debts:		
(i) Claims which are being contested by the Company and in respect of which the Company has paid amounts aggregating to ₹ 407.89 lakhs (31 March 2019: ₹ 443.09 lakhs), excluding interest, under protest pending final adjudication of the cases:	7625.34	7840.17

Sl. No.	Particulars	Amount of contingent liability		Amount paid	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
1	Sales tax	328.98	301.82	65.35	77.05
2	Excise duty	287.73	465.74	273.86	291.83
3	GST	0.59	1.68	0.59	1.68
4	Others*	7008.04	7070.93	68.09	72.53

*Amount of contingent liability includes ₹ 5973.50 lakhs as at 31 March 2020 (31 March 2019 : ₹ 5973.50 lakhs) in respect of interest on delayed payment of cane price for the sugar seasons 2012-13, 2013-14 and 2014-15 in respect of which the Hon'ble Allahabad High Court had passed an order directing the Cane Commissioner of the State to decide the matter afresh, taking into consideration certain additional factors. The Cane Commissioner is understood to have filed an affidavit in a contempt proceeding, specifying interest rates on delayed cane price payments but no such order of the Cane Commissioner has been served on the Company or industry association and such order, which if served may be legally challenged.

	As at 31-Mar-20	As at 31-Mar-19
(ii) The Company is contingently liable in respect of short provision against disputed income tax liabilities (excluding determination of final interest payable thereon) of ₹ 3182.47 lakhs (31 March 2019: ₹ 3169.86 lakhs) against which ₹ 1718.94 lakhs (31 March 2019: ₹ 2063.71 lakhs) stands paid. The disputed income tax liability mainly arises on the issue of taxability of unrealised incentives, majority of which have been held to be non-taxable in the first appeal filed by the Company.	3182.47	3169.86
(iii) Liability arising from claims / counter claims/ interest in arbitration/ court cases, claims of certain employees/ex-employees and in respect of service tax, if any, on certain activities of the Company which are being contested by the Company.	Indeterminate	Indeterminate

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Contingent assets

Based on management analysis, there are no material contingent assets as at 31 March 2020 and as at 31 March 2019.

NOTE 47: DISCLOSURES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

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

	31-Mar-20	31-Mar-19
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; as at the end of the year		
(i) Principal amount	6.73	92.00
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

NOTE 48: DISCLOSURE AS PER REGULATION 34(3) OF THE SEBI (LODR) REGULATIONS, 2015 (AS AMENDED)

	Financial year	Outstanding balance	Maximum amount due during the year
Loans & advances to subsidiaries			
- Mathura Wastewater Management Private Limited	31-Mar-20	1510.00	1510.00
	31-Mar-19	80.00	80.00
Loans & advances to associates			
- Aqwise Wise Water Technologies Limited	31-Mar-20	291.53	291.53
	31-Mar-19	267.06	267.06
Loans & advances to firms/companies in which directors are interested	31-Mar-20	-	-
	31-Mar-19	-	-
Investment by the loanee in the shares of Triveni Engineering & Industries Ltd. and its subsidiaries	31-Mar-20	-	-
	31-Mar-19	-	-

NOTE 49: CHANGES IN ACCOUNTING POLICIES

Ind AS 116 Leases was notified by Ministry of Corporate Affairs (MCA) on 30 March 2019 and it replaced Ind AS 17 Leases, including appendices thereto. Effective 1 April 2019, the Company has adopted Ind AS 116 Leases and applied the same to lease contracts existing as at 1 April 2019. Accordingly, the Company has recognised Right-of-use assets and Lease liabilities (refer note 3, 17 & 44). In the statement of profit and loss for the current year, the nature of expenses in respect of operating leases has changed from Rent expense in previous year to Depreciation expense for the Right-to-use assets and Finance cost for interest accrued on lease liabilities (refer note 3, 30 & 33). Ind AS 116 Leases has been applied using the cumulative effect method and hence the comparative information is not restated. The adoption of the standard did not have any material impact on the financial results of the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 50: COMPARATIVES

The Company has reclassified certain items of financials of comparative year to conform to this year's classification, however, impact of these reclassification are not material.

NOTE 51: APPROVAL OF STANDALONE FINANCIAL STATEMENTS

The standalone financial statements were approved for issue by the Board of Directors on 17 June 2020 subject to approval of shareholders.

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Faridabad (Haryana)

Date : June 17, 2020

For and on behalf of the Board of Directors of Triveni Engineering & Industries Limited

Dhruv M. Sawhney
Chairman & Managing Director
Place : New Delhi

Homai A. Daruwalla
Director & Chairperson Audit Committee
Place : Mumbai

Suresh Taneja
Group CFO
Place : Delhi

Geeta Bhalla
Group Vice President & Company Secretary
Place : Delhi

Consolidated Financial Statements

Independent Auditor's Report

To
The Members of
Triveni Engineering & Industries Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **TRIVENI ENGINEERING & INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise of the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associates as referred to in the Other Matters paragraph below, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2020 and of consolidated profit including other comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provision of the Act. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Auditor's Response
1	**Recognition of Subsidies:** We identified recognition of subsidies as a key audit matter as it involves significant management judgement. The area of management judgement includes management risk assessment with respect to recognition of subsidies based on substantive compliance of the conditions and reasonable certainty of receipt of subsidy. (Refer Note no. 2(a)(iii) & Note 43 of the consolidated financial statements)	Our audit procedures included the following: • Obtaining policy from the Holding Company defining the management perspective and basis for recognition of Government subsidies in the books of accounts; • Obtaining an understanding of internal controls over recognition and recoverability of subsidy claims and testing, on a sample basis, their design, and implementation and operating effectiveness; • Considered the relevant circulars/notifications issued by various authorities; and • Evaluated the management's assessment regarding the reasonable certainty for complying with the relevant conditions as specified in circulars/notifications issued by various authorities.

Sr. No.	Key Audit Matters	Auditor's Response
2	**Appropriateness of cost to complete the project:** The Group recognizes revenue from construction contracts on percentage of completion method as specified in Indian Accounting Standards (Ind AS) 115- Revenue from Contract with Customers. (Refer Accounting policy Note no. 1(b)(iii)) We identified this matter as a key audit matter as it involves significant judgement by the management in estimation of cost to complete the project and any variation may have consequential impact on revenue.	Our audit procedures included the following: • Obtaining an understanding of internal controls over estimation of cost of completion of projects and testing, on a sample basis, their design, implementation and operating effectiveness; • Agreed the total project revenue estimates to contracts with customers; • Obtained computation of estimated costs to complete and the percentage of project completion and verified the same against the contracts on sample basis and also checked arithmetic accuracy of the same; • Performed the walkthrough procedure and verified the invoices, purchase orders etc. for actual cost incurred till the year end; and • Compared the management estimates revised during the year with the estimate made in earlier years and obtained reasons/ approval for such revision.
Key Audit Matter reported by Component Auditor		
3	**Write downs of inventories to net realisation value:** Inventories are valued at lower of cost and net realization value. The Company has a policy for write-down of inventories to net realisable value on account of obsolescence and slow moving inventory which is recognised on a case to case basis based on the management's assessment. Write-down of inventories to net realisable value is subjective owing to the nature of inventories and is dependent on significant judgments around probability of decrease in the realisable value of slow moving inventory due to obsolesce or lack of alternative use as well as the consideration of the need to maintain adequate inventory levels for aftersales services considering the long useful life of the product. Assessing net realizable value of inventory and identification of slow moving and obsolete inventory are areas requiring the use of significant judgements and owing to the inherent complexities and materiality of the balances, we have considered this area to be a key audit matter for current year audit.	We have used the work of Component Auditor. The Component Auditor has reported that they have performed following procedures: • Obtained an understanding from the management about the process for determining net realizable value of inventories and identification of slow moving or obsolete inventories and tested whether the same is consistently applied; • Evaluated the design and tested the operating effectiveness of key controls around inventory valuation operating within the Company on a test check basis; • Inquired with the management about the slow moving and obsolete inventories as at 31 March 2020 and evaluated the assessment prepared by the management including forecasted uses of these inventories on a test check basis; • Tested the computation for write down of inventories with the assessment provided by the management and performed independent ageing analysis of the inventory line-items along with specific inquiries with the management to evaluate completeness of the inventory identified as slow moving or obsolete; • Reviewed the historical trends of inventory write downs to compare and assess the actual utilization or liquidation of inventories to the previous assessment done by the management to determine the efficacy of the process of estimation by the management; and • Assessed the appropriateness of disclosures in the financial statements in accordance with the applicable accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 and based on the audit report of other auditors, 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.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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 ability of the Group and its associates 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 consolidated 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 Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER MATTERS

(a) We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of Rs. 2047.53 lacs as at 31 March 2020 and total revenue (including other income) of Rs. 1.05 lacs, total comprehensive income (comprising of profit and other comprehensive income) of Rs. (-) 17.52 lacs and net cash inflows of Rs. 76.83 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also includes the Group's share of net profit (before other comprehensive income) of Rs. 2604.14 lacs and other comprehensive income of Rs. (-) 133.24 lacs for the year ended 31 March 2020, in respect of one associate. These financial statements have been audited by the other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid six subsidiaries and one associate and our report in terms of sub-sections (3) and (11) of section 143 of the Act , in so far as it relates to the aforesaid six subsidiaries and one associate, is based solely on the report of other auditors.

(b) The consolidated financial statements include the Group's share of net profit (before other comprehensive income) of Rs. (-) 565.53 lacs and other comprehensive income of Rs. (-) 52.92 lacs for the twelve months period ended 31 December 2019, in respect of one associate, as the financial statements for the quarter ended 31 March 2020 were not available and we have relied on the management representation that no significant transactions or events have occurred during the quarter ended 31 March 2020. The financial statements and other information of this associate located outside are unaudited, prepared by management in accordance with accounting principles generally accepted in its country. The Company's management has converted these financial statements of such associate from accounting principles generally accepted in its country to accounting principles generally accepted in India. Our opinion, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the unaudited financial statements and certified converted financial statements by management.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on consideration of the report of the other auditors on financial statements and the other financial information of subsidiaries and associates referred to in Other Matters paragraph, we report, to the extent applicable, that:

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

b) In our opinion, proper books of account as required by law, relating to preparation of the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books and reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company, incorporated in India, none of the directors of the Group companies and its associate company, incorporated in India, is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and its associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.

g) With respect to the other 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 remuneration paid by the Group and its associates, where applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act.

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on consideration of the report of the other auditors on financial statements and also the other financial information of subsidiaries and its associate referred to in Other Matters paragraph:

   i. The consolidated financial statements disclose impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and its associates – Refer Note no. 48 to the consolidated financial statements.

   ii. The Group and its associates have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including long term derivative contracts.

   iii. There has been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associate company, incorporated in India.

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta
Partner
Membership No.: 093214
UDIN: 20093214AAAABB1594

Place: Faridabad (Haryana)
Date: June 17, 2020

"Annexure A" to the Independent Auditors' Report

of even date on the Consolidated Financial Statements of TRIVENI ENGINEERING & INDUSTRIES LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT") AS REFERRED TO IN PARAGRAPH (F) OF 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS'

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of TRIVENI ENGINEERING & INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements of the Company.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company, its subsidiary companies and its associate company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with respect to financial statements and such internal financial controls with respect to financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the six subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta
Partner
Membership No.: 093214
UDIN: 20093214AAAABB1594

Place: Faridabad (Haryana)
Date: June 17, 2020

Consolidated Balance Sheet

as at March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	As at 31-Mar-20	As at 31-Mar-19
ASSETS			
Non-current assets			
Property, plant and equipment	3	107393.34	82992.00
Capital work-in-progress	3	2615.84	20477.27
Investment property	4	1167.07	1170.12
Intangible assets	5	93.12	47.71
Investments accounted for using the equity method	6 (a)	13832.30	10852.41
Financial assets			
i. Investments	6 (b)	333.47	415.18
ii. Trade receivables	7	29.73	59.77
iii. Loans	8	1.82	1.35
iv. Other financial assets	9	917.92	963.87
Deferred tax assets (Net)	24	18.15	-
Income tax assets (Net)	23	4391.23	5058.14
Other non-current assets	10	701.99	916.18
Total non-current assets		**131495.98**	**122954.00**
Current assets			
Inventories	11	191212.69	211865.90
Financial assets			
i. Trade receivables	7	34872.44	23737.62
ii. Cash and cash equivalents	12 (a)	3203.61	1461.57
iii. Bank balances other than cash and cash equivalents	12 (b)	84.47	440.87
iv. Loans	8	337.96	312.94
v. Other financial assets	9	189.79	207.60
Other current assets	10	43201.17	19523.44
		273102.13	**257549.94**
Assets classified as held for sale	13	3.05	-
Total current assets		**273105.18**	**257549.94**
Total assets		**404601.16**	**380503.94**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2479.47	2579.47
Other equity	15	131387.37	111473.01
Equity attributable to owners of the Company		**133866.84**	**114052.48**
Non-controlling interests	16	-	-
Total equity		**133866.84**	**114052.48**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	17	44359.64	37349.54
ii. Other financial liabilities	18	1221.63	-
Provisions	19	4793.34	4323.69
Deferred tax liabilities (net)	24	7823.64	3238.46
Other non-current liabilities	20	1821.52	2946.77
Total non-current liabilities		**60019.77**	**47858.46**
Current liabilities			
Financial liabilities			
i. Borrowings	21	94343.87	123540.95
ii. Trade payables	22		
(a) total outstanding dues of micro enterprises and small enterprises		6.73	92.00
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		75635.18	63672.22
iii. Other financial liabilities	18	20079.20	12608.90
Other current liabilities	20	16579.76	14435.64
Provisions	19	3182.95	3227.16
Income tax liabilities (net)	23	886.86	1016.13
Total current liabilities		**210714.55**	**218593.00**
Total liabilities		**270734.32**	**266451.46**
Total equity and liabilities		**404601.16**	**380503.94**

The accompanying notes 1 to 52 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Faridabad (Haryana)

Date : June 17, 2020

For and on behalf of the Board of Directors of Triveni Engineering & Industries Limited

Dhruv M. Sawhney
Chairman & Managing Director
Place : New Delhi

Homai A. Daruwalla
Director & Chairperson Audit Committee
Place : Mumbai

Suresh Taneja
Group CFO
Place : Delhi

Geeta Bhalla
Group Vice President & Company Secretary
Place : Delhi

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	Year ended 31-Mar-20	Year ended 31-Mar-19
Revenue from operations	25	443663.22	315173.69
Other income	26	3626.42	6365.79
Total income		**447289.64**	**321539.48**
Expenses			
Cost of materials consumed	27	301067.82	275190.34
Purchases of stock-in-trade	28	2229.42	1924.82
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	21882.64	(53981.66)
Employee benefits expense	30	25576.42	22386.65
Finance costs	31	7933.13	6798.71
Depreciation and amortisation expense	32	7489.12	5695.14
Impairment loss on financial assets (including reversals of impairment losses)	33	861.47	16.62
Other expenses	34	37727.16	38751.01
Total expenses		**404767.18**	**296781.63**
Profit before share of net profits of investments accounted for using equity method and tax		**42522.46**	**24757.85**
Share of net profit of associates accounted for using the equity method	45	2038.61	2022.85
Profit before tax		**44561.07**	**26780.70**
Tax expense:			
- Current tax	35	7910.46	6012.18
- Deferred tax	35	3138.79	(859.53)
Total tax expense		**11049.25**	**5152.65**
Profit for the year		**33511.82**	**21628.05**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	38	(147.86)	(211.11)
- Share of other comprehensive income of associates accounted for using the equity method	45	(11.57)	(6.69)
		(159.43)	**(217.80)**
A (ii) Income tax relating to items that will not be reclassified to profit or loss	35	(51.67)	(73.77)
		(107.76)	**(144.03)**
B (i) Items that may be reclassified to profit or loss			
- Share of other comprehensive income of associates accounted for using the equity method (pertaining to exchange differences arising on translating the foreign operations)	45	(24.11)	(3.82)
- Share of other comprehensive income of associates accounted for using the equity method (pertaining to effective portion of profit/(loss) on designated portion of hedging instruments in a cash flow hedge)	45	(150.48)	106.84
		(174.59)	**103.02**
B (ii)Income tax relating to items that may be reclassified to profit or loss	35	-	-
		(174.59)	**103.02**
Other comprehensive income for the year, net of tax		**(282.35)**	**(41.01)**
Total comprehensive income for the year		**33229.47**	**21587.04**
Profit/(loss) attributable to:			
Owners of the Company		33511.82	21628.05
Non-controlling interests		-	(0.00)
		33511.82	**21628.05**
Other comprehensive income attributable to:			
Owners of the Company		(282.35)	(41.01)
Non-controlling interests		-	-
		(282.35)	**(41.01)**
Total comprehensive income attributable to:			
Owners of the Company			
Non-controlling interests		33229.47	21587.04
		-	(0.00)
		33229.47	**21587.04**
Earnings per equity share (face value ₹ 1 each)			
Basic	36	13.32	8.39
Diluted	36	13.32	8.39

The accompanying notes 1 to 52 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Faridabad (Haryana)

Date : June 17, 2020

For and on behalf of the Board of Directors of Triveni Engineering & Industries Limited

Dhruv M. Sawhney
Chairman & Managing Director
Place : New Delhi

Homai A. Daruwalla
Director & Chairperson Audit Committee
Place : Mumbai

Suresh Taneja
Group CFO
Place : Delhi

Geeta Bhalla
Group Vice President & Company Secretary
Place : Delhi

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 1 each issued, subscribed and fully paid up (including paid up value of ₹ 0.02 lakhs pertaining to forfeited shares)

As at 31 March 2018	**2579.47**
Changes during the year	-
As at 31 March 2019	**2579.47**
Extinguishment of shares upon buy-back [refer note 14 (iv)]	(100.00)
As at 31 March 2020	**2479.47**

B. OTHER EQUITY

	Attributable to owners of the Company											
	Reserves and surplus							Items of other comprehensive income				
	Capital redemption reserve	Capital reserve	Securities premium	Amalgamation reserve	General reserve	Molasses storage fund reserve	Retained earnings	Foreign currency translation reserve	Cash flow hedging reserve	Total other equity	Non-controlling interests	Total
Balance as at 31 March 2018	**458.50**	**2706.77**	**26588.46**	**926.34**	**51440.90**	**196.28**	**9774.25**	**(27.27)**	**(8.49)**	**92055.74**	**0.00**	**92055.74**
Profit/(loss) for the year	-	-	-	-	-	-	21628.05	-	-	21628.05	(0.00)	21628.05
Other comprehensive income, net of income tax	-	-	-	-	-	-	(137.34)	-	-	(137.34)	-	(137.34)
Share of other comprehensive income of associates	-	-	-	-	-	-	(6.69)	(3.82)	106.84	96.33	-	96.33
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**21484.02**	**(3.82)**	**106.84**	**21587.04**	**(0.00)**	**21587.04**
Share of associates	-	-	7.00	-	-	-	-	-	-	7.00	-	7.00
Share of associates - buyback adjustments during the year	14.64	-	(10.24)	-	(1521.47)	-	1537.69	0.37	(20.99)	-	-	-
Acquisition of non-controlling interests [refer note 44(ii)]	-	-	-	-	-	-	(0.00)	-	-	(0.00)	-	(0.00)
Transferred from retained earnings to molasses storage fund reserve	-	-	-	-	-	35.76	(35.76)	-	-	-	-	-
Withdrawal from molasses storage fund reserve	-	-	-	-	-	(15.68)	15.68	-	-	-	-	-
Transactions with owners in their capacity as owners :												
- Dividends paid	-	-	-	-	-	-	(1805.62)	-	-	(1805.62)	-	(1805.62)
- Dividend distribution tax	-	-	-	-	-	-	(371.15)	-	-	(371.15)	-	(371.15)
Balance as at 31 March 2019	**473.14**	**2706.77**	**26585.22**	**926.34**	**49919.43**	**216.36**	**30599.11**	**(30.72)**	**77.36**	**111473.01**	**-**	**111473.01**
Profit/(loss) for the year	-	-	-	-	-	-	33511.82	-	-	33511.82	-	33511.82
Other comprehensive income, net of income tax	-	-	-	-	-	-	(96.19)	-	-	(96.19)	-	(96.19)
Share of other comprehensive income of associates	-	-	-	-	-	-	(11.57)	(24.11)	(150.48)	(186.16)	-	(186.16)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**33404.06**	**(24.11)**	**(150.48)**	**33229.47**	**-**	**33229.47**
Share of associates	-	-	0.67	-	-	-	-	-	-	0.67	-	0.67
Transferred to molasses storage fund reserve	-	-	-	-	-	21.60	(21.60)	-	-	-	-	-
Withdrawal from molasses storage fund reserve	-	-	-	-	-	(97.25)	97.25	-	-	-	-	-
Transactions with owners in their capacity as owners :												
- Amount utilised for buy-back of equity shares [refer note 14(iv)]	-	-	(9900.00)	-	-	-	-	-	-	(9900.00)	-	(9900.00)
- Transferred from securities premium to capital redemption reserve on buy-back of equity shares [refer note 14(iv)]	100.00	-	(100.00)	-	-	-	-	-	-	-	-	-
- Transaction costs related to buy-back of equity shares [refer note 14(iv)]	-	-	(127.76)	-	-	-	-	-	-	(127.76)	-	(127.76)
- Dividends paid	-	-	-	-	-	-	(2727.40)	-	-	(2727.40)	-	(2727.40)
- Dividend distribution tax	-	-	-	-	-	-	(560.62)	-	-	(560.62)	-	(560.62)
Balance as at 31 March 2020	**573.14**	**2706.77**	**16458.13**	**926.34**	**49919.43**	**140.71**	**60790.80**	**(54.83)**	**(73.12)**	**131387.37**	**-**	**131387.37**

The accompanying notes 1 to 52 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Faridabad (Haryana)

Date : June 17, 2020

For and on behalf of the Board of Directors of Triveni Engineering & Industries Limited

