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 2021, 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 2021 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.

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 eight subsidiaries, whose financial statements reflect total assets of ₹ 2,228.72 lacs as at 31 March 2021 and total revenue (including other income) of ₹ 0.98 lacs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ (-) 14.57 lacs and net cash outflow of ₹ 72.57 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (before other comprehensive income) of ₹ 2,228.85 lacs and other comprehensive income of ₹ 107.84 lacs for the year ended 31 March 2021, 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 eight 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 eight 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 ₹ (-) 2,107.81 lacs and other comprehensive income of ₹ (-) 139.72 lacs for the twelve months period ended 31 December 2020, in respect of one associate - Aqwise Wise Water Technologies Ltd, as the financial statements for the quarter ended March 31, 2021 were not available.

   The Holding Company has entered into a share purchase agreement (SPA) on March 25, 2021 to divest its stake in this associate company and has classified investment in the associate as "Assets held for sale" (Refer note 13 to the Consolidated Financial Statements). This associate is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by the other auditor under generally accepted auditing standards accepted in its country. The Holding Company's management has converted these financial statements of such associate located outside India 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 reports of other auditor 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 2021 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 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the 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 2021 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 were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group. In respect of associate company incorporated in India, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund during the year ended 31 March 2021.

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

Yogesh K. Gupta
Partner
Membership No.: 093214
UDIN: 21093214AAAAFC9764

Place: Faridabad (Haryana)
Date: June 29, 2021

"Annexure A" to the Independent Auditor's 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 2021, 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 2021, 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 eight 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: 21093214AAAAFC9764

Place: Faridabad (Haryana)
Date: June 29, 2021

Consolidated Balance Sheet

as at March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	As at 31-Mar-21	As at 31-Mar-20
ASSETS			
Non-current assets			
Property, plant and equipment	3	105898.21	107393.34
Capital work-in-progress	3	2223.43	2615.84
Investment property	4	1210.14	1167.07
Goodwill	5	68.23	-
Other intangible assets	5	123.68	93.12
Investments accounted for using the equity method	6 (a)	13907.92	13832.30
Financial assets			
i. Investments	6 (b)	658.43	333.47
ii. Trade receivables	7	11981.97	8106.13
iii. Loans	8	2.46	1.82
iv. Other financial assets	9	1396.68	917.92
Deferred tax assets (net)	23	27.31	18.15
Income tax assets (net)	22	1119.58	4391.23
Other non-current assets	10	2113.46	701.99
Total non-current assets		**140731.50**	**139572.38**
Current assets			
Inventories	11	173374.92	191212.69
Financial assets			
i. Trade receivables	7	20839.23	26796.04
ii. Cash and cash equivalents	12 (a)	1127.70	3203.61
iii. Bank balances other than cash and cash equivalents	12 (b)	131.88	84.47
iv. Loans	8	1843.77	337.96
v. Other financial assets	9	258.53	189.79
Other current assets	10	23027.45	43201.17
		220603.48	**265025.73**
Assets held for sale	13	660.21	3.05
Total current assets		**221263.69**	**265028.78**
Total assets		**361995.19**	**404601.16**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2417.57	2479.47
Other equity	15	153149.83	131387.37
Total equity		**155567.40**	**133866.84**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16	30890.94	44359.64
ii. Other financial liabilities	17	972.68	1221.63
Provisions	18	5175.34	4793.34
Deferred tax liabilities (net)	23	13409.15	7823.64
Other non-current liabilities	19	1071.11	1893.63
Total non-current liabilities		**51519.22**	**60091.88**
Current liabilities			
Financial liabilities			
i. Borrowings	20	56158.52	94343.87
ii. Trade payables	21		
(a) total outstanding dues of micro enterprises and small enterprises		538.57	6.73
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		61891.35	75635.18
iii. Other financial liabilities	17	15760.72	20079.20
Other current liabilities	19	14919.61	16507.65
Provisions	18	3727.66	3182.95
Income tax liabilities (net)	22	1912.14	886.86
Total current liabilities		**154908.57**	**210642.44**
Total liabilities		**206427.79**	**270734.32**
Total equity and liabilities		**361995.19**	**404601.16**

The accompanying notes 1 to 51 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

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

Yogesh K. Gupta
Partner
Membership No. 093214

Dhruv M. Sawhney
Chairman & Managing Director

Homai A. Daruwalla
Director & Chairperson Audit Committee

Suresh Taneja
Group CFO

Geeta Bhalla
Group Vice President & Company Secretary

Date : June 29, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	Year ended 31-Mar-21	Year ended 31-Mar-20
Revenue from operations	24	470335.14	443663.22
Other income	25	3039.84	3626.42
Total income		**473374.98**	**447289.64**
Expenses			
Cost of materials consumed	26	321491.82	301067.82
Purchases of stock-in-trade	27	2200.73	2229.42
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	19914.26	21882.