Dhruv M. Sawhney
Chairman & Managing Director
Place : New Delhi

Homai A. Daruwalla
Director & Chairperson Audit Committee
Place : Mumbai

Suresh Taneja
Group CFO
Place : Delhi

Geeta Bhalla
Group Vice President & Company Secretary
Place : Delhi

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-20	Year ended 31-Mar-19
Cash flows from operating activities		
Profit before tax	**44561.07**	**26780.70**
Adjustments for:		
Share of net profit of associate accounted for using the equity method	(2038.61)	(2022.85)
Depreciation and amortisation expense	7489.12	5695.14
Bad debts written off - trade receivables carried at amortised cost	315.06	501.56
Bad debts written off - other financial assets carried at amortised cost	-	2.98
Impairment loss allowance on trade receivables and other financial assets (net of reversals)	546.41	(487.92)
Bad debts written off - non financial assets	17.36	69.59
Impairment loss allowance on non financial assets (net of reversals)	(8.65)	(41.53)
Provision for non moving / obsolete inventory (net of reversals)	(74.29)	97.79
Loss on sale /write off of inventory	200.44	27.03
Net fair value (gains)/losses on investments	61.77	(17.79)
Mark-to-market losses / (gains) on derivatives	2.19	(65.10)
Credit balances written back	(208.16)	(187.05)
Unrealised losses / (gains) from changes in foreign exchange rates	(19.69)	6.37
Loss on sale / write off / impairment of property, plant and equipment	19.86	53.31
Net (profit)/loss on sale / redemption of investments	(0.10)	0.32
Interest income	(229.76)	(379.63)
Dividend income	(2.86)	(3.03)
Finance costs	7933.13	6798.71
Working capital adjustments:		
Change in inventories	20527.06	(54072.08)
Change in trade receivables	(11967.85)	7381.97
Change in other financial assets	(4.55)	168.95
Change in other assets	(23643.88)	(10934.69)
Change in trade payables	12065.96	1059.03
Change in other financial liabilities	105.30	376.23
Change in other liabilities	2365.94	5345.82
Change in provisions	277.59	1438.17
Cash generated from / (used in) operations	**58289.86**	**(12408.00)**
Income tax (paid)/ refund (net)	(7258.10)	(4462.48)
Net cash inflow / (outflow) from operating activities	**51031.76**	**(16870.48)**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(11691.61)	(23888.08)
Proceeds from sale of property, plant and equipment	87.73	66.29
Advance given against purchase of investments	(160.00)	-
Advance received against assets held for sale	10.00	-
Proceeds from sale of investments	20.72	2107.09
Loan to associate	-	(267.06)
Decrease / (increase) in deposits with banks	450.86	(258.21)
Interest received	201.89	367.19
Dividend received from associate	353.14	396.00
Other dividends received	2.86	3.03
Net cash outflow from investing activities	**(10724.41)**	**(21473.75)**
Cash flows from financing activities		
Proceeds from long term borrowings	21354.87	45666.79
Repayment of long term borrowings	(8932.63)	(13195.09)
Increase / (decrease) in short term borrowings	(29197.08)	15893.72
Interest paid (other than on lease liabilities)	(7729.61)	(6747.87)
Payment of lease liabilities (interest portion)	(180.75)	-

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-20	Year ended 31-Mar-19
Payment of lease liabilities (principal portion)	(467.59)	-
Acquisition of non-controlling interests	-	(0.00)
Buy-back of equity shares	(10000.00)	-
Buy-back costs	(127.76)	-
Dividend paid to Company's shareholders	(2727.40)	(1805.62)
Dividend distribution tax	(560.62)	(371.15)
Increase / (decrease) in unclaimed dividends	3.26	(1.49)
Net cash inflow / (outflow) from financing activities	**(38565.31)**	**39439.29**
Net increase / (decrease) in cash and cash equivalents	1742.04	1095.06
Cash and cash equivalents at the beginning of the year [refer note 12 (a)]	1461.57	366.51
Cash and cash equivalents at the end of the year [refer note 12 (a)]	**3203.61**	**1461.57**

Reconciliation of liabilities arising from financing activities:

	Non-current borrowings (including current maturities and deferred grant related to borrowings)	Current borrowings	Interest payable (other than on lease liabilities)	Lease liabilities	Non-controlling interests	Buy-back of equity shares (including buy-back costs)	Dividend paid to Company's shareholders (including DDT)	Unpaid dividends
Balance as at 31 March 2018	**16577.74**	**107647.23**	**96.10**	**-**	**0.00**	**-**	**-**	**3.48**
Cash flows	32471.70	15893.72	(6747.87)	-	(0.00)	-	(2176.77)	(1.49)
Finance costs accruals (including interest capitalised)	-	-	6821.46	-	-	-	-	-
Share of loss for the year	-	-	-	-	(0.00)	-	-	-
Excess of consideration paid recognised in retained earnings	-	-	-	-	0.00	-	-	-
Dividend distributions (including DDT) accruals	-	-	-	-	-	-	2176.77	-
Balance as at 31 March 2019	**49049.44**	**123540.95**	**169.69**	**-**	**(0.00)**	**-**	**-**	**1.99**
Cash flows	12422.24	(29197.08)	(7729.61)	(648.34)	-	(10127.76)	(3288.02)	3.26
Finance costs accruals (including interest capitalised)	-	-	7797.40	185.93	-	-	-	-
Lease liabilities accruals	-	-	-	2228.91	-	-	-	
Buy-back of equity shares (including buy-back costs) accruals	-	-	-	-	-	10127.76	-	-
Dividend distributions (including DDT) accruals	-	-	-	-	-	-	3288.02	-
Balance as at 31 March 2020	**61471.68**	**94343.87**	**237.48**	**1766.50**	**-**	**-**	**-**	**5.25**

The accompanying notes 1 to 52 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Faridabad (Haryana)

Date : June 17, 2020

For and on behalf of the Board of Directors of Triveni Engineering & Industries Limited

Dhruv M. Sawhney
Chairman & Managing Director
Place : New Delhi

Homai A. Daruwalla
Director & Chairperson Audit Committee
Place : Mumbai

Suresh Taneja
Group CFO
Place : Delhi

Geeta Bhalla
Group Vice President & Company Secretary
Place : Delhi

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

CORPORATE INFORMATION

The financial statements comprises of financial statements of Triveni Engineering & Industries Limited and its subsidiaries (collectively the "Group") and the Group's interest in associates. Triveni Engineering & Industries Limited (the "Company" or the "Parent") is a company limited by shares, incorporated and domiciled in India. The Company's equity shares are listed at two recognised stock exchanges in India (BSE and NSE). The registered office of the Company is located at Deoband, Distt. Saharanpur, Uttar Pradesh – 247554. The Group is engaged in diversified businesses, mainly categorised into two segments – Sugar & allied businesses and Engineering business. Sugar & allied businesses primarily comprises manufacture of sugar, co-generation of power and distillation of alcohol. Engineering business primarily comprises manufacture of high speed gears, gearboxes and providing water/waste-water treatment solutions.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation and presentation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

The financial statements have been prepared on an accrual basis under historical cost convention except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the respective accounting policies described in subsequent paragraphs.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases (see note 1(d)), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories (see note 1(l)) or value in use in Ind AS 36 Impairment of Assets (see note 1(f)).

(iii) Classification of assets and liabilities into current/ non-current

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Act. The operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

(iv) Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Interests in associates are accounted for using the equity method, after being initially recognised at cost in the balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, the Group's share of other comprehensive income of the investee in other comprehensive income and the Group's share of other changes in other equity of the investee directly in other equity. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Revenue recognition

Revenue from contracts with customers is recongised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Transaction price at which revenue is recognised is net of goods & services tax and amounts collected on behalf of third parties, if any and includes effect of variable consideration (viz. returns, rebates, trade allowances, credits, penalties etc.). Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance and is included in the transaction price only to the extent it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Recognising revenue from major business activities

(i) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods are transferred to the customer (i.e. satisfaction of performance obligation), generally on dispatch of the goods. The Group, in its engineering business, generally provides warranties to its customers in the nature of assurance, which is considered as an obligation and provided for under Ind AS 37

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Provisions, Contingent Liabilities and Contingent Assets (refer note 1(n)).

(ii) Rendering of services

The Group provides engineering services that are either sold separately or bundled together with the sale of goods to a customer.

Contracts for bundled sales of goods and engineering services are comprised of two performance obligations because the promises to transfer goods and provide engineering services are distinct and capable of being separately identifiable. Accordingly, the Group allocates the transaction price based on relative stand-alone selling prices of such goods and engineering services.

The Group recognises revenue from engineering services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. The progress towards complete satisfaction of the service is determined as follows:

- erection & commissioning / servicing revenue - based on technical estimate of completion of physical proportion of the contract work;
- operation & maintenance revenue - as the proportion of the total period of services contract that has elapsed at the end of the reporting period

(iii) Construction contracts

Construction contracts are analysed to determine combination of contracts and identification of performance obligations and accordingly transaction price is allocated amongst performance obligations based on stand-alone selling prices. Performance obligations, in construction contracts, generally includes construction/ turnkey related activities and operation & maintenance related activities which are satisfied over time with the customer receiving benefits from the activities being performed by the Group.

When the progress towards complete satisfaction of performance obligations of a construction contract can be estimated reliably, revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, because the customer simultaneously receives and consumes the benefits provided by the Group. Contract costs excludes costs that do not depict the Company's progress in satisfying the performance obligation.

When the outcome of performance obligations of a construction contract cannot be estimated reliably, but the Group expects to recover the costs incurred in satisfying the performance obligation, contract revenue is recognised only to the extent of the contract costs incurred until such time that it can reasonably measure the outcome of the performance obligation. Contract costs are recognised as expenses in the period in which they are incurred.

(iv) Dividend income

Dividend income from investments is recognised when the Group's right to receive payment has been established.

(v) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(c) Government grants

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

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

Government grants relating to the purchase of property, plant and equipment are deducted from its gross value and are recognised in profit or loss on a systematic and

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

rational basis over the expected useful lives of the related assets by way of reduced depreciation.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The Government grants by way of a benefit of a Government loan at a below market rate of interest is measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

See note 43 for disclosures and treatment of government grants in financial statements.

(d) Leases

(i) As a lessee

The Group's lease assets classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use ("ROU") assets and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset (see note 1(i) below) and is also evaluated for impairment (see note 1(f) below). The lease liability is measured at amortised cost at the present value of the future lease payments. The lease term includes (a) the non-cancellable period of the lease; (b) the period covered by an option to extend the lease, if it is reasonably certain that such option shall be exercised; and (c) the period covered by an option to terminate the lease, if it is reasonably certain that such option shall not be exercised. Lease liabilities are remeasured with a corresponding adjustment to the related ROU assets if the Group changes its assessment concerning the right to exercise its option of extending or terminating the lease provided to it under the relevant arrangement.

For short-term and low value leases as mentioned above, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

(ii) As a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Group has given certain portion of its office / factory premises under operating leases (refer note 46). Lease income from operating leases is recognised as income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Respective leased assets are included in the balance sheet based on their nature.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Group's functional and presentation currency unless stated otherwise.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates that approximates the actual rate at the date of respective transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss in the period in which they arise except for foreign exchange gains or losses on settlement or translation of foreign currency borrowings that are directly attributable to acquisition, construction or production of a qualifying asset, which are included in cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Foreign exchange gains or losses which are regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses, as the case may be.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(f) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so however that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Borrowing costs are not capitalised during extended periods in which active development of qualifying assets is suspended. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Other borrowing costs are expensed in the period in which they are incurred.

(h) Income tax

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

(i) **Current tax**

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

(ii) **Deferred tax**

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates, except where the Group 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 arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

(iii) **Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(i) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Freehold land is carried at cost. All other items of property, plant and equipment are stated

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price after deducting trade discounts/rebates, government grants related to assets and including import duties and non-refundable purchase taxes, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and costs of dismantling/removing the item and restoring the site on which it was located under an obligation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

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

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

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

The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives as stated in Schedule II along with residual values of 5% except for the following:

- On the basis of technical assessment and past experience:
    - o the useful lives of mill rollers, instrumentation and control devices installed at sugar plants is considered at ten years as against prescribed life of twenty five years in respect of continuous process plant.
    - o mobile phones costing ₹ 5,000/- or more are depreciated over two years.
    - o patterns, tools, Jigs etc. are depreciated over three years.
    - o machinery spares are depreciated over a life ranging from five to ten years.
- Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

Estimated useful lives considered are as follows:

Assets	Estimated useful life
Buildings	3 - 60 years
Roads	3 - 10 years
Plant & equipment	3 - 25 years
Furniture & fixtures	10 years
Vehicles	8 - 10 years
Office equipment	2 - 5 years
Computers	3 - 6 years
Laboratory equipment	10 years
Electrical installations and equipment	10 years

Fixture and fittings and improvements to leasehold buildings not owned by the Group are amortised over the unexpired lease period or estimated useful life of such fixture, fittings and improvements, whichever is lower.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

(j) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Investment property is measured initially at its cost, including related transaction costs and, where applicable, borrowing costs. Cost comprises purchase price after deducting trade discounts/rebates, government grants related to assets and including duties and taxes, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling/removing the item and restoring the site on which it was located under an obligation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment property being building is depreciated using the straight-line method over their estimated useful lives as stated in Schedule II at 30 years along with residual values of 5%.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(k) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Costs comprises purchase price after deducting trade discounts/rebates, government grants related to assets and including import duties and non-refundable purchase taxes, borrowing costs and any directly attributable cost of preparing the asset for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Intangible assets being computer software is amortised using straight-line method over estimated useful life of 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(l) Inventories

(i) Finished goods and work-in-progress are valued at lower of cost and net realisable value. The cost of finished goods and work-in-progress is computed on weighted average basis and includes raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. Finished goods and work-in-progress are written down if their net realisable value declines below the carrying amount of the inventories and such write downs of inventories are recognised in profit or loss. When reasons for such write downs ceases to exist, the write downs are reversed through profit or loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(ii) Inventories of raw materials & components, stores & spares and stock-in-trade are valued at lower of cost and net realisable value. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Write down of such inventories are recognised in profit or loss and when reasons for such write downs ceases to exist, such write downs are reversed through profit or loss. Cost of such inventories comprises of purchase price and other directly attributable costs that have been incurred in bringing the inventories to their present location and condition. By-products used as raw material are valued at transfer price linked with net realisable value. Cost for the purpose of valuation of raw materials & components, stores & spares and stock-in-trade is considered on the following basis :

Raw materials & Components

Business Units	Basis
Sugar	First in first out
Co-generation & Distillery	Weighted average
Water Business Group	Specific cost
Gears Business Group	Weighted average and Specific cost

Stores & Spares

Business Units	Basis
Water Business Group	Specific cost
Other units	Weighted average

Stock-in-trade

Business Units	Basis
Branded goods trading business	Weighted average
Diesel/petrol retailing business	First in first out

(iii) By-products (excluding those used as raw materials) and scrap are valued at estimated net realisable value.

(m) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets once classified as held for sale are neither depreciated nor amortised.

(n) Provisions, contingent liabilities and contingent assets

(i) Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is measured at the present value of cash flows estimated to settle the present obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(ii) A contingent liability is not recognised in the financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If it becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognised in the financial statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).

(iii) A contingent asset is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the asset is no longer a contingent asset, and is recognised as an asset.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

(o) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

Other long-term employee benefits include earned leaves and sick leaves. The liabilities for earned leaves and sick leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the market yield on government bonds at the end of the reporting period that have maturity term approximating to the estimated term of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as provisions in the balance sheet.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

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

Defined benefit plan

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

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such net interest cost along with the current service cost and, if applicable, the past service cost and settlement gain/loss, is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions, comprising actuarial gains/losses and return on plan assets (excluding the amount recognised in net interest on the net defined liability), are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plans

Defined contribution plans are retirement benefit plans under which the Group pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Group has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an

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for the year ended March 31, 2020

asset to the extent that a cash refund or a reduction in the future payments is available.

- **Provident Fund Plan & Employee Pension Scheme**
  The Group makes monthly contributions at prescribed rates towards Employees' Provident Fund/ Employees' Pension Scheme to a Fund administered and managed by the Government of India. The Company had also set up a Provident Fund Trust, to secure the provident fund dues in respect of a specific establishment of the Company. During the year, the Company has voluntarily applied for surrender of the exemption under section 17(1)(a) of Employees' Provident Fund & Miscellaneous Provisions Act, 1952 granted to the said establishment [refer note 38(1)(a)].

- **Employee State Insurance**
  The Group makes prescribed monthly contributions towards Employees' State Insurance Scheme.

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

- **National Pension Scheme**
  The Group makes contributions to the National Pension Scheme fund in respect of certain employees of the Group.

(p) Dividends

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

(q) Financial assets

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost.

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

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

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

(ii) Measurement

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

Debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or

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impaired. Interest income from these financial assets is recognised using the effective interest rate method.

- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value, except for equity investments in associates where equity accounting is followed (note 1(a)(iv)). Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

(iii) Impairment of financial assets

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

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

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

ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. Note 41(i) details how the Group determines expected credit loss.

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for the year ended March 31, 2020

(iv) **Derecognition of financial assets**

A financial asset is derecognised only when the Group

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

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

Where the Group has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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

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

(v) **Effective interest method**

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

(r) Financial liabilities and equity instruments

(i) **Classification**

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

Equity instruments

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

Financial liabilities

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

(ii) **Measurement**

Equity instruments

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

Financial liabilities

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

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

- Fair value through profit or loss (FVTPL): Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

- Amortised cost: Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

(iii) **Derecognition**

Equity instruments

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

Financial liabilities

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

(iv) **Effective interest method**

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

(v) **Foreign exchange gains and losses**

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

(s) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

(t) Offsetting financial instruments

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

(u) Fair value of financial instruments

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(v) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing of financing flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(w) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of change in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(x) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(y) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 37 for segment information presented.

NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Notes to the Consolidated Financial Statements

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(a) Critical accounting judgements

Following are the areas which involved complex and subjective judgements:

(i) Incentives under the U.P. Sugar Industry Promotion Policy, 2004

In a writ petition filed by the Company against the illegal withdrawal of U.P. Sugar Industry Promotion Policy, 2004 ("the Policy") by the State Government of Uttar Pradesh, the Hon'ble Allahabad High Court had decided the matter in favour of the Company and directed the State Government to quantify and pay all the incentives that were promised under the said Policy. The State Government however filed a Special Leave Petition before the Hon'ble Supreme Court challenging the decision of the Hon'ble High Court against it.

While the case was sub-judice, the Company continued to avail the remissions of statutory levies and duties aggregating to ₹ 4158.38 lakhs, which it was entitled to under the Policy, in accordance with the interim directions of the High Court. Based on the aforesaid decision of Hon'ble Allahabad High Court in its favour, the Company is pursuing for its claim of ₹ 11375 lakhs filed towards one time capital subsidy and shall pursue its claims towards other incentives by way of reimbursements against specified expenses aggregating to ₹ 13015.88 lakhs, by filing necessary documents for the verification of the State Government authorities. The aforesaid amounts do not include any interest towards delayed settlement.

In view of uncertainties involved on account of the fact that the State Government has challenged the decision rendered against it and since the process of verification and quantification of claims by the State Government for the incentive period of 10 years is yet to be taken up in earnest, the Company has not recognised the above benefits/incentives receivable under the Policy.

(ii) Society commission

In the cane price package offered by the State Government of Uttar Pradesh ("State Government") to sugar mills, the State Government had reduced the rate of commission payable to cane societies for sugar season 2012-13 and 2014-15 by way of notification dated 12 June 2015 and for 2015-16 vide notification dated 5 February 2016, to provide relief to the Sugar Industry in view of disparity in the cane price and the market outlook of the sugar prices. In the writ petitions filed by certain cane societies against such reduction in commission rates, the Hon'ble Allahabad High Court has held that these notifications cannot have retrospective applicability. The reduction in the rate of commission payable being part of the relief package announced by the State Government, the Group believes that the State Government is not likely to pass the cost burden upon the sugar industry and instead, may explore other ways to meet the outcome of the order of the Court. Accordingly, no provision to this effect has been considered necessary.

(iii) Central Government subsidies

As a measure of relief to the sugar industry, to facilitate export and for speedy cane payments, the Central Government has announced incentives to the sugar industry for the sugar season 2019-20 whereby sugar mills shall be entitled to assistance towards marketing and transportation costs related to export of sugar upto the Maximum Admissible Export Quantity (MAEQ) as determined by the Central Government and allocated to respective sugar mills. The incentives announced shall be made available to the sugar mills upon fulfilment of prescribed conditions and stipulations which mainly includes export of atleast 50% of its MAEQ of sugar. In addition, the Central Government has the power to withdraw/amend the scheme at any time, based upon its monitoring of prevailing sugar prices and review of availability position of sugar.

Upon assessment of the conditions prescribed, the Company has recognized such subsidy in respect of quantities of sugar for which substantive condition of the abovesaid scheme has been fulfilled (i.e. to the extent of sugar quantities of which export completed till the year end subject to the condition that such exports are atleast 50% of MAEQ allocated to specific sugar mill). The Company will recognise subsidy in subsequent period in respect of quantities of sugar for which export is under process as at the year end, on consideration of prudence. The estimated amount of subsidy in respect of such sugar in the process of export as at 31 March 2020 is ₹ 5765.66 lakhs.

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(b) Key sources of estimation uncertainty

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

(i) Global health pandemic from COVID-I9

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. During the period of lockdown, the main business of the Company i.e. Sugar Business, comprising manufacture of sugar and allied activities of cogeneration of power and distillation of ethanol, being essential goods, continued to operate uninterruptedly. However, the engineering businesses were closed for about 3-5 weeks during the lockdown period but these have resumed normal operation by the second week of May'2020. The Company has evaluated the impact of this pandemic on its business operations and financial position using internal and external sources of information, including economic forecasts and estimates from market sources, and based on its review of current indicators of future economic conditions, there is no significant impact on carrying amount of the assets due to impairment and on its financial results for the year ended 31 March 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different in future from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

(ii) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. When the fair values of these assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques by engaging third party qualified external valuers or internal valuation team to perform the valuation. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 4, 6, 9 and 42 for further disclosures.

(iii) Employee benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the market yields on government bonds with a maturity term that is consistent with the term of the concerned defined benefit obligation. Future salary increases are based on expected future inflation rates and expected salary trends in the industry. Attrition rates are considered based on past observable data of employees leaving the services of the Group. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. See note 38 for further disclosures.

(iv) Impairment of trade receivables

The Group has a stringent policy of ascertaining impairment, if any, as result of detailed scrutiny of major cases and through determining expected credit losses. Despite best estimates and periodic credit appraisals of customers, the Group's receivables are exposed to delinquency risks due to material adverse changes in business, financial or economic conditions that are expected to cause a significant change to the party's ability to meet its obligations. All such parameters relating to impairment or potential impairment are reviewed at each reporting date. See note 41(i) for further disclosures.

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for the year ended March 31, 2020

(v) Revenue and cost estimation for construction contracts

The revenue recognition pertaining to construction contracts are determined on proportionate completion method based on actual construction contract costs incurred till balance sheet date and total budgeted construction contract costs. An estimation of total budgeted construction contract cost involves making various assumptions that may differ from the actual developments in the future. These include delays in execution due to unforeseen reasons, inflation rate, future material rates, future labour rates etc. The estimates/assumptions are made considering past experience, market/inflation trends and technological developments etc. All such estimates/ assumptions are reviewed at each reporting date.

(vi) Provision for warranty claims

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

(vii) Provision for litigations and contingencies

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

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

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

(ix) Current taxes and deferred taxes

Significant judgement is required in determination of taxability of certain incomes and deductibility of certain expenses during the estimation of the provision for income taxes.

Deferred tax assets are recognised for deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that taxable profit would be available against which such deferred tax assets could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax optimisation strategies.

Notes to the Consolidated Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	Property, plant and equipment											
	Freehold Land	Leasehold Land	Right-of-use assets (Land)	Buildings & Roads	Right-of-use assets (Building)	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total	Capital work-in-progress
Year ended 31 March 2019												
Gross carrying amount												
Opening gross carrying amount	3567.74	760.24	-	20107.02	-	73836.77	276.26	974.62	334.39	449.71	100306.75	1061.06
Additions	-	23.00	-	590.28	-	4142.09	25.09	362.32	55.15	116.70	5314.63	21167.76
Disposals	-	-	-	(14.58)	-	(97.25)	(1.17)	(97.86)	(7.86)	(4.88)	(223.60)	-
Transfers *	-	-	-	-	-	-	-	-	-	-	-	(1695.24)
Closing gross carrying amount	**3567.74**	**783.24**	**-**	**20682.72**	**-**	**77881.61**	**300.18**	**1239.08**	**381.68**	**561.53**	**105397.78**	**20533.58**
Accumulated depreciation and impairment												
Opening accumulated depreciation and impairment	-	13.92	-	2060.03	-	14019.58	137.91	301.33	121.53	195.46	16849.76	56.31
Depreciation charge during the year	-	4.64	-	768.90	-	4580.78	30.59	137.39	37.75	99.95	5660.00	-
Disposals	-	-	-	(2.36)	-	(26.80)	(0.85)	(66.40)	(5.79)	(1.78)	(103.98)	-
Closing accumulated depreciation and impairment	**-**	**18.56**	**-**	**2826.57**	**-**	**18573.56**	**167.65**	**372.32**	**153.49**	**293.63**	**22405.78**	**56.31**
Net carrying amount	**3567.74**	**764.68**	**-**	**17856.15**	**-**	**59308.05**	**132.53**	**866.76**	**228.19**	**267.90**	**82992.00**	**20477.27**
Year ended 31 March 2020												
Gross carrying amount												
Opening gross carrying amount	3567.74	783.24	-	20682.72	-	77881.61	300.18	1239.08	381.68	561.53	105397.78	20533.58
Opening reclassifications/ recognitions (refer note 46 & 50)	-	(349.66)	353.14	-	2232.26	-	-	-	-	-	2235.74	-
Additions	-	1553.17	-	1796.77	25.81	25516.05	111.27	236.15	243.18	249.56	29731.96	5546.87
Disposals	-	-	-	(10.09)	(68.28)	(156.91)	(1.81)	(97.96)	(12.78)	(11.25)	(359.08)	(33.21)
Transfers *	-	-	-	-	-	-	-	-	-	-	-	(23408.30)
Other adjustments	-	-	-	-	-	-	-	-	(0.48)	0.48	-	-
Closing gross carrying amount	**3567.74**	**1986.75**	**353.14**	**22469.40**	**2189.79**	**103240.75**	**409.64**	**1377.27**	**611.60**	**800.32**	**137006.40**	**2638.94**
Accumulated depreciation and impairment												
Opening accumulated depreciation and impairment	-	18.56	-	2826.57	-	18573.56	167.65	372.32	153.49	293.63	22405.78	56.31
Opening reclassifications/ recognitions (refer note 46 & 50)	-	(18.56)	18.56	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	-	5.40	984.32	626.64	5463.49	31.07	154.66	58.71	134.49	7458.78	-
Disposals	-	-	-	(1.76)	(68.28)	(96.37)	(1.37)	(67.93)	(9.83)	(5.96)	(251.50)	(33.21)
Other adjustments	-	-	-	-	-	-	-	-	(0.62)	0.62	-	-
Closing accumulated depreciation and impairment	**-**	**-**	**23.96**	**3809.13**	**558.36**	**23940.68**	**197.35**	**459.05**	**201.75**	**422.78**	**29613.06**	**23.10**
Net carrying amount	**3567.74**	**1986.75**	**329.18**	**18660.27**	**1631.43**	**79300.07**	**212.29**	**918.22**	**409.85**	**377.54**	**107393.34**	**2615.84**

* Represents amount capitalised during the year under property, plant and equipment out of capital work-in-progress.

Notes:

(i) Leasehold land

This comprises certain land acquired under agreements on perpetual lease terms from the Government and accordingly, classified and accounted for under Ind AS 16 Property, Plant and Equipment. Under the terms of the perpetual lease agreements, the Group has the right to sublet/ sub-lease/ assign/ transfer such land except in case of one perpetual lease relating to a small parcel of land where prior approval of the specified authority is required in case sub-lease/ assignment/ transfer relates to a part of such land demised under the lease. A parcel of leasehold land with original lease term of ninety years, which till previous year was classified as finance lease in accordance with criteria specified in previous accounting standard on leases i.e. Ind AS 17 Leases, has been recognised as Right-of-use assets during the current year consequent to the introduction of new accounting standard on leases i.e. Ind AS 116 Leases (refer note 46 and 50).

(ii) Restrictions on Property, plant and equipment

Refer note 17(i) & 21(i) for information on charges created on property, plant and equipment. Further, freehold land includes land having carrying amount of ₹ 13.13 lakhs for which transfer of titles in the name of the Company is pending.

(iii) Contractual commitments

Refer note 47 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Capital work-in-progress

Capital work-in-progress mainly comprises of plant & equipment (viz. Pollution control equipment, Boiling house equipment etc.) under the process of installation pertaining to Distillery & Sugar business of the Group.

(v) Impairment loss

The impairment loss in Capital work-in-progress relates to expenditure incurred on construction of residential buildings at certain factories, which were under progress till financial year 2011-12. However, the said project was subsequently discontinued and the entire expenditure incurred was recognised as an impairment loss in the statement of profit and loss during the financial year 2015-16 considering no possible future economic benefits flowing from the project.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 4: INVESTMENT PROPERTY

	As at 31-Mar-20	As at 31-Mar-19
Gross carrying amount		
Opening gross carrying amount	1170.12	1170.12
Additions/deletions	-	-
Classified as held for sale (refer note 13)	(3.05)	-
Closing gross carrying amount	**1167.07**	**1170.12**
Accumulated depreciation and impairment		
Opening accumulated depreciation	-	-
Depreciation charge/impairment losses	-	-
Closing accumulated depreciation and impairment	**-**	**-**
Net carrying amount	**1167.07**	**1170.12**

(i) Description about investment properties

Investment properties consist of :

(a) various parcels of freehold land located in the states of Uttar Pradesh.

(b) an office flat owned by the Group having carrying amount of ₹ 0.12 lakhs, constructed by a Society on a leasehold land at Mumbai.

(ii) Amount recognised in statement of profit and loss

	As at 31-Mar-20	As at 31-Mar-19
Rental income from office flat at Mumbai	15.24	14.16
Direct operating expenses on property that generated rental income	-	-
Direct operating expenses on property that did not generate rental income	(10.11)	(10.14)
Profit from investment properties before depreciation	**5.13**	**4.02**
Depreciation	-	-
Profit from investment properties	**5.13**	**4.02**

(iii) Restrictions on realisability and contractual obligations

Though the transfer of titles in the name of the Company is pending in respect of freehold land having carrying amount of ₹ 101.96 lakhs, the Company has no restrictions on the realisability of any of its investment properties and it is under no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iv) Fair value

	As at 31-Mar-20	As at 31-Mar-19
Investment properties		
- Land at Digrauli, District Saharanpur, Uttar Pradesh	*	*
- Land at Bhopura, District Baghpat, Uttar Pradesh	*	*
- Land at Dibai, District Bulandshahar, Uttar Pradesh	*	*
- Office flat at Mumbai	503.88	503.88

*The parcels of land owned by the Group are situated in the sugar belts of Uttar Pradesh. In view of slowdown in real estate and industrial activities, the circle rates may not be fully reflective of the fair value in the absence of transactions of similar properties (including size) in the vicinity of the subject properties.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Estimation of fair value of office flat at Mumbai

The valuation of the office flat situated at Mumbai has been carried by a registered approved valuer, conversant with and having knowledge of real estate activities in the concerned area, based on prevalent rates and other observable market inputs (Level 2 fair value).

NOTE 5: INTANGIBLE ASSETS

	Computer software
Year ended 31 March 2019	
Gross carrying amount	
Opening gross carrying amount	240.19
Additions	47.01
Disposals	(0.02)
Closing gross carrying amount	**287.18**
Accumulated amortisation	
Opening accumulated amortisation	204.35
Amortisation charge for the year	35.14
Disposals	(0.02)
Closing accumulated amortisation	**239.47**
Closing net carrying amount	**47.71**
Year ended 31 March 2020	
Gross carrying amount	
Opening gross carrying amount	287.18
Additions	77.24
Disposals	-
Closing gross carrying amount	**364.42**
Accumulated amortisation	
Opening accumulated amortisation	239.47
Amortisation charge for the year	31.83
Disposals	-
Closing accumulated amortisation	**271.30**
Closing net carrying amount	**93.12**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 6: INVESTMENTS

(a) Investments accounted for using the equity method

	As at 31-Mar-20	As at 31-Mar-19
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Associate		
70,627,980 (31 March 2019: 70,627,980) Equity shares of ₹ 1/- each of Triveni Turbine Limited [refer note 44(iii)]	11571.24	7973.57
Total aggregate quoted investments	**11571.24**	**7973.57**
Unquoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Associate		
13,008 (31 March 2019: 13,008) Equity shares of New Israeli Shekel 0.10 each of Aqwise Wise Water Technologies Limited (Israel) [refer note 44(iii)]	2261.06	2878.84
Total aggregate unquoted investments	**2261.06**	**2878.84**
Total investments accounted for using the equity method	**13832.30**	**10852.41**
Total investments accounted for using the equity method	**13832.30**	**10852.41**
Aggregate amount of quoted investments	11571.24	7973.57
Aggregate amount of market value of quoted investment	41317.37	76136.96
Aggregate amount of unquoted investments	2261.06	2878.84
Aggregate amount of impairment in the value of investments	-	-

(b) Non-current investments

	As at 31-Mar-20	As at 31-Mar-19
At Amortised cost		
Unquoted Investments		
Investments in Government or trust securities		
National Saving Certificates (kept as security)	0.03	0.03
Total non-current investments carried at amortised cost [A]	**0.03**	**0.03**
At Fair value through Profit or Loss (FVTPL) (refer note 42)		
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
13,500 (31 March 2019: 13,500) Equity shares of ₹ 2/- each of Housing Development Finance Corporation Limited	220.47	265.71
5,000 (31 March 2019: 2,500) Equity shares of ₹ 1/- (31 March 2019: ₹ 2/-) each of HDFC Bank Limited	43.09	57.97
24,175 (31 March 2019: 24,175) Equity shares of ₹ 2/- each of Punjab National Bank	7.82	23.09
76 (31 March 2019: 76) Equity shares of ₹ 10/- each of Central Bank of India	0.01	0.03
3,642 (31 March 2019: 3,642) Equity shares of ₹ 5/- each of NBI Industrial Finance Co. Limited	51.38	37.88
Total aggregate quoted investments	**322.77**	**384.68**

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(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Unquoted Investments (fully paid-up)		
Investments in Bonds		
Nil (31 March 2019: 2) 8.90% bonds of ₹ 10 lakhs each of UCO Bank	-	19.94
1 (31 March 2019: 1) 8.57% bonds of ₹ 10 lakhs each of Central Bank of India	10.67	10.53
Total aggregate unquoted investments	**10.67**	**30.47**
Total non-current investments carried at FVTPL [B]	**333.44**	**415.15**
Total non-current investments ([A]+[B])	**333.47**	**415.18**
Total non-current investments	**333.47**	**415.18**
Aggregate amount of quoted investments	322.77	384.68
Aggregate amount of market value of quoted investment	322.77	384.68
Aggregate amount of unquoted investments	10.70	30.50
Aggregate amount of impairment in the value of investments	-	-

NOTE 7: TRADE RECEIVABLES

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non- current	Current	Non- current
Trade receivables (at amortised cost)				
- Considered good - Unsecured	35020.09	29.73	23850.30	59.77
- Trade receivables which have significant increase in credit risk	-	614.57	16.67	731.34
- Trade receivables - Credit impaired	-	1039.11	15.39	378.84
Less: Allowance for bad and doubtful debts	(147.65)	(1653.68)	(144.74)	(1110.18)
Total trade receivables	**34872.44**	**29.73**	**23737.62**	**59.77**

(i) Refer note 41(i) for credit risk, impairment of trade receivables under expected credit loss model and other related disclosures.

(ii) Mathura Wastewater Management Private Limited (MWMPL), a subsidiary of the Company, was incorporated as a special purpose vehicle for implementation of a project/order awarded to the MWMPL under a contract entered into with U.P. Jal Nigam, Agra and National Mission for Clean Ganga under the Namami Gange Programme. The project is on hybrind annuity PPP basis, according to which 40% of EPC value will be paid by customer during the construction period and balance 60% will be paid during O&M period of 15 years alongwith interest computed at SBI one year MCLR plus 3%. Current trade receivables includes ₹ 8076.40 lakhs (31 March 2019 : ₹ Nil) pertains to balance 60% that will be paid during O&M period.

NOTE 8: LOANS

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non- current	Current	Non- current
At amortised cost				
Loan to related parties (refer note 39)				
- Loans receivables considered good - Unsecured	291.53	-	267.06	-
Loan to employees				
- Loans receivables considered good - Unsecured	45.86	1.82	45.59	1.35
Loan to others				
- Loans receivables considered good - Unsecured	0.57	-	0.29	-
- Loans receivables - Credit impaired	-	44.53	-	44.53
Less: Allowance for bad and doubtful loans	-	(44.53)	-	(44.53)
	0.57	**-**	**0.29**	**-**
Total loans	**337.96**	**1.82**	**312.94**	**1.35**

(i) Loan to related parties refers to loan provided to an Israeli based associate company, Aqwise Wise Water Technologies Limited, for meeting its working capital requirements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 9: OTHER FINANCIAL ASSETS

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non- current	Current	Non- current
At amortised cost				
Security deposits (see (i) below)	45.65	639.92	44.66	595.49
Earnest money deposits	51.73	2.00	13.90	2.00
Less: Allowance for bad and doubtful deposits	(0.15)	-	(0.15)	-
	51.58	**2.00**	**13.75**	**2.00**
Bank balances:				
Earmarked balances with banks:				
- Deposit against molasses storage fund (refer note 15(vi))	-	195.89	-	260.52
Balances under lien/margin/kept as security:				
- Post office savings account	-	0.19	-	0.19
- Fixed / margin deposits	-	73.82	-	100.39
Other balances:				
- Fixed deposits	-	4.20	-	4.20
	-	**274.10**	**-**	**365.30**
Accrued interest	34.65	1.90	27.12	1.08
Insurance claim recoverable	54.79	-	42.62	-
Miscellaneous other financial assets	3.12	14.90	7.73	14.90
Less: Allowance for bad and doubtful assets	-	(14.90)	-	(14.90)
	3.12	**-**	**7.73**	**-**
Total other financial assets at amortised cost [A]	**189.79**	**917.92**	**135.88**	**963.87**
At fair value through Profit or Loss (FVTPL) (refer note 42)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps	-	-	71.72	-
Total other financial assets at FVTPL [B]	**-**	**-**	**71.72**	**-**
Total other financial assets ([A]+[B])	**189.79**	**917.92**	**207.60**	**963.87**

(i) Investment of ₹ 79.72 lakhs (31 March 2019: ₹ 65.48 lakhs) in equity shares of Atria Wind Power (Bijapur1) Private Limited, under group captive arrangement to secure power, has been considered as security deposit in accordance with applicable accounting standards.

NOTE 10: OTHER ASSETS

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non- current	Current	Non- current
Capital advances	-	238.25	-	342.00
Advances to suppliers	1084.97	18.06	782.64	18.06
Less: Allowance for bad and doubtful advances	(54.89)	(18.06)	(54.00)	(18.06)
	1030.08	**-**	**728.64**	**-**
Advances to related parties (refer note 39)	1.16	-	2.13	-
Indirect tax and duties recoverable	2459.92	309.76	2802.94	339.37
Less: Allowance for bad and doubtful amounts	(13.82)	(1.46)	(13.82)	(1.46)
	2446.10	**308.30**	**2789.12**	**337.91**
Deposit with sales tax authorities	142.73	6.55	131.35	43.55
Less: Allowance for bad and doubtful deposits	-	-	-	(37.00)
	142.73	**6.55**	**131.35**	**6.55**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-20		As at 31-Mar-19	
	Current	**Non- current**	**Current**	**Non- current**
Bank guarantee encashment recoverable	-	200.00	-	200.00
Less: Allowance for bad and doubtful claims	-	(200.00)	-	(200.00)
	-	**-**	**-**	**-**
Export incentives receivable	28.73	-	17.56	-
Less: Allowance for bad and doubtful claims	(7.46)	-	(4.21)	-
	21.27	**-**	**13.35**	**-**
Government grant receivables (refer note 43)	23513.85	-	693.07	-
Advances to employees	30.55	1.45	22.31	1.45
Prepaid expenses	817.67	46.36	738.27	112.68
Due from customers under construction contracts [refer (ii) below]	7251.03	-	8311.96	-
Unbilled revenue [refer (ii) below]	144.30	-	174.08	-
Customer retentions [refer (i) and (ii) below]	7790.90	-	5903.51	-
Less: Allowance for bad and doubtful debts	(61.66)	-	(36.75)	-
	7729.24	**-**	**5866.76**	**-**
Miscellaneous other assets	73.19	121.98	52.40	137.19
Less: Allowance for bad and doubtful assets	-	(20.90)	-	(21.60)
	73.19	**101.08**	**52.40**	**115.59**
Total other assets	**43201.17**	**701.99**	**19523.44**	**916.18**

(i) Customer retentions include ₹ 5023.76 lakhs (31 March 2019 : ₹ 2703.45 lakhs) expected to be received after twelve months within the operating cycle.

(ii) Contract balances

	As at 31-Mar-20	As at 31-Mar-19
Contract assets		
- Amounts due from customers under construction contracts	7251.03	8311.96
- Unbilled revenue	144.30	174.08
- Customer retentions	7729.24	5866.76
Contract liabilities		
- Amounts due to customers under construction contracts	6620.83	2612.71
- Advance from customers	5653.69	7998.17

(a) Contract assets are initially recognised for revenue earned as receipt of consideration is conditional on successful achievement of milestones. Upon achievement of milestones contract assets are reclassified to trade receivables. A trade receivable represents the Group's right to an amount of consideration that is billed on the customer and which become due unconditionally (i.e. only the passage of time is required before payment of the consideration is due). Different businesses of the Group have their different credit terms [refer note 41 (i)].

Contract costs incurred to date plus recognised profits less recognised losses is compared with the progress billings raised on the customer - any surplus is considered as contract assets and shown as amounts due from customers under construction contracts, whereas any shortfall is considered as contract liabilities and shown as the amounts due to customers under construction contracts. Amounts of revenue earned for work performed pending billing on customers is considered as contract assets and shown as unbilled revenue. Amounts billed for work performed which will become due upon fulfillment of specified conditions is considered as contract assets and shown as customer retentions. Amounts received before the related work is performed is considered as contract liabilities and is shown as advances from customers

(b) Significant changes in contract assets and liabilities:

Decrease in contract assets (Due from customers under construction contracts) is mainly attributable to sewage treatment projects in the municipal segment, where substantial work was performed by the Group during the last year against which bills were raised on the customer during the current year upon achievement of contractual milestones.

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for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Increase in contract assets (customer retentions) is mainly attributable to wastewater/sewage treatment projects in the industrial/municipal segment which were started during last year, where significant billing is done during the current year with the progress in project work but will become due upon fulfillment of specified conditions.

Increase in contract liabilities (Amount due to customers under construction contracts) is mainly attributable to wastewater/sewage treatment projects in the industrial/municipal segment, where major billing done based on achievement of contractual milestones is in excess of revenue recognised in accordance with Ind AS 115 Revenue from Contracts with Customers.

Decrease in contract liabilities (Advances from Customers) is mainly attributable to adjustment of mobilsation advances against billings under water/ waste-water treatment projects.

(c) Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	Year ended 31-Mar-20	**Year ended 31-Mar-19**
Revenue recognised that was included in the contract liability balance at the beginning of the period	6108.29	3921.98
Revenue recognised from performance obligations satisfied in previous periods	-	-

NOTE 11: INVENTORIES

	As at 31-Mar-20	**As at 31-Mar-19**
Raw materials and components	2988.14	2144.99
Less: Provision for obsolescence/slow moving raw materials and components	(129.71)	(197.24)
Work-in-progress	3406.72	4247.69
Finished goods [including stock in transit ₹ 686.69 lakhs as at 31 March 2020 (31 March 2019: ₹ 1379.99 lakhs)]	180701.02	201739.45
Stock in trade	28.41	31.65
Stores and spares [including stock in transit ₹ 1.49 lakhs as at 31 March 2020 (31 March 2019: ₹ 10.93 lakhs)]	4389.51	4131.83
Less: Provision for obsolescence/slow moving stores and spares	(278.14)	(284.90)
Others - Scrap & low value patterns	106.74	52.43
Total inventories	**191212.69**	**211865.90**

(i) The cost of inventories recognised as an expense during the year was ₹ 373529.45 lakhs (31 March 2019: ₹ 261964.60 lakhs)

(ii) Refer note 21(i) for information on charges created on inventories.

(iii) The mode of valuation of inventories has been stated in note 1(l).

(iv) All inventories are expected to be utilised/sold within twelve months except certain items of stores and spares, which are utilised on need basis. Quantum of such stores and spares, which may be utilised beyond one year, is not determinable and is not expected to be material with reference to the total value of inventories.

(v) For impairment losses recognised during the year refer note 26 & 34

(vi) In addition to the cost of inventories recognised as expense as mentioned in (i) above, there are reversal of write-downs of inventories to net realisable value amounting to ₹ 143.12 lakhs (net of write-downs of ₹ 226.42 lakhs) [31 March 2019: write-downs of ₹ 6983.97 lakhs (net of reversal of write-downs of ₹ 620.83 lakhs)] which are also recognised as an expense/income during the year and included in 'Changes in inventories of finished goods, stock-in-trade and work-in-progress' in statement of profit and loss. Reversal of write-downs are consequent to improved market conditions.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 12: CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at 31-Mar-20	As at 31-Mar-19
At amortised cost		
Balances with banks	3114.83	1219.25
Cheques / drafts on hand	60.93	210.27
Cash on hand	27.85	32.05
Total cash and cash equivalents	**3203.61**	**1461.57**

(b) Bank balances other than cash and cash equivalents

	As at 31-Mar-20	As at 31-Mar-19
At amortised cost		
Earmarked balances with banks:		
- unpaid dividend and preference share redemption accounts	5.27	2.00
Balances under lien/margin/kept as security:		
- in fixed/margin deposits	70.58	428.04
Other balances:		
- in fixed deposits	8.62	10.83
Total bank balances other than cash and cash equivalents	**84.47**	**440.87**

NOTE 13: ASSETS CLASSIFIED AS HELD FOR SALE

	As at 31-Mar-20	As at 31-Mar-19
Freehold land	3.05	-
Total assets classified as held for sale	**3.05**	**-**

The above represents carrying value of land situated in Gujarat intended to be disposed of by the Group. The Group has entered into an agreement to sell such land and has also received advance of ₹ 10 lakhs (refer note 20) in terms of such agreement to sell. The Group expects to transfer the title of such land in the near future. The asset does not form part of any segment assets. No impairment loss was recognised on reclassification of the land as held for sale (refer note 4) as the contractual sale price of such land is higher than the carrying amount.

NOTE 14: SHARE CAPITAL

	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 1 each	50,00,00,000	5000.00	50,00,00,000	5000.00
Preference shares of ₹ 10 each	2,00,00,000	2000.00	2,00,00,000	2000.00
		7000.00		**7000.00**
Issued				
Equity shares of ₹ 1 each	24,79,53,110	2479.53	25,79,53,110	2579.53
Subscribed and Paid Up				
Equity shares of ₹ 1 each, fully paid up	24,79,45,110	2479.45	25,79,45,110	2579.45
Add: Paid up value of equity shares of ₹ 1 each forfeited	8,000	0.02	8,000	0.02
		2479.47		**2579.47**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Movements in equity share capital

	Number of shares	Amount
As at 31 March 2018	25,79,45,110	2579.45
Movement during the year	-	-
As at 31 March 2019	**25,79,45,110**	**2579.45**
Extinguishment of shares upon buy-back (see (iv) below)	(1,00,00,000)	(100.00)
As at 31 March 2020	**24,79,45,110**	**2479.45**

(ii) Terms and rights attached to equity shares

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

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

(iii) Details of shareholders holding more than 5% shares in the Company

	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	% holding	Number of shares	% holding
Dhruv M. Sawhney	3,86,50,774	15.59	4,01,30,756	15.55
Rati Sawhney	1,79,35,928	7.23	1,86,19,164	7.22
STFL Trading and Finance Private Limited	7,96,31,128	32.12	8,26,96,056	32.06
Nikhil Sawhney	1,47,17,033	5.94	1,52,77,653	5.92
Tarun Sawhney	1,41,56,123	5.71	1,46,95,375	5.70

(iv) Buy-back of equity shares

During the year, the Company has completed buy-back of 1,00,00,000 equity shares of ₹ 1/- each (representing 3.88% of total pre buy-back paid up equity share capital of the Company) from the shareholders of the Company on a proportionate basis, through the tender offer route under the Securities and Exchange Board of India (Buy-back of Securities), Regulations 2018, at a price of ₹ 100 per equity share for an aggregate amount of ₹ 10000 lakhs. Accordingly, the Company has extinguished 1,00,00,000 fully paid up equity shares of ₹ 1 each (in dematerialized form) and the fully paid up equity share capital of the Company (post extinguishment) is 24,79,45,110 shares of ₹ 1/- each. The Company has funded the buy-back (including transaction costs incurred in relation thereto) from its securities premium. In accordance with section 69 of the Companies Act, 2013, the Company has transferred an amount of ₹ 100 lakhs to capital redemption reserve which is equal to the nominal value of the shares bought back, as an appropriation from securities premium.

NOTE 15: OTHER EQUITY

	As at 31-Mar-20	As at 31-Mar-19
Capital redemption reserve	573.14	473.14
Capital reserve	2706.77	2706.77
Securities premium	16458.13	26585.22
Amalgamation reserve	926.34	926.34
General reserve	49919.43	49919.43
Molasses storage fund reserve	140.71	216.36
Retained earnings	60790.80	30599.11
Foreign currency translation reserve	(54.83)	(30.72)
Cash flow hedging reserve	(73.12)	77.36
Total other equity	**131387.37**	**111473.01**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Capital redemption reserve

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	473.14	458.50
Transferred from securities premium on buy-back of equity shares [refer note 14(iv)]	100.00	-
Share of associates - buyback adjustments during the year	-	14.64
Closing balance	**573.14**	**473.14**

Capital redemption reserve upto 31 March 2019 was created consequent to redemption of preference share capital, as required under the provisions of the Companies Act, 1956. Consequent to the buy-back of equity shares during the year, the Group has recognised capital redemption reserve from its securities premium at an amount equal to the nominal amount of equity shares bought back. This reserve shall be utilised in accordance with the provisions of Companies Act, 2013.

(ii) Capital reserve

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	2706.77	2706.77
Movement during the year	-	-
Closing balance	**2706.77**	**2706.77**

Capital reserve majorly comprises reserve created consequent to business combination in earlier years, in accordance with the accounting standards then prevailing.

(iii) Securities premium

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	26585.22	26588.46
Amount utilised for buy-back of equity shares [refer note 14(iv)]	(9900.00)	-
Transferred to capital redemption reserve on buy-back of equity shares [refer note 14(iv)]	(100.00)	-
Transaction costs related to buy-back of equity shares [refer note 14(iv)]	(127.76)	-
Share of associates - addition in securities premium during the year	0.67	7.00
Share of associates - buyback adjustments during the year	-	(10.24)
Closing balance	**16458.13**	**26585.22**

Securities premium is used to record the premium received on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013. During the year, the Group has utilised securities premium for buy-back of its equity shares [refer note 14(iv)].

(iv) Amalgamation reserve

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	926.34	926.34
Movement during the year	-	-
Closing balance	**926.34**	**926.34**

Amalgamation reserve was created consequent to business combinations in past in accordance with the accounting standards then prevailing.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(v) General reserve

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	49919.43	51440.90
Share of associates - buyback adjustments during the year	-	(1521.47)
Closing balance	**49919.43**	**49919.43**

General reserve represents amount kept by the Group out of its profits for future purposes. It is not earmarked for any specific purpose.

(vi) Molasses storage fund reserve

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	216.36	196.28
Amount transferred from retained earnings	21.60	35.76
Amount transferred to retained earnings	(97.25)	(15.68)
Closing balance	**140.71**	**216.36**

Molasses storage fund reserve is created and maintained under the provisions of the Uttar Pradesh Sheera Niyantran Adhiniyam, 1964 (U.P. Act No. XXIV of 1964) and is to be utilised for the provision and maintenance of adequate storage facilities for molasses. Fixed deposit of ₹ 195.89 lakhs (31 March 2019: ₹ 260.52 lakhs) is earmarked against molasses storage fund (refer note 9).

(vii) Retained earnings

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	30599.11	9774.25
Net profit for the year	33511.82	21628.05
Other comprehensive income arising from the remeasurement of defined benefit obligation net of income tax	(96.19)	(137.34)
Share of other comprehensive income of associates arising from the remeasurement of defined benefit obligation	(11.57)	(6.69)
Share of associates - buyback adjustments during the year	-	1537.69
Withdrawn from molasses storage fund reserve	97.25	15.68
Transfer to molasses storage fund reserve	(21.60)	(35.76)
Acquisition of non-controlling interests	-	(0.00)
Dividends paid	(2727.40)	(1805.62)
Dividend distribution tax	(560.62)	(371.15)
Closing balance	**60790.80**	**30599.11**

(a) Retained earnings represents undistributed profits of the Group which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.

(b) Details of dividend distributions made:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Cash dividends on equity shares declared and paid:		
Interim dividend for the year ended 31 March 2020: 110% (₹ 1.10 per equity share of ₹ 1/- each) [31 March 2019: 70% (₹ 0.70 per equity share of ₹ 1/- each)]	2727.40	1805.62
Dividend distribution tax on interim dividend	560.62	371.15
Total cash dividends on equity shares declared and paid	**3288.02**	**2176.77**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(viii) Foreign currency translation reserve

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	(30.72)	(27.27)
Share of other comprehensive income of associates arising from the exchange differences on translation of foreign operations	(24.11)	(3.82)
Share of associates - buyback adjustments during the year	-	0.37
Closing balance	**(54.83)**	**(30.72)**

Exchange differences relating to the translation of the foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(ix) Cash flow hedging reserve

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	77.36	(8.49)
Share of other comprehensive income of associates arising from effective portion of profit/(loss) on designated portion of hedging instruments in a cash flow hedge	(150.48)	106.84
Share of associates - buyback adjustments during the year	-	(20.99)
Closing balance	**(73.12)**	**77.36**

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

NOTE 16: NON-CONTROLLING INTERESTS

	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	-	0.00
Share of loss for the year	-	(0.00)
Closing balance	**-**	**-**

NOTE 17: NON-CURRENT BORROWINGS

	As at 31-Mar-20		As at 31-Mar-19	
	Current maturities	Non-current	Current maturities	Non-current
Secured- at amortised cost				
Term loans				
- from banks	8127.90	22284.07	3425.87	9211.82
- from other parties	6178.82	22075.57	4118.38	28137.72
	14306.72	**44359.64**	**7544.25**	**37349.54**
Less: Amount disclosed under the head "Other financial liabilities- current" (refer note 18)	(14306.72)	-	(7544.25)	-
Total non-current borrowings	**-**	**44359.64**	**-**	**37349.54**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 17: NON-CURRENT BORROWINGS (CONTD.)

(i) Details of long term borrowings of the Company

	Amount outstanding as at		Effective interest rate	Coupon rate	Number of instalments		Terms of Repayment	Nature of Security
	31-Mar-20	31-Mar-19			31-Mar-20	31-Mar-19		
Secured- at amortised cost Term loans from banks (₹ loans)								
1 RBL Bank Limited *	7673.59	4975.00	The effective interest rate as on 31.03.2020 range between 8.65% to 9.98% per annum.	At MCLR plus applicable spread. The interest rate as on 31.03.2020 range between 8.60% to 9.55% per annum.	16	16	Equal quarterly installments from September 2020 to June 2024	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company and second pari-passu charge on current assets of the Company.
2 Central Bank of India*	4978.97	3990.00			16	16	Equal quarterly installments from September 2020 to June 2024	
3 Punjab National Bank *	4996.91	-			16	N/A	Equal quarterly installments from September 2020 to June 2024	
4 RBL Bank Limited	-	527.03			Nil	1	-	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

		Amount outstanding as at		Effective interest rate	Coupon rate	Number of instalments		Terms of Repayment	Nature of Security
		31-Mar-20	31-Mar-19			31-Mar-20	31-Mar-19		
5	Central Bank of India	-	1102.28			Nil	8	-	Secured by first pari-passu charge on current assets, third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
6	Axis Bank	-	157.53			Nil	1	-	Secured by second pari-passu charge on current assets, third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
7	Central Bank of India	-	249.25			Nil	2	-	Secured by first pari-passu charge on the fixed assets of the Company
8	Punjab National Bank (Soft loan) *	12485.48	-			24	N/A	Equal monthly installments from July 2020 to June 2022.	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company and second pari-passu charge on current assets of the Company.
9	Axis Bank (Vehicle loan)	221.72	305.09	Ranging from 8.30% to 9.99% p.a.	At fixed rates ranging from 8.30% to 9.99% p.a.	1 to 56	3 to 50	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
10	PNB Bank (Vehicle loan)	18.10	23.75						
11	Yes Bank (Vehicle loan)	37.20	55.78						
		30411.97	**11385.71**						

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Amount outstanding as at		Effective interest rate	Coupon rate	Number of instalments		Terms of Repayment	Nature of Security
	31-Mar-20	31-Mar-19			31-Mar-20	31-Mar-19		
Term loans from banks (US$ loans)								
1 RBL Bank Limited (FCTL)	-	1251.98	8.50% p.a.	At USD 6M Libor +1.95% p.a.	Nil	2	-	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
	-	**1251.98**						
Total term loans from banks	**30411.97**	**12637.69**						
Term loans from other parties (₹ loans)								
1 Daimler Financial Services Pvt. Ltd. (Vehicle loan)	119.71	11.75	Ranging from 6.86% p.a. to 8.91% p.a.	At fixed rates ranging from 6.86% p.a. to 8.91% p.a.	4 to 22	16	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
2 Govt. of Uttar Pradesh through RBL Bank Ltd. under SEFASU 2018 *	28134.68	32244.35	10% p.a.	5% p.a.	51	60	Equal monthly installments from July 2019 to June 2024	Secured by first pari-passu charge on the fixed assets of the Company
Total term loans from other parties	**28254.39**	**32256.10**						
Total loans	**58666.36**	**44893.79**						

* Loans with interest subvention or below market rate under various schemes of the Government, refer note 43.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 18: OTHER FINANCIAL LIABILITIES

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non-current	Current	Non-current
At amortised cost				
Current maturities of long-term borrowings (refer note 17)	14306.72	-	7544.25	-
Accrued interest	208.80	-	26.30	-
Capital creditors	1894.29	-	1979.37	-
Employee benefits & other dues payable	2725.94	-	2653.96	-
Lease liabilities	544.87	1221.63	-	-
Security deposits (see (i) below)	391.14	-	396.42	-
Unpaid dividends (see (ii) below)	5.25	-	1.99	-
Total other financial liabilities at amortised cost [A]	**20077.01**	**1221.63**	**12602.29**	**-**
At fair value through Profit or Loss (FVTPL) (refer note 42)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts/Currency swaps/Interest rate swaps	2.19	-	6.61	-
Total other financial liabilities at FVTPL [B]	**2.19**	**-**	**6.61**	**-**
Total other financial liabilities ([A]+[B])	**20079.20**	**1221.63**	**12608.90**	**-**

(i) Security deposits as at 31 March 2020 include ₹ 314 lakhs (31 March 2019 : ₹ 332 lakhs) deposits from sugar selling agents which are interest bearing subject to fulfillment of terms and conditions. These deposits are repayable on cessation of contractual arrangements. Interest payable is normally settled annually.

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

NOTE 19: PROVISIONS

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Gratuity (refer note 38)	333.28	3794.78	313.88	3432.15
Compensated absences	509.39	998.56	487.93	891.54
Other Provisions				
Warranty	1855.08	-	1307.65	-
Cost to completion	385.76	-	1024.47	-
Arbitration/Court case claims	99.44	-	93.23	-
Total provisions	**3182.95**	**4793.34**	**3227.16**	**4323.69**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Information about individual provisions and significant estimates

(a) Warranty

The Group provides warranties on certain products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements based on best estimate considering the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The timing of the outflows is expected to be within a period of two years.

(b) Cost to completion

The provision represents costs of materials and services required for integration of water treatment package at the site (the revenue of which has been fully recognised), prior to commissioning.

(c) Arbitration / Court-case Claims

Represents the provision made towards certain claims awarded against the Group in legal proceedings which have been challenged by the Group before appropriate authorities. The timing of the outflows is uncertain.

(ii) Movement in provisions

Movement in each class of provision are set out below:

	Year ended 31-Mar-20			Year ended 31-Mar-19		
	Warranty	Cost to completion	Arbitration/ Court case claims	Warranty	Cost to completion	Arbitration/ Court case claims
Balance at the beginning of the year	1307.65	1024.47	93.23	838.49	314.29	254.19
Additional provisions recognised	577.53	299.65	6.21	507.29	924.47	8.37
Amounts used during the year	(16.84)	(838.36)	-	(28.94)	(204.29)	(169.33)
Unused amounts reversed during the year	(13.26)	(100.00)	-	(9.19)	(10.00)	-
Balance at the end of the year	**1855.08**	**385.76**	**99.44**	**1307.65**	**1024.47**	**93.23**

NOTE 20: OTHER LIABILITIES

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non-current	Current	Non-current
Revenue received in advance				
Deferred revenue arising from government grant related to assets (refer note 43)	-	141.45	-	141.45
Deferred revenue arising from government grant related to income (refer note 43)	1125.25	1680.07	1350.33	2805.32
Amount due to customers under construction contracts [refer note 10(ii)]	6620.83	-	2612.71	-
Other advances				
Advance from customers	5653.69	-	7998.17	-
Advance against assets classified as held for sale (refer note 13)	10.00	-	-	-
Others				
Statutory remittances	2846.75	-	2402.07	-
Miscellaneous other payables	323.24	-	72.36	-
Total other liabilities	**16579.76**	**1821.52**	**14435.64**	**2946.77**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 21: CURRENT BORROWINGS

	As at 31-Mar-20	As at 31-Mar-19
Secured- at amortised cost		
Repayable on demand		
- Cash credits/working capital demand loans/soft loans from banks (see (i) below)	94343.87	123540.95
Total current borrowings	**94343.87**	**123540.95**

(i) Above loans are secured by pledge/hypothecation of the stock-in-trade, raw material, stores and spare parts, work-in-progress and trade receivables and second charge created/to be created on the properties of all the Engineering units & immovable property at New Delhi and third charge on the properties of Sugar, Co-Generation and Distillery units of the Company on pari-passu basis. Working capital demand loans as at 31 March 2019 includes a loan of ₹ 5000 lakhs (repaid in full during the current year), which was secured by sub-servient charge on the current assets of the Company by way of hypothecation. Interest rates on the above loans outstanding as at the year end majorly ranges between 7.75% to 9.00% (weighted average interest rate : 8.45% p.a.). Above loans include a loan of ₹ 18500 lakhs availed during the current year with interest subvention @ 7% for one year by Government of India under the scheme for soft loans to sugar mills, refer note 43.

NOTE 22: TRADE PAYABLES

	As at 31-Mar-20	As at 31-Mar-19
Trade payables (at amortised cost)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 49)	6.73	92.00
- Total outstanding dues of creditors other than micro enterprises and small enterprises	75635.18	63672.22
Total trade payables	**75641.91**	**63764.22**

NOTE 23: INCOME TAX BALANCES

	As at 31-Mar-20		As at 31-Mar-19	
	Current	Non-current	Current	Non-current
Income tax assets				
Tax refund receivable (net)	-	4391.23	-	5058.14
	-	**4391.23**	**-**	**5058.14**
Income tax liabilities				
Provision for income tax (net)	886.86	-	1016.13	-
	886.86	**-**	**1016.13**	**-**

NOTE 24: DEFERRED TAX BALANCES

	As at 31-Mar-20	As at 31-Mar-19
Entities with net deferred tax assets		
Deferred tax assets	18.15	-
Deferred tax liabilities	-	-
Net deferred tax assets	**18.15**	**-**
Entities with net deferred tax liabilities		
Deferred tax assets	8319.33	13065.17
Deferred tax liabilities	(16142.97)	(16303.63)
Net deferred tax liabilities	**(7823.64)**	**(3238.46)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Movement in deferred tax balances

For the year ended 31 March 2020

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/(liabilities)				
Entities with net deferred tax assets				
Deferred tax assets				
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Statutory taxes and duties	-	18.15	-	18.15
	-	**18.15**	**-**	**18.15**
Deferred tax liabilities	-	-	-	-
Net deferred tax assets	**-**	**18.15**	**-**	**18.15**
Entities with net deferred tax liabilities				
Deferred tax assets				
Difference in carrying values of investment property	278.52	(87.66)	-	190.86
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	1955.90	(343.67)	51.67	1663.90
- Statutory taxes and duties	231.39	(50.96)	-	180.43
- Other contractual provisions	863.87	(138.45)	-	725.42
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	660.93	(68.26)	-	592.67
Other temporary differences	56.77	(16.06)	-	40.71
Unutilised tax losses	0.21	(0.21)	-	-
Unused tax credits	9017.58	(4092.24)	-	4925.34
	13065.17	**(4797.51)**	**51.67**	**8319.33**
Deferred tax liabilities				
Difference in carrying values of property, plant & equipment and intangible assets	(16303.63)	3035.27	-	(13268.36)
Investment in associates under equity method	-	(2874.61)	-	(2874.61)
	(16303.63)	**160.66**	**-**	**(16142.97)**
Net deferred tax liabilities	**(3238.46)**	**(4636.85)**	**51.67**	**(7823.64)**

Deferred tax charge in the statement of profit and loss is net of reversal of effect of dividend distribution tax of ₹ 1479.91 lakhs, considered in arriving at Company's share in the undistributed profits of an associate in earlier years.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

For the year ended 31 March 2019

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/(liabilities)				
Entities with net deferred tax assets				
Deferred tax assets	-	-	-	-
Deferred tax liabilities	-	-	-	-
Net deferred tax assets	**-**	**-**	**-**	**-**
Entities with net deferred tax liabilities				
Deferred tax assets				
Difference in carrying values of investment property	265.09	13.43	-	278.52
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	1585.43	296.70	73.77	1955.90
- Statutory taxes and duties	184.70	46.69	-	231.39
- Other contractual provisions	437.63	426.24	-	863.87
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	811.77	(150.84)	-	660.93
Other temporary differences	3.16	53.61	-	56.77
Unutilised tax losses	-	0.21	-	0.21
Unused tax credits	9069.28	(51.70)	-	9017.58
	12357.06	**634.34**	**73.77**	**13065.17**
Deferred tax liabilities				
Difference in carrying values of property, plant & equipment and intangible assets	(16528.82)	225.19	-	(16303.63)
	(16528.82)	**225.19**	**-**	**(16303.63)**
Net deferred tax liabilities	**(4171.76)**	**859.53**	**73.77**	**(3238.46)**

(ii) Unrecognised deductible temporary differences, unused tax losses and unused tax credits:

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Group can use the benefit therefrom.

	As at 31-Mar-20	As at 31-Mar-19
Tax effect on unused tax losses (long term capital loss) (see table below for expiry)	12.79	12.91
Net deferred tax assets/(liabilities)	**12.79**	**12.91**
Expiry profile of unrecognised unused tax losses		
Unused tax losses shall expire on -		
(i) Long term capital loss		
March 31, 2020	-	0.57
March 31, 2021	11.77	11.77
March 31, 2028	0.45	-
(ii) Short term capital loss		
March 31, 2025	0.23	0.23
March 31, 2026	0.34	0.34
	12.79	**12.91**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 25 : REVENUE FROM OPERATIONS

	Year ended 31-Mar-20	Year ended 31-Mar-19
Sale of products [refer note 37(vii)]		
Finished goods	388704.38	289621.96
Stock-in-trade	1859.51	1864.51
Sale of services		
Erection and commissioning	4.66	67.38
Servicing	194.66	226.96
Operation and maintenance	2978.25	3346.53
Construction contract revenue	26013.05	19811.70
Other operating revenue		
Subsidy from Central Government (refer note 43)	23472.11	89.63
Income from sale of renewable energy certificates	254.00	11.50
Income from scrap	182.60	133.52
Total revenue from operations	**443663.22**	**315173.69**

(i) Unsatisfied long-term construction contracts:

The transaction price allocated to all contracts (viz. water/wastewater treatment and turnkey projects relating to steam turbine) that are partially or fully unsatisfied as at reporting date alongwith expected period of its revenue recognition, are as follows:

	As at 31-Mar-20#	As at 31-Mar-19#
Within one year	28005.22	43296.66
More than one year	19334.00	52025.69
Total	**47339.22**	**95322.35**

#As permitted under Ind AS 115, all contracts having original expected duration of one year or less or which are billed based on time incurred are not disclosed.

(ii) Reconciliation of revenue recognised with contract price:

	As at 31-Mar-20	As at 31-Mar-19
Contract price	443750.33	315244.53
Adjustments for Discounts/ Commissions to Customers	(87.11)	(70.84)
Total revenue from operations	**443663.22**	**315173.69**

NOTE 26: OTHER INCOME

	Year ended 31-Mar-20	Year ended 31-Mar-19
Interest income		
Interest income from financial assets carried at amortised cost	214.43	142.46
Interest income from investments carried at FVTPL	2.60	5.45
Interest income from others	12.73	231.72
	229.76	**379.63**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-20	Year ended 31-Mar-19
Dividend income		
Dividend income from equity investments	2.86	3.03
	2.86	**3.03**
Other non-operating income (net of expenses directly attributable to such income)		
Rental income [refer note 4(ii)]	45.11	38.11
Subsidy from U.P. Government (refer note 43)	-	3088.25
Subsidy from Central Government (refer note 43)	1224.58	1326.25
Miscellaneous income	1162.31	1009.21
	2432.00	**5461.82**
Other gains/ (losses)		
Net fair value gains/(losses) on investments	(61.77)	17.79
Net gains/(losses) on derivatives	(14.16)	262.08
Net foreign exchange rate fluctuation gains	78.36	-
Credit balances written back	208.16	187.05
Net profit/(loss) on sale / redemption of investments	0.10	(0.32)
Net reversal of impairment loss allowance on contract assets (refer note 10)	-	2.22
Net reversal of impairment loss allowance on other non financial assets (includes amounts written off ₹ 17.36 lakhs) (refer note 10)	16.20	-
Net reversal of provision for non moving / obsolete inventory (refer note 11)	74.29	-
Provision for cost to completion reversed (net) (refer note 19)	638.71	-
Excess provision of expenses reversed	21.91	52.49
	961.80	**521.31**
Total other income	**3626.42**	**6365.79**

NOTE 27: COST OF MATERIALS CONSUMED

	Year ended 31-Mar-20	Year ended 31-Mar-19
Stock at the beginning of the year	2144.99	2698.80
Add: Purchases	301919.31	274636.53
Less: Amount capitalised (included in the cost of property, plant and equipment)	(8.34)	-
Less: Stock at the end of the year	(2988.14)	(2144.99)
Total cost of materials consumed (refer note 43)	**301067.82**	**275190.34**

NOTE 28: PURCHASES OF STOCK-IN-TRADE

	Year ended 31-Mar-20	Year ended 31-Mar-19
Petroleum goods	2210.00	1897.17
Other consumer goods	19.42	27.65
Total purchases of stock-in-trade	**2229.42**	**1924.82**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 29: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	Year ended 31-Mar-20	Year ended 31-Mar-19
Inventories at the beginning of the year:		
Finished goods	201739.45	148847.59
Stock-in-trade	31.65	31.47
Work-in-progress	4247.69	3157.30
Certified emission reduction	-	0.77
Total inventories at the beginning of the year	**206018.79**	**152037.13**
Inventories at the end of the year:		
Finished goods	180701.02	201739.45
Stock-in-trade	28.41	31.65
Work-in-progress	3406.72	4247.69
Total inventories at the end of the year	**184136.15**	**206018.79**
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**21882.64**	**(53981.66)**

NOTE 30: EMPLOYEE BENEFITS EXPENSE

	Year ended 31-Mar-20	Year ended 31-Mar-19
Salaries and wages	22538.89	19822.30
Contribution to provident and other funds (refer note 38)	2380.77	1976.77
Staff welfare expenses	704.57	638.37
	25624.23	**22437.44**
Less: Amount capitalised (included in the cost of property, plant and equipment)	(47.81)	(50.79)
Total employee benefits expense	**25576.42**	**22386.65**

NOTE 31: FINANCE COSTS

	Year ended 31-Mar-20	Year ended 31-Mar-19
Interest costs		
- Interest on loans with interest subvention (refer note 43)	1132.33	6.46
- Interest on loans with below-market rate of interest (refer note 43)	1696.46	627.72
- Interest on other borrowings	4859.23	5875.29
- Interest on lease liabilities	185.93	-
- Other interest expense	96.09	171.60
Total interest expense on financial liabilities not classified as at FVTPL	**7970.04**	**6681.07**
Less : Amount capitalised (included in the cost of property, plant and equipment)	(50.20)	(22.75)
	7919.84	**6658.32**
Exchange differences regarded as an adjustment to borrowing costs	5.17	119.16
Other borrowing costs		
- Loan monitoring and administration charges	8.12	21.23
Total finance costs	**7933.13**	**6798.71**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 32: DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31-Mar-20	Year ended 31-Mar-19
Depreciation of property, plant and equipment (refer note 3)	7458.78	5660.00
Amortisation of intangible assets (refer note 5)	31.83	35.14
	7490.61	**5695.14**
Less: Amount capitalised (included in the cost of property, plant and equipment)	(1.49)	-
Total depreciation and amortisation expense	**7489.12**	**5695.14**

NOTE 33: IMPAIRMENT LOSS ON FINANCIAL ASSETS (INCLUDING REVERSALS OF IMPAIRMENT LOSSES)

	Year ended 31-Mar-20	Year ended 31-Mar-19
Bad debts written off - trade receivables carried at amortised cost	315.06	501.56
Bad debts written off - other financial assets carried at amortised cost	-	2.98
Impairment loss allowance on trade receivables (net of reversals) (refer note 7)	546.41	(486.92)
Impairment loss allowance on other financial assets carried at amortised cost (net of reversals) (refer note 8 & 9)	-	(1.00)
Total impairment loss on financial assets (including reversal of impairment losses)	**861.47**	**16.62**

NOTE 34: OTHER EXPENSES

	Year ended 31-Mar-20	Year ended 31-Mar-19
Stores and spares consumed	3520.40	3296.07
Power and fuel	1575.37	1754.03
Design and engineering charges	71.49	64.17
Cane development expenses	164.34	132.06
Machining/fabrication expenses	86.84	108.15
Erection and commissioning expenses	855.68	380.01
Civil construction charges	4646.37	6076.17
Packing and stacking expenses	4007.31	4539.00
Repairs and maintenance		
- Machinery	4815.68	4346.47
- Building	728.34	412.72
- Others	345.37	321.59
Factory/operational expenses	2648.81	2509.51
Travelling and conveyance	1413.30	1334.86
Rent expense (refer note 46)	165.27	711.07
Rates and taxes	464.51	442.14
Insurance	480.77	340.65
Directors' fee	68.65	56.10
Directors' commission	72.50	45.00
Legal and professional expenses	1032.36	1045.90

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-20	Year ended 31-Mar-19
Security service expenses	1549.45	1275.24
Net impairment loss allowance on contract assets (refer note 10)	24.91	-
Net impairment loss allowance on other non financial assets (31 March 2019: includes amounts written off ₹ 69.59 lakhs)] (refer note 10)	-	30.28
Net foreign exchange rate fluctuation losses	-	241.72
Warranty expenses [includes provision for warranty (net) ₹ 564.27 lakhs (31 March 2019: ₹ 498.10 lakhs) (refer note 19)]	596.44	500.16
Liquidated damages charges	7.42	16.33
Provision for Arbitration/Court case claims (refer note 19)	6.21	8.37
Provision for cost to completion on construction contracts (net) (refer note 19)	-	710.18
Payment to Auditors (see (i) below)	74.58	64.68
Corporate social responsibility expenses (see (ii) below)	141.20	-
Provision for non moving / obsolete inventory (refer note 11)	-	97.79
Loss on sale /write off of inventory	200.44	27.03
Loss on sale / write off / impairment of property, plant and equipment	19.86	53.31
Loss under MIEQ obligation (third party exports)	-	3760.87
Selling commission	878.53	793.28
Royalty	269.65	296.52
Advertisement and sales promotion	41.05	32.05
Outward freight and forwarding (refer note 43)	4685.85	1175.52
Other selling expenses	260.90	253.49
Miscellaneous expenses	1876.42	1590.45
Less : Amount capitalised (included in the cost of property, plant and equipment)	(69.11)	(91.93)
Total other expenses	**37727.16**	**38751.01**

(i) Detail of payment to auditors

	Statutory Auditors		Cost Auditors	
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
Audit fee	47.54	42.24	4.48	3.82
Limited review fee	16.95	15.00	-	-
Other services (Certification) *	1.80	0.50	0.65	0.46
Reimbursement of expenses	2.78	2.56	0.38	0.10
Total payment to auditors	**69.07**	**60.30**	**5.51**	**4.38**

*This amount is exclusive of ₹ 3 lakhs paid to the statutory auditors towards certificates in connection with buy-back of shares. The same has been adjusted against securities premium, as these are transaction costs pertaining to buy-back [refer note 14(iv)].

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Corporate Social Responsibility (CSR)

(a) The Company has incurred CSR expenses mainly towards promoting education and sports, ensuring environmental sustainability and rural development which are specified in Schedule VII of the Companies Act, 2013.

(b) Detail of CSR expenses:

	Year ended 31-Mar-20	Year ended 31-Mar-19
(a) Gross amount required to be spent during the year	135.32	-
(b) Amount spent during the year		
In cash		
(i) Construction/acquisition of any asset	-	-
(ii) On purchases other than (i) above	109.69	-
Yet to be paid in cash		
(i) Construction/acquisition of any asset	-	-
(ii) On purchases other than (i) above	31.51	-

NOTE 35: INCOME TAX EXPENSE

(i) Income tax recognised in profit or loss

	Year ended 31-Mar-20	Year ended 31-Mar-19
Current tax		
In respect of the current year	7920.92	6004.62
In respect of earlier years	(10.46)	7.56
Total current tax expense	**7910.46**	**6012.18**
Deferred tax		
In respect of current year origination and reversal of temporary differences*	3138.79	(859.53)
Total deferred tax expense	**3138.79**	**(859.53)**
Total income tax expense recognised in profit or loss	**11049.25**	**5152.65**

* includes utilisation of MAT credit of ₹ 4092.24 lakhs (31 March 2019: ₹ 51.70 lakhs).

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

	Year ended 31-Mar-20	Year ended 31-Mar-19
Profit before tax	44561.07	26780.70
Income tax expense calculated at 34.944% (including surcharge and education cess) (2018-19: 34.944%)	15571.42	9358.24
Effect of changes in tax rate#	(4059.47)	-
Effect of income that is exempt from taxation	(1.00)	(143.50)
Effect of income that is taxable at lower rates	1.94	(713.00)
Effect of expenses that is non-deductible in determining taxable profit	176.69	125.23
Effect of tax incentives and concessions	(1568.41)	(3239.76)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-20	Year ended 31-Mar-19
Effect of changes in tax base of assets not considered in profit or loss (net of reversal of temporary differences)	285.79	(13.42)
Effect of recognition of deferred tax assets/liabilities due to changes in estimates	70.41	(371.27)
Effect of changes in estimates related to prior years	(10.46)	7.56
Effect of different tax rates for subsidiaries	(100.42)	`(0.00)
Effect of tax on share in undistributed profit of associates	682.33	142.57
Effect of tax losses for which deferred tax asset not created	0.43	-
Total income tax expense recognised in profit or loss	**11049.25**	**5152.65**

#Upon review of alternatives available to the Company, the current tax charge has been arrived at without opting for the lower tax rate and attendant conditions prescribed under section 115BAA of the Income Tax Act, 1961, as introduced by The Taxation Laws (Amendment) Act, 2019. Based upon the assessment carried out by the Company as to when it expects to opt for the lower tax rate, the Company has remeasured its deferred tax liabilities in accordance with Ind AS 12 Income Taxes, using the dual tax rates as presently enacted and as a consequence, the deferred tax charge for the year is lower by ₹ 4059.47 lakhs.

Further, with the change in taxation laws relating to taxability of dividend and removal of dividend distribution tax, the Company has provided deferred tax charge of ₹ 1394.70 lakhs in respect of its share in the undistributed profits of its associate, net of reversal of impact of dividend distribution tax considered in arriving at Company's share in the undistributed profits of the said associate in earlier years.

(ii) Income tax recognised in other comprehensive income

	Year ended 31-Mar-20	Year ended 31-Mar-19
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	(51.67)	(73.77)
Total income tax expense recognised in other comprehensive income	**(51.67)**	**(73.77)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(51.67)	(73.77)
Items that may be reclassified to profit or loss	-	-
Total income tax expense recognised in other comprehensive income	**(51.67)**	**(73.77)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 36: EARNINGS PER SHARE

	Year ended 31-Mar-20	Year ended 31-Mar-19
Profit for the year attributable to owners of the Company [A]	33511.82	21628.05
Weighted average number of equity shares for the purposes of basic EPS/ diluted EPS [B]	25,16,33,635	25,79,45,110
Basic earnings per share (face value of ₹ 1 per share) [A/B]	13.32	8.39
Diluted earnings per share (face value of ₹ 1 per share) [A/B]	13.32	8.39

NOTE 37: SEGMENT INFORMATION

(i) Description of segments and principal activities

The operating segments are classified under two major businesses which the Group is engaged in, and are briefly described as under:

Sugar & Allied Business

(a) Sugar : The Group is a manufacturer of white crystal sugar, having seven manufacturing plants situated in the states of Uttar Pradesh. The sugar is sold to wholesalers and industrial users. The Group sells the surplus molasses and bagasse, which are produced as by-products in the manufacturing of sugar, after meeting its captive requirements. The Group also sells the surplus power incidentally produced at three of its sugar units.

(b) Co-generation : This segment uses captively produced bagasse, generated as a by-product in the manufacture of sugar, as a feed stock and apart from meeting the power and steam requirements of the associated sugar units, also exports power to the state grid. It has installed capacity of 68 MW spread over Khatauli and Deoband sugar mills.

(c) Distillery : The Group with its two distilleries having total capacity of 320 kilo-litres per day located at Muzaffarnagar, Uttar Pradesh and Sabitgarh, Uttar Pradesh, uses captive molasses produced in manufacture of sugar as the principal raw material in production of various categories of alcohol.

Engineering Business

(a) Gears: This business segment is focused on all high speed and niche low speed products - supply of new equipment as well as providing replacement solutions to power sector as well as other industrial segments, having its manufacturing facility located at Mysore, Karnataka.

(b) Water/Wastewater treatment: The business segment operates from Noida, Uttar Pradesh and provides engineered to order process equipment and comprehensive solutions in the water and wastewater management. During the current year, the Company has incorporated a wholly owned subsidiary "Mathura Wastewater Management Pvt. Ltd." as a special purpose vehicle to execute a project awarded under Namami Gange Programme for which operations has started during the current year.

The 'Other Operations' mainly include selling of own manufactured sugar and trading of jaggery, under the Company's brand name and retailing of diesel/petrol through a Company operated fuel station. It also operate a turnkey project relating to steam turbines which was awarded to it pursuant to bids tendered prior to demerger of business of steam turbine.

The above reportable segments have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments.

There are no geographical segments as the volume of exports is not significant and the major turnover of the Group takes place indigenously. There is no major reliance on a few customers or suppliers.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Segment revenue and segment profit

	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
REVENUE																				
From external customers	346822.28	240910.84	4160.58	8600.61	39095.34	21366.53	390078.20	270877.98	15360.28	13282.02	30586.95	24928.45	45947.23	38210.47	7637.79	6085.24	-	-	443663.22	315173.69
From inter-segments sales	38988.69	12189.04	14146.53	11678.29	21.31	31.40	53156.53	23898.73	61.86	26.45	6.50	3.40	68.36	29.85	433.16	114.71	(53658.05)	(24043.29)	-	-
Total revenue from operations	**385810.97**	**253099.88**	**18307.11**	**20278.90**	**39116.65**	**21397.93**	**443234.73**	**294776.71**	**15422.14**	**13308.47**	**30593.45**	**24931.85**	**46015.59**	**38240.32**	**8070.95**	**6199.95**	**(53658.05)**	**(24043.29)**	**443663.22**	**315173.69**
RESULT																				
Segment Profit/(loss)	30253.20	7920.66	5323.85	9111.49	11054.94	13271.11	46631.99	30303.26	4853.53	3814.28	2401.37	719.23	7254.90	4533.51	(47.09)	6.30			53839.80	34843.07
Unallocated expenses (Net)																			(3613.97)	(3666.14)
Finance cost																			(7933.13)	(6798.71)
Interest income																			229.76	379.63
Share of profit of associates																			2038.61	2022.85
Profit before tax																			44561.07	26780.70
Current tax																			(7910.46)	(6012.18)
Deferred tax																			(3138.79)	859.53
Profit for the year																			33511.82	21628.05

- The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1.
- Inter-Segment transfers are priced based on competitive market prices or determined to yield a desired margin or agreed on a negotiated basis.
- Segment profit is the Segment revenue less Segment expenses. Segment revenue/expenses includes all revenues/expenses that are attributable to the segments.
- Dividend income, finance income, finance costs, fair value gains & losses on certain financial assets/liabilities, current tax/deferred tax charge are not allocated to individual segments as since these are managed on Group basis.

(iii) Segment assets and liabilities

	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
ASSETS																				
Segment assets	274043.50	275499.22	14268.80	13564.45	40520.38	29303.58	328832.68	318367.25	11089.69	14353.03	40011.02	29013.79	51100.71	43366.82	2020.70	1928.51	-	-	381954.09	363662.58
Unallocated assets																			22647.07	16841.36
Total assets	**274043.50**	**275499.22**	**14268.80**	**13564.45**	**40520.38**	**29303.58**	**328832.68**	**318367.25**	**11089.69**	**14353.03**	**40011.02**	**29013.79**	**51100.71**	**43366.82**	**2020.70**	**1928.51**	**-**	**-**	**404601.16**	**380503.94**
LIABILITIES																				
Segment liabilities	76131.94	63351.86	427.02	430.52	2305.85	2261.06	78864.81	66043.44	2436.49	3159.88	21683.13	20464.89	24119.62	23624.77	1435.81	1444.75	-	-	104420.24	91112.96
Unallocated liabilities																			166314.08	175338.50
Total liabilities	**76131.94**	**63351.86**	**427.02**	**430.52**	**2305.85**	**2261.06**	**78864.81**	**66043.44**	**2436.49**	**3159.88**	**21683.13**	**20464.89**	**24119.62**	**23624.77**	**1435.81**	**1444.75**	**-**	**-**	**270734.32**	**266451.46**

- The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1.
- All assets are allocated to reportable segments other than investments, loans, current/deferred tax assets and certain financial assets. Segment assets include all assets that are attributable to the segments.
- All liabilities are allocated to reportable segments other than borrowings, current and deferred tax liabilities and certain financial liabilities. Segment liabilities include all liabilities that are attributable to the segments.

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(All amounts in ₹ lakhs, unless otherwise stated)

(iv) Other segment information

	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
Amount considered in segment results																				
Depreciation and amortisation	3919.17	3364.47	695.96	696.87	1317.93	510.41	5933.06	4571.75	811.91	832.35	191.13	177.43	1003.04	1009.78	19.09	4.78	-	-	6955.19	5586.31
Unallocated depreciation and amortisation																			533.93	108.83
Total depreciation and amortisation	**3919.17**	**3364.47**	**695.96**	**696.87**	**1317.93**	**510.41**	**5933.06**	**4571.75**	**811.91**	**832.35**	**191.13**	**177.43**	**1003.04**	**1009.78**	**19.09**	**4.78**	**-**	**-**	**7489.12**	**5695.14**
Non cash items (other than depreciation and amortisation)	(42.16)	56.47	0.01	295.02	113.89	0.95	71.74	352.44	191.23	8.56	550.14	(64.68)	741.37	(56.12)	(0.12)	0.91	-	-	812.99	297.23
Unallocated non cash items (other than depreciation and amortisation)																			39.14	(109.74)
Total non cash items (other than depreciation and amortisation)	**(42.16)**	**56.47**	**0.01**	**295.02**	**113.89**	**0.95**	**71.74**	**352.44**	**191.23**	**8.56**	**550.14**	**(64.68)**	**741.37**	**(56.12)**	**(0.12)**	**0.91**	**-**	**-**	**852.13**	**187.49**
Amounts not considered in segment results																				
Interest expense	6785.00	6263.60	25.07	25.40	622.43	40.97	7432.50	6329.97	31.33	112.51	380.10	232.96	411.43	345.47	0.98	0.02	-	-	7844.91	6675.46
Unallocated interest expense																			88.22	123.25
Total interest expense	**6785.00**	**6263.60**	**25.07**	**25.40**	**622.43**	**40.97**	**7432.50**	**6329.97**	**31.33**	**112.51**	**380.10**	**232.96**	**411.43**	**345.47**	**0.98**	**0.02**	**-**	**-**	**7933.13**	**6798.71**
Interest income	50.91	40.38	3.79	3.89	4.36	2.40	59.06	46.67	12.14	3.18	16.56	34.95	28.70	38.13	-	-	-	-	87.76	84.80
Unallocated interest income																			142.00	294.83
Total interest income	**50.91**	**40.38**	**3.79**	**3.89**	**4.36**	**2.40**	**59.06**	**46.67**	**12.14**	**3.18**	**16.56**	**34.95**	**28.70**	**38.13**	**-**	**-**	**-**	**-**	**229.76**	**379.63**
Capital expenditure	4116.13	5249.11	66.13	28.49	4914.10	18889.71	9096.36	24167.31	307.03	202.33	195.46	186.44	502.49	388.77	33.30	108.72	-	-	9632.15	24664.80
Unallocated capital expenditure																			2289.81	169.36
Total Capital expenditure	**4116.13**	**5249.11**	**66.13**	**28.49**	**4914.10**	**18889.71**	**9096.36**	**24167.31**	**307.03**	**202.33**	**195.46**	**186.44**	**502.49**	**388.77**	**33.30**	**108.72**	**-**	**-**	**11921.96**	**24834.16**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(v) Break-up of revenue by geographical area

	Year ended 31-Mar-20	Year ended 31-Mar-19
India (country of domicile)	440214.05	314026.63
Foreign countries	3449.17	1147.06
	443663.22	**315173.69**

(vi) Non-current assets by geographical area

All non current assets (other than financial instruments, deferred tax assets, post employment benefit assets and right arising under insurance contracts) of the Group are located in India except investment in a foreign associate (located in Israel) of ₹ 2499.92 lakhs as at 31 March 2020 (31 March 2019: ₹ 2878.84 lakhs).

(vii) Break-up of revenue from major products and services

	Timing of revenue recognition	Year ended 31-Mar-20	Year ended 31-Mar-19
Sale of products			
Finished goods			
- Sugar	At a point in time	323525.14	238497.07
- Molasses	At a point in time	505.73	167.53
- Bagasse	At a point in time	3324.20	3816.77
- Power	At a point in time	5415.62	10930.79
- Alcohol	At a point in time	38977.88	21288.41
- Mechanical equipment - Water/Waste-water	At a point in time	1540.60	1667.81
- Gears/Gear Boxes (including spares)	At a point in time	15027.23	12926.45
- Others	At a point in time	387.98	327.13
		388704.38	**289621.96**
Stock in trade			
- Petroleum goods (Diesel/Petrol/Lubricants)	At a point in time	1841.41	1835.57
- Other consumer goods	At a point in time	18.10	28.94
		1859.51	**1864.51**
		390563.89	**291486.47**
Sale of services			
Erection and commissioning	Over time	4.66	67.38
Servicing	Over time	194.66	226.96
Operation and maintenance	Over time	2978.25	3346.53
		3177.57	**3640.87**
Construction contract revenue			
Water, Waste-water and Sewage treatment	Over time	25931.56	19806.06
Power generation and evacuation system	Over time	81.49	5.64
		26013.05	**19811.70**
Other operating revenue			
Subsidy from Central Government	At a point in time	23472.11	89.63
Income from sale of renewable energy certificates	At a point in time	254.00	11.50
Income from scrap	At a point in time	182.60	133.52
		23908.71	**234.65**

(viii) Information about major customers

There is no single customer who has contributed 10% or more to the Group's revenue in either of the years ended 31 March 2020 and 31 March 2019.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 38: EMPLOYEE BENEFIT PLANS

(i) Defined contribution plans

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

Provident Fund Plan & Employee Pension Scheme: The Group makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme administered and managed by the Government of India. The Group had also set up a Provident Fund Trust, to secure the provident fund dues in respect of a specific establishment of the Group. During the year, the Group has voluntarily applied for surrender of the exemption under section 17(1)(a) of Employees' Provident Fund & Miscellaneous Provisions Act, 1952 granted to the said establishment. Pursuant to the directions subsequently received from the Regional Provident Fund Commissioner, Meerut (RPFC) to comply as an unexempted establishment, the Group has started depositing provident fund contributions in relation to such establishment with the RPFC w.e.f. 1 November 2019 (i.e. contributions pertaining to the salary payable for the month of October 2019) and has also initiated the process of transferring the accumulated balances standing to the credit of all the members of the said Provident Fund Trust into their respective member accounts to be maintained in future under the Employee Provident Fund Scheme administered and managed by the Government of India. The Group is committed to ensure that all such accumulated balances of the members are credited with the interest calculated at the applicable rate announced by the Government of India till the date of settlement. Any shortfall arising to the Trust (after considering amounts receivable on account of disposal/realisation/transfer of investments held by it) in meeting such obligation, shall be met by the Group. The Group has accordingly, during the year, provided for an amount of ₹ 189.50 lakhs on an estimate basis (included in contribution to provident and other funds shown under employee benefits expense), towards meeting such shortfall, which has mainly arisen due to diminution in the value of bonds issued by certain private sector non-banking financial companies in view of their delinquencies/defaults.

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

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

National Pension Scheme: The Group makes contributions to the National Pension Scheme fund in respect of certain employees of the Group.

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

	Year ended 31-Mar-20	Year ended 31-Mar-19
Employers' contribution to Employees' Provident Fund *	1231.29	1125.53
Administration and other expenses relating to above *	31.41	22.64
Employers' contribution to Employees' State Insurance Scheme	8.80	13.60
Employers' contribution to Superannuation Scheme	127.50	120.86
Employers' contribution to National Pension Scheme	43.56	29.59

*includes employers' contribution to Employees' Provident Fund of ₹ 179.27 lakhs (31 March 2019: ₹ 352.89 lakhs) and related administration and other expenses of ₹ 4.19 lakhs (31 March 2019: ₹ 8.44 lakhs) towards Provident Fund Trust set up to secure the provident fund dues in respect of a specific establishment of the Group [see (i)(a) above].

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Defined benefit plan (Gratuity)

(a) The Group operates a defined benefit retirement plan under which the Group pays certain defined benefit by way of gratuity to its employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/termination of employment or upon death of an employee, based on the respective employees' salary and years of employment with the Group.

(b) **Risk exposure**

The plan typically exposes the Group to number of actuarial risks, the most significant of which are detailed below:

Investment risk: The plan liabilities are calculated using a discount rate set with references to government bond yields as at end of reporting period; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The investments in plan assets are made in accordance with pattern of investment prescribed by central government and ensures that the funds are invested in a balanced mix of investments comprising central government securities, state government securities, other debt instruments as well as equity instruments. Most of the plan investments is in fixed income securities with high grades and in government securities. The Group has a risk management strategy which defines exposure limits and acceptable credit risk rating.

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

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

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

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

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

	Valuation as at	
	31-Mar-20	**31-Mar-19**
Discounting rate	6.60%	7.55%
Future salary growth rate	5.50% for next 2 years and 8.00% thereafter	8.00%
Mortality table*	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate
Attrition rate	7.00% for Permanent employees 3.00% for Seasonal employees	6.00% for Permanent employees 2.00% for Seasonal employees
Method used	Projected unit credit method	Projected unit credit method

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(d) Amounts recognised in statement of profit and loss in respect of the defined benefit plan (gratuity) are as follows:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Current service cost	408.39	363.18
Net interest expense	255.66	232.48
Components of defined benefit costs recognised in profit or loss	**664.05**	**595.66**
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	66.50	15.50
- Actuarial gains and loss arising from changes in demographic assumptions	0.75	-
- Actuarial gains and loss arising from changes in financial assumptions	88.07	44.80
- Actuarial gains and loss arising from experience adjustments	(7.46)	150.81
Components of defined benefit costs recognised in other comprehensive income	**147.86**	**211.11**
Total	**811.91**	**806.77**

(e) Amounts included in the balance sheet arising from the entity's obligation in respect of the defined benefit plan (gratuity) is as follows:

	As at 31-Mar-20	As at 31-Mar-19
Present value of defined benefit obligation as at the end of the year	5727.01	5294.33
Fair value of plan assets	1598.95	1548.30
Funded status	**(4128.06)**	**(3746.03)**
Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet	**(4128.06)**	**(3746.03)**

(f) Movement in the present value of the defined benefit obligation (gratuity) is as follows:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Present value of defined benefit obligation at the beginning of the year	5294.33	4734.30
Expenses recognised in profit or loss		
- Current service cost	408.39	363.18
- Interest expense (income)	372.81	344.08
Remeasurement (gains)/losses recognised in other comprehensive income		
- Actuarial (gain)/loss arising from:		
i. Demographic assumptions	0.75	-
ii. Financial assumptions	88.07	44.80
iii. Experience adjustments	(7.46)	150.81
Benefit payments	(429.88)	(342.84)
Present value of defined benefit obligation at the end of the year	**5727.01**	**5294.33**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

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

	Year ended 31-Mar-20	Year ended 31-Mar-19
Fair value of plan assets at the beginning of the year	1548.30	1452.20
Recognised in profit or loss		
- Expected return on plan assets	117.15	111.60
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actual return on plan assets in excess of the expected return	(66.50)	(15.50)
Contributions by employer	429.88	342.84
Benefit payments	(429.88)	(342.84)
Fair value of plan assets at the end of the year	**1598.95**	**1548.30**

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

	As at 31-Mar-20			As at 31-Mar-19		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	-	17.58	**17.58**	-	11.95	**11.95**
Debt instruments						
- Government securities	-	265.60	**265.60**	-	259.21	**259.21**
- State development loans	-	563.19	**563.19**	-	494.04	**494.04**
- Private sector bonds	-	45.34	**45.34**	-	116.29	**116.29**
- Public sector bonds	-	170.85	**170.85**	-	122.42	**122.42**
- Fixed deposits with banks	-	142.50	**142.50**	-	166.00	**166.00**
- Special deposit scheme balance with RBI	-	102.13	**102.13**	-	102.13	**102.13**
- Debt mutual funds	-	74.96	**74.96**	-	70.01	**70.01**
Equity instruments						
- Index mutual funds	-	39.76	**39.76**	-	36.12	**36.12**
- Arbitrage mutual funds	-	14.34	**14.34**	-	13.42	**13.42**
Accrued interest and other recoverables	-	162.70	**162.70**	-	156.71	**156.71**
Total plan assets	**-**	**1598.95**	**1598.95**	**-**	**1548.30**	**1548.30**

The investible funds of the Gratuity Plan are invested in accordance with the investment pattern and norms prescribed by the Ministry of Finance, Government of India. The investment pattern mandates that the investible funds are invested across the permitted investments in the prescribed pattern, whereby the investment risk is spread across various categories of investment comprising sovereign government securities, state development loans monitored by the Reserve Bank of India, investment grade rated debt securities issued by private and public sector companies, fixed-deposit with banks fulfilling the prescribed norms, units of debt and equity mutual funds. The investments made are generally on held-to-maturity basis. It is the endeavour of the Group to mitigate risk by investing only in high-quality debt securities and in mutual funds after undertaking due diligence. There has been no change in the process used by the Group to manage its risks from prior periods.

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for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(h) Sensitivity analysis

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

	Change in assumption by	Increase/ decrease	Impact on defined benefit obligation (gratuity)			
			Increase in assumption		Decrease in assumption	
			31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Discounting rate	0.50%	in ₹ lakhs	(167.32)	(156.33)	177.44	165.89
		in %	-2.92%	-2.95%	3.10%	3.13%
Future salary growth rate	0.50%	in ₹ lakhs	175.35	164.39	(167.01)	(156.40)
		in %	3.06%	3.11%	-2.92%	-2.95%
Attrition rate	0.50%	in ₹ lakhs	(13.04)	(4.83)	13.66	5.04
		in %	-0.23%	-0.09%	0.24%	0.10%
Mortality rate	10.00%	in ₹ lakhs	(0.90)	(0.30)	0.90	0.30
		in %	-0.02%	-0.01%	0.02%	0.01%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practise, this is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(i) Defined benefit liability (gratuity) and employer contributions

The Group remains committed to fund all gratuity payments falling due and shall strive to gradually reduce the deficit in funding of its obligation in the coming years.

The Group expects to contribute ₹ 841.31 lakhs to the defined benefit plan relating to gratuity during the next financial year.

The weighted average duration of the defined gratuity obligation (on discounted cash flow basis) as at 31 March 2020 is 6 years (31 March 2019: 7 years).

The expected maturity analysis of undiscounted defined benefit obligation (gratuity) as at 31 March 2020 is as follows:

	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
Defined benefit obligation (Gratuity)	1155.13	797.91	1608.69	5730.58	**9292.31**

Notes to the Consolidated Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 39: RELATED PARTY TRANSACTIONS

(i) Related parties with whom transactions have taken place during the year alongwith details of such transactions and outstanding balances as at the end of the year:

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-20	Year ended 31-Mar-19
Sales and rendering services			
Triveni Turbine Limited	Associate	3539.25	4310.02
Purchases and receiving services			
Triveni Turbine Limited	Associate	293.61	1923.53
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	0.91	1.39
Interest income			
Aqwise Wise Water Technologies Limited (Israel)	Associate	9.50	4.47
Rent & other charges received			
Triveni Turbine Limited	Associate	21.81	20.53
Dividend received from investment in equity shares			
Triveni Turbine Limited	Associate	353.14	396.00
Rent paid			
Dhruv M. Sawhney (Chairman & Managing Director) *	Key managerial personnel	53.97	51.40
Rati Sawhney	Relative of key managerial personnel	36.82	36.87
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	84.88	80.83
Remuneration			
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	556.27	363.06
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	226.16	206.11
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	87.17	75.26
Directors fee paid			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	11.40	7.95
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	8.20	11.80
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	-	0.75
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	11.25	10.75

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-20	Year ended 31-Mar-19
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	10.50	9.25
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	10.80	7.35
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	9.50	8.25
J. K. Dadoo (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Directors commission			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	30.00	7.00
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	-	5.00
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	-	5.00
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
J. K. Dadoo (Independent Non-Executive Director)	Key managerial personnel	8.50	-
Contribution to post employment benefit plans			
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	428.04	342.85
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	127.50	120.32
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	529.59	1064.00
Contribution towards deficiency in providend fund trust			
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	189.50	-
Expenses incurred by the Group on behalf of party (net of expenses incurred by party on behalf of the Group) on reimbursable basis			
Triveni Turbine Limited	Associate	23.91	(19.53)
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	(2.82)	(2.70)
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	(0.02)	(0.05)

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-20	Year ended 31-Mar-19
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	(0.00)	(0.00)
Triveni Engineering Works Limited Employees' Provident Fund	Post employment benefit plan	(0.00)	(0.00)
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	(0.19)	(0.04)
Dividend paid on equity shares			
Dhruv M. Sawhney (Chairman & Managing Director) *	Key managerial personnel	425.16	268.74
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	155.72	102.87
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	161.89	106.94
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.15	0.10
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	0.11	0.07
Manmohan Sawhney HUF	Relative of key managerial personnel	47.82	31.59
Rati Sawhney	Relative of key managerial personnel	197.30	142.51
Tarana Sawhney	Relative of key managerial personnel	0.26	0.18
Mira Hazari	Relative of key managerial personnel	-	0.01
STFL Trading and Finance Private Limited *	Enterprise over which key managerial personnel have substantial interest/ significant influence	875.94	578.87
Buy-back of equity shares			
Dhruv M. Sawhney (Chairman & Managing Director) *	Key managerial personnel	1479.98	-
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	539.25	-
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	560.62	-
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.54	-
Manmohan Sawhney HUF	Relative of key managerial personnel	165.62	-
Rati Sawhney	Relative of key managerial personnel	683.24	-
Tarana Sawhney	Relative of key managerial personnel	0.92	-

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-20	Year ended 31-Mar-19
STFL Trading and Finance Private Limited *	Enterprise over which key managerial personnel have substantial interest/ significant influence	3064.93	-
Sale of property, plant & equipment			
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	1.29	-
Disposal of investment in equity shares under buyback scheme			
Triveni Turbine Limited	Associate	-	2058.03
Advance paid against purchase of bonds			
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	160.00	-
Loans given			
Aqwise Wise Water Technologies Limited (Israel)	Associate	-	267.06

Related party transactions stated above are inclusive of applicable taxes

Outstanding balances

Name of related party and nature of balances	Relationship	As at 31-Mar-20	As at 31-Mar-19
Receivable			
Triveni Turbine Limited	Associate	271.68	895.39
Aqwise Wise Water Technologies Limited (Israel)	Associate	305.50	271.53
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	160.00	-
Payable			
Triveni Turbine Limited	Associate	1374.78	1737.67
Dhruv M. Sawhney (Chairman & Managing Director) *	Key managerial personnel	4.11	4.54
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	153.65	53.65
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.13	0.09
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	30.00	7.00
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	-	5.00
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	-	5.00

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of balances	Relationship	As at 31-Mar-20	As at 31-Mar-19
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	8.50	7.00
J. K. Dadoo (Independent Non-Executive Director)	Key managerial personnel	8.50	-
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	1.02	0.22
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	127.50	120.32
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	189.69	101.17

*Person or entity belonging to the promoter/promoter group holding 10% or more shareholding in the Company

(ii) Remuneration of key managerial personnel:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Short-term employee benefits	805.88	593.87
Post-employment benefits	63.72	50.56
Total	**869.60**	**644.43**

The remuneration of key managerial personnel is determined by the remuneration committee having regard to the performance of individuals, market trends and applicable provisions of Companies Act, 2013.

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

(iv) Terms & conditions:

(a) Transactions relating to dividends, buyback of shares were on same terms and conditions that applied to other shareholders.

(b) Loans to associate are given at normal commercial terms & conditions at prevailing market rate of interest.

(c) Sales to and purchases from related parties, including rendering/availment of service, are made on terms equivalent to those that prevail in arm's length transactions. All other transactions were made on normal commercial terms and conditions and at market rates.

(d) The outstanding balances at the year-end are unsecured and settlement occurs in cash. The Group has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31 March 2020 and 31 March 2019.

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NOTE 40: CAPITAL MANAGEMENT

For the purpose of capital management, capital includes net debt and total equity of the Group. The primary objective of the capital management is to maximize shareholder value along with an objective to keep the leverage in check in view of cyclical capital intensive sugar business of the Group.

One of the major businesses of the Group is the sugar business, a seasonal industry, where the entire production occurs in about five to six months which is sold throughout the year. Thus, it necessitates keeping high levels of sugar inventory requiring high working capital funding. Sugar business being also a cyclical business, it is prudent to avoid high leverage and the resultant high finance cost. It is the endeavour of the Group to prune down debts to acceptable levels based on its financial position.

The Group may resort to further issue of capital when the funds are required to make the Group stronger financially or to invest in projects meeting the ROI expectations of the Group.

The Group monitors capital structure through gearing ratio represented by debt-equity ratio (debt/total equity). The gearing ratios for the Group as at the end of reporting period were as follows:

	As at 31-Mar-20	As at 31-Mar-19
Non-current borrowings (note 17)	44359.64	37349.54
Current borrowings (note 21)	94343.87	123540.95
Current maturities of long-term borrowings (note 18)	14306.72	7544.25
Total debt	**153010.23**	**168434.74**
Add: Deferred revenue arising from government grant related to borrowings (refer note 20)	2805.32	4155.65
Less: Cash and cash equivalents [note 12(a)]	(3203.61)	(1461.57)
Net debt	**152611.94**	**171128.82**
Total equity (note 14, 15 & 16)	**133866.84**	**114052.48**
Net debt to equity ratio	1.14	1.50
Long term debt equity ratio	0.46	0.43

In addition to the above gearing ratio, the Group also looks at operating profit to total debt ratio (EBITDA/Total Debts) which gives an indication of adequacy of earnings to service the debts. The Group carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. With a view to arrive at the desired capital structure based on the financial condition of the Group, the Group normally incorporates a clause in loan agreements for prepayment of loans without any premium. During the year, majority of the long term debts availed by the Group are with interest subvention under various schemes of the Government.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2020 and 31 March 2019.

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

NOTE 41: FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of the financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and bank balances that derive directly from its operations. The Group also holds investments measured at fair value through profit or loss and enters into derivative transactions, which are not extensive.

The Group's activities expose it mainly to market risk, liquidity risk and credit risk. The monitoring and management of such risks is undertaken by the senior management of the Group and there are appropriate policies and procedures in place through which

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(All amounts in ₹ lakhs, unless otherwise stated)

such financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group has specialised teams to undertake derivative activities for risk management purposes and such team has appropriate skills, experience and expertise. It is the Group policy not to carry out any trading in derivative for speculative purposes. The Audit Committee and the Board are regularly apprised of these risks every quarter and each such risk and mitigation measures are extensively discussed.

(i) Credit risk

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

(a) Credit risk management

The customer credit risk is managed by each business subject to the Group's established policy, procedure and controls relating to customer credit risk management. Various businesses require different processes and policies to be followed based on the business risks, industry practice and customer profiles.

In the case of Sugar business, majority of the sales are made either against advance payments or on very short credit period upto 7-10 days to established sugar agents whereas in Cogeneration and Distillery, most of the sales are made to Government customers, such as, State Electricity Board (UPPCL) and Oil Marketing Companies (OMCs). There may be delays, generally not exceeding one year, in receiving payments from UPPCL but the risk in respect of realisation of dues is minimal. In Gear business, it is the policy of the Group to receive payment prior to delivery of the material except in the case of some well established OEMs, including public sector undertakings, where the credit up to 90 days is extended. Water business is engaged in Engineering, Procurement and Construction (EPC) business in the municipal and industrial sectors where it is customary to have prescribed retentions which are payable upon completion of the project and after satisfactory performance of the plant.

In order to contain the business risk, creditworthiness of the customer is ensured through scrutiny of its financials, status of financial closure of the project, if required, market reports and reference checks. The Group remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of its diversified business profile and considering the size of the Group, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customers. In addition, a large number of receivables are grouped and assessed for impairment collectively. The calculation of impairment loss is based on historical data of losses, current conditions and forecasts and future economic conditions. The Group's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset as detailed in note 6, 7, 8, 9 and 12.

The business wise receivable position as at the end of the year is provided here below:

	Year ended 31-Mar-20			Year ended 31-Mar-19		
	External sales (A)	Year end receivables (B)	% Receivables (B/A)	External sales (A)	Year end receivables (B)	% Receivables (B/A)
Sugar business	327355.07	4766.03	1%	242481.37	4125.88	2%
Cogeneration business	5415.62	4549.79	84%	10930.79	3337.56	31%
Distillery business	38977.88	3261.83	8%	21288.41	1537.74	7%
Water business	30455.07	19301.20	63%	24887.78	9996.92	40%
Gear business	15221.89	2661.87	17%	13153.41	4499.62	34%
Others	2328.98	361.45	16%	2197.28	299.67	14%
Total	**419754.51**	**34902.17**	**8%**	**314939.04**	**23797.39**	**8%**

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In the case of Cogeneration and Water business, the % receivables to external sales is high whereas the overall ratio for the Group is much lower. In the case of Cogeneration, the entire receivables are pertaining to UP Government owned UPPCL as the surplus power is exported to it in accordance with the long term PPA executed with it. Though there have been delays in receiving payments from UPPCL, there has never been any default. In the case of EPC projects undertaken by Water business, the receivables are high as per the norms of the industry and terms of the tender. Majority of projects are executed for the municipalities and before bidding for any contract, the Water business carries out due-diligence to ensure that the customer has made satisfactory funding arrangements.

Overall, the credit risk from receivable is low in view of diverse businesses and government customers.

(b) Provision for expected credit losses

Basis as explained above, life time expected credit loss ("ECL") is determined on trade receivables except in cases where advance payment terms are prescribed or payment is due from Central / State Government or Government Authorities / entities where there is no track record of short receipts. ECL arising from delays in receiving payments from the Government customers pursuant to sale of goods or under construction contracts are not considered if such delays are commonly prevalent in the industry and / or the delays are not exceeding one year. All other short receipts, other than arising from expense claims, are duly considered in determining ECL. In view of the business model of the Group's engineered-to-order products and the profile of trade receivables, the determination of provision based on age analysis may not be realistic and hence, the provision of expected credit loss is determined for the total trade receivables outstanding as on the reporting date. This provision for ECL is made in addition to the specific credit losses, if any, provided on specific financial assets.

Provision matrix (%, amounts) of ECL for trade receivables (other than specific credit losses separately recognised) is as under:

Business	% ECL	ECL amount as at 31-Mar-20	ECL amount as at 31-Mar-19
Sugar	Nil	Nil	Nil
Co-generation	Nil	Nil	Nil
Distillery	Nil	Nil	Nil
Water	0.82%	114.75	79.25
Gear	1.19%	32.90	33.43

(c) Reconciliation of loss allowance provision

Trade receivables:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Balance at beginning of the year	1254.92	1741.84
Additional provisions recognised during the year	931.04	16.66
Provision reversed/utilised during the year	(384.63)	(503.58)
Balance at the end of the year	1801.33	1254.92

Loans and other financials assets:

	Loans		Other financial assets	
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
Balance at beginning of the year	44.53	44.53	15.05	16.05
Movement in expected credit loss allowance	-	-	-	(1.00)
Balance at the end of the year	44.53	44.53	15.05	15.05

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(ii) Liquidity risk

The Group uses liquidity forecast tools to manage its liquidity. The Group operates capital intensive sugar business and has obligation to timely make cane price payments within the statutory time period. The Group is able to organise liquidity through own funds and through working capital loans. The Group has good relationship with its lenders and has not defaulted at any point of time in the past, as a result of which it does not experience any difficulty in arranging funds from its lenders. However, when the sugar fundamentals are unfavourable, either due to market forces or due to excessive cane pricing by the Government, the payment of cane price gets delayed. However, it is the endeavour of the Group to make cane payment on a priority basis. It is the objective and focus of the Group to reduce debts to be able to meet the cyclicalities of the sugar business.

Apart from cyclical sugar business, the Group has alternate revenue streams in the form of cogeneration, distillery and engineering business, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Group as at the year end:

	As at 31-Mar-20	As at 31-Mar-19
Total current assets	273105.18	257549.94
Total current liabilities	210714.55	218593.00
Current ratio	1.30	1.18

In view of seasonal nature of sugar business, which is a dominant business of the Group, there is a peak build-up of sugar inventories at the year end, resulting in peak working capital requirement. With the liquidation of such inventories over the year, the working capital requirement is gradually reduced. Thus, the current ratio computed at the year end is not a reflection of average and realistic ratio for the year.

(a) Maturities of financial instruments

Maturities of non-derivative financial liabilities:

The following tables detail the remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	on demand	< 1 year	1-3 years	3-5 years	> 5 years	Total	Carrying amount
As at 31 March 2020							
Borrowings	94343.87	15446.73	31439.22	14620.62	-	155850.44	153010.23
Trade payables	-	74902.99	738.92	-	-	75641.91	75641.91
Lease liabilities	-	544.87	575.14	618.11	28.38	1766.50	1766.50
Other financial liabilities	-	5225.42	-	-	-	5225.42	5225.42
	94343.87	**96120.01**	**32753.28**	**15238.73**	**28.38**	**238484.27**	**235644.06**
As at 31 March 2019							
Borrowings	123540.95	8810.46	18972.60	19084.00	2133.42	172541.43	168434.74
Trade payables	-	63394.09	370.13	-	-	63764.22	63764.22
Other financial liabilities	-	5058.04	-	-	-	5058.04	5058.04
	123540.95	**77262.59**	**19342.73**	**19084.00**	**2133.42**	**241363.69**	**237257.00**

Maturities of derivative financial instruments:

The Group enters into derivative contracts (viz. foreign exchange forward contracts, foreign currency swaps and interest rate swaps) to manage some of its foreign currency exposures and interest rate exposures that are settled on a net basis. Derivative liability (net) are of ₹ 2.19 lakhs as at 31 March 2020 (31 March 2019 : derivative asset (net) ₹ 65.11 lakhs), shall mature within one year from reporting date.

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(iii) Market risk

The Group is exposed to following key market risks:

(a) Interest rate risk on loans and borrowings

(b) Sugar price risk

(c) Other market risks

(a) Interest rate risk

Most of the borrowings availed by the Group are subject to interest on floating rate basis linked to the MCLR (Marginal Cost of funds based Lending Rate) or LIBOR (London Interbank Offer Rate). In view of the fact that the total borrowings of the Group are quite substantial, the Group is exposed to interest rate risk.

The strategy of the Group to opt for floating interest rates is helpful in maintaining market related realistic rates. Further, most of the loans and borrowings have a prepayment clause through which the loans could be prepaid without any prepayment premium. The said clause helps the Group to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held. The interest rate risk is largely mitigated as 99% of the long term debts as at 31 March 2020 (31 March 2019 : 92% of long term debts), comprises loans carrying concessional interest rates/ interest subvention.

While declining interest rates would be beneficial to the Group, adverse interest rate fluctuations could increase the finance cost. The total impact, in respect of borrowings on floating interest rate basis, is limited as per sensitivity analysis provided here under:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Total debt as at the end of the year	153010.23	168434.74
Debt at floating rate of interest as at the end of the year	124478.82	134542.04
Average availment of borrowings at floating rate of interest	127516.81	79427.21
Impact of 1% interest rate variation	1275.17	794.27

The above sensitivity has been computed after excluding the impact of change in interest rates of the floating interest rate foreign currency borrowing having balance of USD 1,792,114.69 @ 4.833% p.a. (i.e. 6 months LIBOR plus 1.95%) as at 31 March 2019, fully repaid during the current year, since same has been hedged through interest rate swap @ fixed interest rate 8.5% p.a.

(b) Sugar price risk

The sugar prices are dependent inter-alia on domestic and global sugar balance - higher supplies lead to softening of sugar prices whereas higher demand than available supplies lead to hardening of sugar prices. The Group sells most of its sugar in the domestic market where there are no effective mechanism available to hedge sugar prices in view of limited breadth in the commodity exchanges. The Group also exports sugar in the years of surplus production based on Government policy and incentives being offered.

Adverse changes in sugar price impact the Group in the following manner:

- The Group values sugar stocks at lower of cost and net realisable value (NRV). In the event, the cost of production of sugar is higher than the NRV, the stocks are written down to NRV leading to recognition of loss on such inventory.
- The Group is a large producer of sugar and even a small variation in the sugar price leads to significant impact on the profitability of the Group.

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Sensitivity analysis in respect of sugar price risk is provided here below:

	Year ended 31-Mar-20	Year ended 31-Mar-19
Annual production of sugar (MT)	971918	904663
Impact of sugar price variation by ₹ 1000/MT	9719.18	9046.63

However, in view of sugar operations being highly efficient, the cost of production is generally lower than the Minimum Sale Prices (MSP) prescribed by the Central Government for sale of sugar and hence, chances of significant losses due to inventory write down are low. Further, in view of floor prices being prescribed by way of MSP, the downside impact on the Group is limited.

(c) **Other market risks**

The other market risks includes Equity price risk and Foreign currency risk.

Equity price risk in respect of listed and non listed equity securities which are susceptible to market price risk arising from uncertainties about future value of the investment securities. In view of nominal value of investments being held by the Group, other than in associates which are accounted for using equity method, the magnitude of risk is only nominal.

The Group is exposed to foreign currency risk on account of foreign currency loans receivables and foreign exchange trades.

Foreign currency risk exposure

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

		US$	EURO	GBP	AUD
As at 31 March 2020					
Financial assets					
- Trade receivables	in foreign currency lakhs	3.10	0.73	-	-
	in equivalent ₹ lakhs	231.64	60.07	-	-
- Loans receivables	in foreign currency lakhs	4.09	-	-	-
	in equivalent ₹ lakhs	305.50	-	-	-
Derivatives (in respect of underlying financial assets)					
- Foreign exchange forward contracts/ Swaps sell foreign currency	in foreign currency lakhs	4.06	-	-	-
	in equivalent ₹ lakhs	303.40	-	-	-
Net exposure to foreign currency risk (assets)	in foreign currency lakhs	**3.13**	**0.73**	**-**	**-**
	in equivalent ₹ lakhs	**233.74**	**60.07**	**-**	**-**
Financial liabilities					
- Trade payables	in foreign currency lakhs	3.59	0.40	0.65	-
	in equivalent ₹ lakhs	273.30	33.92	61.44	-
Derivatives (in respect of underlying financial liabilities)					
- Foreign exchange forward contracts/ Swaps buy foreign currency	in foreign currency lakhs	2.92	-	-	-
	in equivalent ₹ lakhs	222.20	-	-	-
Net exposure to foreign currency risk (liabilities)	in foreign currency lakhs	**0.67**	**0.40**	**0.65**	**-**
	in equivalent ₹ lakhs	**51.10**	**33.92**	**61.44**	**-**

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		US$	EURO	GBP	AUD
As at 31 March 2019					
Financial assets					
- Trade receivables	in foreign currency lakhs	0.06	0.95	-	-
	in equivalent ₹ lakhs	3.90	72.67	-	-
- Loans receivables	in foreign currency lakhs	3.97	-	-	-
	in equivalent ₹ lakhs	271.53	-	-	-
Derivatives (in respect of underlying financial assets)					
- Foreign exchange forward contracts/ Swaps sell foreign currency	in foreign currency lakhs	3.97	-	-	-
	in equivalent ₹ lakhs	271.53	-	-	-
Net exposure to foreign currency risk (assets)	in foreign currency lakhs	**0.06**	**0.95**	**-**	**-**
	in equivalent ₹ lakhs	**3.90**	**72.67**	**-**	**-**
Financial liabilities					
- Trade payables	in foreign currency lakhs	10.94	3.21	0.53	-
	in equivalent ₹ lakhs	765.38	253.66	49.20	-
- Borrowings (including interest)	in foreign currency lakhs	18.00	-	-	-
	in equivalent ₹ lakhs	1258.44	-	-	-
Derivatives (in respect of underlying financial liabilities)					
- Foreign exchange forward contracts/ Swaps buy foreign currency	in foreign currency lakhs	27.55	2.11	-	-
	in equivalent ₹ lakhs	1926.66	166.36	-	-
Net exposure to foreign currency risk (liabilities)	in foreign currency lakhs	**1.39**	**1.10**	**0.53**	**-**
	in equivalent ₹ lakhs	**97.16**	**87.30**	**49.20**	**-**

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

		US$	EURO	GBP	AUD
As at 31 March 2020					
Foreign exchange forward contracts to sell foreign currency	in foreign currency lakhs	5.69	-	-	-
	in equivalent ₹ lakhs	425.24	-	-	-
Foreign exchange forward contracts to buy foreign currency	in foreign currency lakhs	2.92	2.58	-	-
	in equivalent ₹ lakhs	222.20	218.47	-	-
As at 31 March 2019					
Foreign exchange forward contracts to sell foreign currency	in foreign currency lakhs	4.02	-	-	-
	in equivalent ₹ lakhs	275.10	-	-	-
Foreign exchange forward contracts/ Swaps to buy foreign currency	in foreign currency lakhs	29.49	2.11	-	5.63
	in equivalent ₹ lakhs	2062.31	166.36	-	282.21

All the above contracts are maturing within one year from the reporting date.

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Sensitivity

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

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
US$ sensitivity	5%	9.13	(4.66)	(9.13)	4.66
EURO sensitivity	5%	1.31	(0.73)	(1.31)	0.73
GBP sensitivity	5%	(3.07)	(2.46)	3.07	2.46
AUD sensitivity	5%	-	-	-	-

Further, the impact of change in foreign currency rates (assuming forward premium to remain unchanged) on the fair valuation of derivatives (excluding derivatives which have hedged the foreign currency denominated receivables and payables) as at the end of the year, is demonstrated in the table below. However, apart from the impact on the profit or loss due to fair value changes of the derivatives, the derivatives will help the Group in capturing the hedged rates including forward premium and the budgeted profitability will remain unaffected.

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
US$ sensitivity	5%	(6.09)	6.60	6.09	(6.60)
EURO sensitivity	5%	10.92	-	(10.92)	-
GBP sensitivity	5%	-	-	-	-
AUD sensitivity	5%	-	14.11	-	(14.11)

There is no impact on other components of equity since the Group has not elected to apply hedge accounting.

NOTE 42: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	As at 31-Mar-20		As at 31-Mar-19	
	FVTPL *	Amortised cost	FVTPL *	Amortised cost
Financial assets				
Investments				
- Equity instruments	322.77	-	384.68	-
- Bonds	10.67	-	30.47	-
- National Saving Certificates	-	0.03	-	0.03
Trade receivables	-	34902.17	-	23797.39
Loans	-	339.78	-	314.29
Cash and bank balances	-	3562.18	-	2267.74
Security deposits	-	685.57	-	640.15
Earnest money deposits	-	53.58	-	15.75
Derivative financial assets	-	-	71.72	-
Other receivables	-	94.46	-	78.55
Total financial assets	**333.44**	**39637.77**	**486.87**	**27113.90**

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	As at 31-Mar-20		As at 31-Mar-19	
	FVTPL *	Amortised cost	FVTPL *	Amortised cost
Financial liabilities				
Borrowings	-	153010.23	-	168434.74
Trade payables	-	75641.91	-	63764.22
Capital creditors	-	1894.29	-	1979.37
Security deposits	-	391.14	-	396.42
Derivative financial liabilities	2.19	-	6.61	-
Lease liabilities	-	1766.50	-	-
Other payables	-	2939.99	-	2682.25
Total financial liabilities	**2.19**	**235644.06**	**6.61**	**237257.00**

*Mandatorily required to be measured at FVTPL. There is no financial instrument which is designated as FVTPL.

(ii) Fair value hierarchy

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

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

	Note No.	Level 1	Level 2	Level 3	Total
As at 31 March 2020					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	322.77	-	-	322.77
- Investments in bonds at FVTPL	6	-	10.67	-	10.67
		322.77	**10.67**	**-**	**333.44**
Financial liabilities					
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	18	-	2.19	-	2.19
		-	**2.19**	**-**	**2.19**
As at 31 March 2019					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	384.68	-	-	384.68
- Investments in bonds at FVTPL	6	-	30.47	-	30.47
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	9	-	71.72	-	71.72
		384.68	**102.19**	**-**	**486.87**
Financial liabilities					
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	18	-	6.61	-	6.61
		-	**6.61**	**-**	**6.61**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted unadjusted market prices in active markets for identical assets or liabilities. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of derivatives (viz. foreign exchange forward contracts, foreign currency swaps and interest rate swaps) is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.
- the fair value of bonds is determined using observable market data of yield to maturity and coupon rates of securities.

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

(iv) Valuation processes

The Corporate finance team has requisite knowledge and skills in valuation of financial instruments. The team headed by Group CFO directly reports to the audit committee on the fair value of financial instruments.

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

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

	As at 31-Mar-20		As at 31-Mar-19	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Trade receivables	34902.17	33822.93	23797.39	23787.71
	34902.17	**33822.93**	**23797.39**	**23787.71**
Financial liabilities				
Trade payables	75641.91	75550.38	63764.22	63718.50
	75641.91	**75550.38**	**63764.22**	**63718.50**

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
As at 31 March 2020				
Financial assets				
Trade receivables	-	-	33822.93	33822.93
	-	**-**	**33822.93**	**33822.93**
Financial liabilities				
Trade payables	-	-	75550.38	75550.38
	-	**-**	**75550.38**	**75550.38**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Level 1	Level 2	Level 3	Total
As at 31 March 2019				
Financial assets				
Trade receivables	-	-	23787.71	23787.71
	-	**-**	**23787.71**	**23787.71**
Financial liabilities				
Trade payables	-	-	63718.50	63718.50
	-	**-**	**63718.50**	**63718.50**

(a) The fair values for trade receivables and trade payables which are expected to be settled after twelve months (including those which are within the operating cycle) are computed based on discounted cash flows. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The carrying amounts of the remaining trade receivables and trade payables are considered to be the same as their fair values, due to their short-term nature.

NOTE 43: GOVERNMENT GRANTS

(i) Government grants recognised in the financial statements

	Grants recognised in profit or loss			Grant recoverable	
	As at 31-Mar-20	**As at 31-Mar-19**	**Treatment in financial statements**	**As at 31-Mar-20**	**As at 31-Mar-19**
A Deferred government grants related to income					
a) Loans at below market interest rate aggregating to ₹ 36400 lakhs availed during financial year 2018-19 under the "Scheme for Extending Financial Assistance to Sugar Undertakings 2018" notified by the State Government of Uttar Pradesh.	1350.33	441.97	Reduced from finance cost (note 31)	-	-
b) Interest subvention @ 12% per annum on loans aggregating to ₹ 12626 lakhs availed during financial year 2012-13 under the "Scheme of Extending Financial Assistance to Sugar Undertakings, 2013" notified by the Government of India.	-	242.33	Reduced from finance cost (note 31)	-	-
c) Loans at below market interest rate from Sugar Development Fund, Government of India	-	8.53	Reduced from finance cost (note 31)	-	-
Total deferred government grants	**1350.33**	**692.83**		-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Grants recognised in profit or loss			Grant recoverable	
	As at 31-Mar-20	As at 31-Mar-19	Treatment in financial statements	As at 31-Mar-20	As at 31-Mar-19
B Other revenue government grants					
a) Financial assistance by Government of India under the Scheme for providing assistance to sugar mills for expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar during the sugar season 2019-20.	12967.82	-	Presented under "Other operating revenue" (note 25)	12967.82	-
b) Financial assistance of ₹ 13.88 per quintal of cane crushed during season 2018-19 by the Government of India under the "Scheme for Assistance to Sugar Mills".	8344.11	-	Presented under "Other operating revenue" (note 25)	4162.11	-
	2427.02	-	Reduced from Raw material consumed (note 27)		
c) Financial assistance by Government of India under the Scheme for defraying expenditure towards internal transport, freight, handling and other charges on export of sugar during the sugar season 2018-19.	2072.41	-	Presented under "Other operating revenue" (note 25)	1459.07	-
	1653.17	-	Reduced from outward freight and forwarding costs under "Other expenses" (note 34)	-	-
d) Financial assistance of ₹ 4.50 per quintal of cane purchased during season 2017-18 by the State Government of Uttar Pradesh	-	3088.25	Depicted under "Other income" (note 26)	-	-
	-	679.42	Reduced from Raw material consumed (note 27)	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Grants recognised in profit or loss			Grant recoverable	
	As at 31-Mar-20	**As at 31-Mar-19**	**Treatment in financial statements**	**As at 31-Mar-20**	**As at 31-Mar-19**
e) Financial assistance of ₹ 5.50 per quintal of cane crushed during season 2017-18 by the Government of India under the "Scheme for Assistance to Sugar Mills".	-	1116.00	Depicted under "Other income" (note 26)	-	-
	-	276.55	Reduced from Raw material consumed (note 27)		
f) Financial assistance by Government of India under the Scheme for Creation and Maintenance of Buffer Stock of sugar.	1224.58	210.25	Depicted under "Other income" (note 26)	2885.88	693.07
	2848.01	1112.83	Reduced from finance cost (note 31)		
g) Interest subvention @ 7% for one year by Government of India on soft loans of ₹ 31000 lakhs availed from banks under the scheme for soft loans to sugar mills	2044.58	-	Reduced from finance cost (note 31)	1367.97	-
h) Interest subvention @ 50% of rate charged by lenders (subject to maximum of 6%) by Government of India on loans of ₹ 17693 lakhs availed from banks for distilleries under the "Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity"	671.00	-	Reduced from finance cost (note 31)	671.00	-
i) Export incentives under Duty Draw back Scheme, Incremental Export Incentive Scheme and Merchandise Export Incentive Scheme.	87.77	89.63	Presented under "Other operating revenue" (note 25)	28.73	17.56
Total other revenue government grants	**34340.47**	**6572.93**		**23542.58**	**710.63**
Total government grants related to income	**35690.80**	**7265.76**		**23542.58**	**710.63**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Grants received			Grant recoverable	
	Year ended 31-Mar-20	**Year ended 31-Mar-19**	**Treatment in financial statements**	**As at 31-Mar-20**	**As at 31-Mar-19**
C Government grants related to assets					
a) Grant in respect of Moist Hot Air Treatment Plants (MHAT) and Soil treatment plant received from the State Government of Uttar Pradesh under Rashtriya Krishi Vikas Yojna.	7.00	17.00	" Reduced from gross value of PPE upon receipt. Recognised in profit or loss by way of reduced depreciation (refer note 3 and 32)	-	-
b) Grant of ₹ 141.45 lakhs in the form of duties saved upon import of machinery under Export Promotion Capital Goods (EPCG) scheme.	-	-	" Reduced from gross value of PPE upon fulfilment of export obligation(s). Recognised in profit or loss by way of reduced depreciation (refer note 3 and 32)	-	-
Total government grants related to assets	**7.00**	**17.00**		**-**	**-**

(ii) Movement of deferred government grants is provided here below:

	Year ended 31-Mar-20	Year ended 31-Mar-19
As at the beginning of the year	4297.10	392.32
Recognised during the year	-	4597.61
Released to the statement of profit and loss	(1350.33)	(692.83)
As at the end of the year	**2946.77**	**4297.10**
Current (refer note 20)	1125.25	1350.33
Non-current (refer note 20)	1821.52	2946.77
Total	**2946.77**	**4297.10**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 44: INTEREST IN OTHER ENTITIES

(i) Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of Subsidiaries	Principal activities	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group As at 31-Mar-20	As at 31-Mar-19
Triveni Engineering Limited	see (a) below	India	100%	100%
Triveni Energy Systems Limited	see (a) below	India	100%	100%
Svastida Projects Limited	see (a) below	India	100%	100%
Triveni Entertainment Limited	see (a) below	India	100%	100%
Triveni Industries Limited	see (a) below	India	100%	100%
Triveni Sugar Limited	see (a) below	India	100%	100%
Mathura Wastewater Management Private Limited	Water and wastewater treatment solutions	India	100%	100%

(a) These companies are relatively much smaller and there have been no significant business activities in these companies.

(ii) Non-controlling interests

The Group, on 28 February 2019, acquired an additional 50 equity shares (0.01%) in Triveni Sugar Limited (TSL), consequently TSL became wholly owned subsidiary company of the Company. The effect on the equity attributable to the owners of the Company is summarised as follows:

	Year ended 31-Mar-19
Carrying amount of non-controlling interests acquired as on the date of acquisition	0.00
Consideration paid to the non-controlling interests	0.00
Excess of consideration paid over carrying amount recognised in retained earnings within equity	0.00

(iii) Interest in Associates

Details of the Group's associates at the end of the reporting period are as follows:

Name of Associates	Principal activities	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group As at 31-Mar-20	As at 31-Mar-19
Triveni Turbine Limited	Power generating equipment and solutions	India	21.85%	21.85%
Aqwise Wise Water Technologies Limited	Water and wastewater treatment solutions	Israel	25.04%	25.04%

The above associates are accounted for using the equity method in these financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(a) **Summarised financial information of Associates**

The summarised financial information below represents amounts based on the associate's financial statements drawn up for consolidation under equity accounting method by the Group.

Summarised balance sheet of Associates

	Triveni Turbine Limited		Aqwise Wise Water Technologies Limited	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20*	As at 31-Mar-19
Current assets	53762.02	46234.88	25338.37	16137.64
Non-current assets	28454.44	27854.77	2863.11	1624.77
Current liabilities	27373.42	28661.54	21145.39	14360.94
Non-current liabilities	1825.24	2089.53	6749.24	992.98
Contributions of non-controlling interest towards share in losses	-	-	507.62	285.59
Net assets	53017.80	43338.58	814.47	2694.08

Summarised statement of profit and loss of Associates

	Triveni Turbine Limited		Aqwise Wise Water Technologies Limited	
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20*	Year ended 31-Mar-19*
Revenue	81786.85	83998.73	22496.18	13790.15
Profit from continuing operations	12177.82	10022.46	(2258.51)	110.95
Profit from discontinued operations	-	-	-	-
Other comprehensive income	(683.32)	419.22	129.94	(18.01)
Total comprehensive income	11494.50	10441.68	(2128.57)	92.94
Dividend received from the Associate	353.14	396.00	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associates recognised in financial statements:

	Triveni Turbine Limited		Aqwise Wise Water Technologies Limited	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20*	As at 31-Mar-19*
Net assets of the Associates	53017.80	43338.58	814.47	2694.08
Group's share in %	21.85%	21.85%	25.04%	25.04%
Group's share in ₹	11582.05	9467.57	203.95	674.60
Adjustments:				
Group's share in adjustment for unrealised profits on inter-company transactions (net of tax)	(2.77)	(6.05)	-	-
Goodwill on acquisition (as restated)	(8.11)	(8.11)	2057.11	2204.24
Adjustment for tax on balance undistributed profits	-	(1479.91)	-	-
Other adjustments	0.07	0.07	-	-
Carrying amount	**11571.24**	**7973.57**	**2261.06**	**2878.84**

*The consolidation of accounts of Aqwise Wise Water Technologies Limited., under equity accounting method, is done using its most recent available financial statements for the year ended 31 December 2019/2018 adjusted for the effects of significant transactions / events for the quarter ended 31 March 2020/2019, if any.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 45: ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity in the Group	**As % of consolidated net assets**	**Amount**	**As % of consolidated profit or loss**	**Amount**	**As % of consolidated other comprehensive income**	**Amount**	**As % of consolidated total comprehensive income**	**Amount**
Parent								
Triveni Engineering & Industries Limited								
31 March 2020	86.31%	115540.78	91.66%	30718.64	34.07%	(96.19)	92.15%	30622.45
31 March 2019	94.29%	107541.34	90.71%	19619.76	334.89%	(137.34)	90.25%	19482.42
Subsidiaries (Group's share)								
Indian								
Triveni Engineering Limited								
31 March 2020	0.09%	118.55	0.00%	(0.93)	0.00%	-	0.00%	(0.93)
31 March 2019	0.39%	440.66	0.00%	(0.13)	0.00%	-	0.00%	(0.13)
Triveni Energy Systems Limited								
31 March 2020	0.09%	118.04	0.00%	(0.92)	0.00%	-	0.00%	(0.92)
31 March 2019	0.33%	374.46	0.00%	(0.17)	0.00%	-	0.00%	(0.17)
Triveni Sugar Limited								
31 March 2020	0.08%	110.26	-0.01%	(4.28)	0.00%	-	-0.01%	(4.28)
31 March 2019	0.00%	(0.05)	0.00%	(0.34)	0.00%	-	0.00%	(0.34)
Svastida Projects Limited								
31 March 2020	0.10%	134.71	0.00%	(1.49)	0.00%	-	0.00%	(1.49)
31 March 2019	0.00%	5.03	0.00%	(0.25)	0.00%	-	0.00%	(0.25)
Triveni Entertainment Limited								
31 March 2020	0.09%	122.55	0.00%	(1.24)	0.00%	-	0.00%	(1.24)
31 March 2019	0.34%	390.62	-0.01%	(1.62)	0.00%	-	-0.01%	(1.62)
Triveni Industries Limited								
31 March 2020	0.08%	111.60	-0.02%	(4.86)	0.00%	-	-0.02%	(4.86)
31 March 2019	0.00%	0.36	0.00%	(0.38)	0.00%	-	0.00%	(0.38)
Mathura Wastewater Management Private Limited								
31 March 2020	5.60%	7490.59	2.29%	768.29	0.00%	-	2.31%	768.29
31 March 2019	-1.61%	(1839.81)	-0.05%	(11.67)	0.00%	-	-0.05%	(11.67)
Non-controlling interests in all subsidiaries								
31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31 March 2019	0.00%	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Associates (Investments as per the equity method)								
Indian								
Triveni Turbine Limited								
31 March 2020	8.12%	10864.89	7.77%	2604.14	47.19%	(133.24)	7.43%	2470.90
31 March 2019	6.37%	7267.22	9.22%	1995.07	-232.00%	95.14	9.68%	2090.21
Foreign								
Aqwise Wise Water Technologies Limited								
31 March 2020	-0.56%	(745.13)	-1.69%	(565.53)	18.74%	(52.92)	-1.86%	(618.45)
31 March 2019	-0.11%	(127.35)	0.13%	27.78	-2.89%	1.19	0.13%	28.97
Total								
31 March 2020	**100.00%**	**133866.84**	**100.00%**	**33511.82**	**100.00%**	**(282.35)**	**100.00%**	**33229.47**
31 March 2019	**100.00%**	**114052.48**	**100.00%**	**21628.05**	**100.00%**	**(41.01)**	**100.00%**	**21587.04**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 46: LEASES

As Lessee

The Group had acquired a land with original lease term of ninety years and had paid one-time payment of lease charges (i.e. the market value of the land) in respect of this lease at the inception of lease. There are no further future lease maintenance payments, no contingent rent or restriction imposed under the lease agreement and the Group has transfer rights in respect of such land. In terms of criteria specified in previous accounting standard on leases i.e. Ind AS 17 Leases, such lease had been classified as finance lease till last year. Consequent to the replacement of this accounting standard with Ind AS 116 Leases (refer note 50), the land acquired under the aforesaid lease has been recognised as Right-of-use assets during the current year (refer note 3).

Apart from above mentioned lease, assets taken under lease mainly includes various residential, office and godown premises. These are generally not non-cancellable leases (except for few premises) having unexpired period upto six years. The leases are renewable by mutual consent and on mutually agreeable terms. The Group has given refundable interest free security deposits under certain lease agreements. There is no contingent rent, sublease payments or restriction imposed in the lease agreement. In terms of criteria specified in previous accounting standard on leases i.e. Ind AS 17 Leases, these leases had been classified as operating lease and yearly lease payments under these leases were expensed off as rent expenses till last year (refer note 34). Consequent to the replacement of this accounting standard with Ind AS 116 Leases (refer note 50), for some of these leases (i.e. leases other than with short term period or low value assets), present value of all future lease payments has been recognised as Right-of-use assets and lease liabilities with the charge for depreciation on Right-of-use assets and interest on lease liabilities in the statement of profit and loss during the current year (refer note 3 & 31) and for other leases, yearly lease payments continued to be expensed off on straight line basis over lease term as rent expenses (refer note 34).

Amounts recognised as expense

	Year ended 31-Mar-20
Depreciation expense - Right-of-use assets (Land) (refer note 3)	5.40
Depreciation expense - Right-of-use assets (Building) (refer note 3)	626.64
Interest on lease liabilities (refer note 31)	185.93
Rent expense - short term leases (refer note 34)	165.27
	983.24

Total cash outflow for leases during the year ended 31 March 2020 is ₹ 810.42 lakhs.

Commitments for short term leases as at 31 March 2020 is ₹ 26.39 lakhs.

Group's share of associates' commitments for short term leases as at 31 March 2020 is ₹ 28.33 lakhs.

As Lessor

The Group has given certain portion of its office / factory premises under operating leases [including lease of investment property (refer note 4)]. These leases are not non-cancellable and are extendable by mutual consent and at mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation recognised in the statement of profit and loss in respect of such portion of the leased premises are not separately identifiable. There is no impairment loss in respect of such premises. No contingent rent has been recognised in the statement of profit and loss. There are no minimum future lease payments as there are no non-cancellable leases. Lease income is recognised in the statement of profit and loss under "Other income" (refer note 26). Lease income earned by the Group from its investment properties and direct operating expenses arising on the investment properties for the year is set out in note 4.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 47: COMMITMENTS

		As at 31-Mar-20	As at 31-Mar-19
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	733.11	3279.00
(ii)	Group's share of associates' commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	100.03	133.32

NOTE 48: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

		As at 31-Mar-20	As at 31-Mar-19
Claims against the Group not acknowledged as debts:			
(i)	Claims which are being contested by the Company and in respect of which the Company has paid amounts aggregating to ₹ 407.89 lakhs (31 March 2019: ₹ 443.09 lakhs), excluding interest, under protest pending final adjudication of the cases:	7625.34	7840.17

Sl. No.	Particulars	Amount of contingent liability		Amount paid	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
1	Sales tax	328.98	301.82	65.35	77.05
2	Excise duty	287.73	465.74	273.86	291.83
3	GST	0.59	1.68	0.59	1.68
4	Others*	7008.04	7070.93	68.09	72.53

*Amount of contingent liability includes ₹ 5973.50 lakhs as at 31 March 2020 (31 March 2019 : ₹ 5973.50 lakhs) in respect of interest on delayed payment of cane price for the sugar seasons 2012-13, 2013-14 and 2014-15 in respect of which the Hon'ble Allahabad High Court had passed an order directing the Cane Commissioner of the State to decide the matter afresh, taking into consideration certain additional factors. The Cane Commissioner is understood to have filed an affidavit in a contempt proceeding, specifying interest rates on delayed cane price payments but no such order of the Cane Commissioner has been served on the Company or industry association and such order, which if served may be legally challenged.

		As at 31-Mar-20	As at 31-Mar-19
(ii)	The Group is contingently liable in respect of short provision against disputed income tax liabilities (excluding determination of final interest payable thereon) of ₹ 3186.95 lakhs (31 March 2019: ₹ 3174.34 lakhs) against which ₹ 1718.94 lakhs (31 March 2019: ₹ 2063.71 lakhs) stands paid. The disputed income tax liability mainly arises on the issue of taxability of unrealised incentives, majority of which have been held to be non-taxable in the first appeal filed by the Group.	3186.95	3174.34
(iii)	Liability arising from claims / counter claims/ interest in arbitration/ court cases, claims of certain employees/ex-employees and in respect of service tax, if any, on certain activities of the Group which are being contested by the Group.	Indeterminate	Indeterminate
(iv)	Group's share of associates' contingent liabilities	159.53	173.76

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Contingent assets

Based on management analysis, there are no material contingent assets as at 31 March 2020 and as at 31 March 2019.

NOTE 49: DISCLOSURES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

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

	31-Mar-20	31-Mar-19
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; as at the end of the year		
(i) Principal amount	6.73	92.00
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

NOTE 50: CHANGES IN ACCOUNTING POLICIES

Ind AS 116 Leases was notified by Ministry of Corporate Affairs (MCA) on 30 March 2019 and it replaced Ind AS 17 Leases, including appendices thereto. Effective April 1, 2019, the Group has adopted Ind AS 116 Leases and applied the same to lease contracts existing as at April 1, 2019. Accordingly, the Group has recognised Right-of-use assets and Lease liabilities (refer note 3, 18 & 46). In the statement of profit and loss for the current year, the nature of expenses in respect of operating leases has changed from Rent expense in previous year to Depreciation expense for the Right-to-use assets and Finance cost for interest accrued on lease liabilities (refer note 3, 31 & 34). Ind AS 116 Leases has been applied using the cumulative effect method and hence the comparative information is not restated. The adoption of the standard did not have any material impact on the financial results of the Group.

NOTE 51: COMPARATIVES

The Group has reclassified certain items of financials of comparative year to conform to this year's classification, however, impact of these reclassification are not material.

NOTE 52: APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved for issue by the Board of Directors of the Company on 17 June 2020 subject to approval of shareholders.

The accompanying notes 1 to 52 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Faridabad (Haryana)

Date : June 17, 2020

For and on behalf of the Board of Directors of Triveni Engineering & Industries Limited

Dhruv M. Sawhney
Chairman & Managing Director
Place : New Delhi

Homai A. Daruwalla
Director & Chairperson Audit Committee
Place : Mumbai

Suresh Taneja
Group CFO
Place : Delhi

Geeta Bhalla
Group Vice President & Company Secretary
Place : Delhi

Information on Company's Business Locations

Registered Office
Deoband, District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222185, 222866
Fax: 222220
CIN- L15421UP1932PLC022174

Corporate Office
'Express Trade Towers', 8th Floor
15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11

Share Department/Investors' Grievances
'Express Trade Towers', 8th Floor
15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11
Email: shares@trivenigroup.com

Registrar and Share Transfer Agents
For Equity shares held in physical and electronic mode
(Correspondence Address)
M/s KFin Technologies Pvt. Ltd.,
Unit: Triveni Engineering & Industries Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad-500 032.
Tel. 040-67162222,
Fax 040-23001153
Email: einward.ris@kfintech.com

Khatauli Sugar Unit
Khatauli, District- Muzaffarnagar,
Uttar Pradesh-251 201
STD Code: 01396
Phone: 01396-2722561-62

Deoband Sugar Unit
Deoband, District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222185, 222866
Fax: 222220

Ramkola Sugar Unit
Ramkola, District-Kushinagar
Uttar Pradesh-274 305
STD Code: 05567
Phone: 9936300473
Fax: 2562483

Sabitgarh Sugar Unit
P.O. Karora, Tehsil Khurja
District-Bulandshahar,
Uttar Pradesh-203 129
STD Code: 05733
Phone: 9557794246
Fax: 228894/95

Rani Nangal Sugar Unit
Rani Nangal, Tehsil Thakurdwara
District- Moradabad
Uttar Pradesh-244 401
STD Code: 0591
Phone: 09690003373

Milak Narayanpur Sugar Unit
Milak Narayanpur, P.O. Dadiyal
District-Rampur
Uttar Pradesh- 244 925
STD Code: 0595
Phone: 9758400190-191
Fax: 2565002

Chandanpur Sugar Unit
P.O. Chapna, Tehsil-Hasanpur,
District- Amroha
Uttar Pradesh-244 255
STD Code: 05924
Phone: 267004/05, 7830220828
Fax: 267001

Co-generation Khatauli
Khatauli, District- Muzaffarnagar,
Uttar Pradesh-251 201
STD Code: 01396
Phone: 9897133335, 9897544464

Co-generation Deoband
Deoband, District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222185, 222866
Fax: 222220

Alco-Chemical Unit - Muzaffarnagar
Village Bhikki Bilaspur,
Jolly Road,
District - Muzaffarnagar,
Uttar Pradesh-251 001
STD Code: 0131
Phone: 7895900631-36
Fax: 2600569

Distillery Unit – Sabitgarh
P.O. Karora, Tehsil Khurja
District-Bulandshahar,
Uttar Pradesh-203 129

Branded Division
'Express Trade Towers', 8th Floor
15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11

Gears Business
1,2,3 Belagola Industrial Area,
Metagalli Post, K.R.S. Road,
Mysore-570 016
STD Code: 0821
Phone: 4286501, 4286502
Fax: 4286531

Water Business
Plot No.44, Block-A,
Phase II Extension,
Hosiery Complex, Noida-201 305,
District Gautam Budh Nagar, U.P.
STD Code: 0120
Phone: 4748000
Fax: 4243049

Subsidiary Companies

Triveni Industries Limited

Triveni Engineering Limited

Triveni Energy Systems Limited

Triveni Entertainment Limited

Triveni Sugar Limited

Svastida Projects Limited

Mathura Wastewater Management Pvt. Limited

Corporate Information

Chairman and Managing Director
Mr. Dhruv M. Sawhney
(DIN-00102999)

Vice Chairman & Managing Director
Mr. Tarun Sawhney
(DIN-00382878)

Directors
Mr. Nikhil Sawhney
(DIN-00029028)

Mr. Shekhar Datta
(DIN-00045591)

Ms. Homai A. Daruwalla
(DIN-00365880)

Dr. Santosh Pande
(DIN-01070414)

Mr. Sudipto Sarkar
(DIN-00048279)

Mr. Jitendra Kumar Dadoo
(DIN-02481702)

Group Chief Financial Officer
Mr. Suresh Taneja

Group Vice President & Company Secretary
Ms. Geeta Bhalla

Bankers
Axis Bank Ltd.
Canara Bank
Central Bank of India
IDBI Bank Ltd.
IndusInd Bank Ltd.
Oriental Bank of Commerce
Punjab National Bank
RBL Bank Ltd.
State Bank of India
Yes Bank Ltd.

Auditors
M/s S.S. Kothari Mehta & Company

Triveni Group website
www.trivenigroup.com

Triveni
ENGINEERING & INDUSTRIES LTD.
CIN-L15421UP1932PLC022174

8th Floor, Express Trade Towers,
Plot No. 15 & 16, Sector 16-A,
Noida-201 301, Uttar Pradesh
www.trivenigroup.com

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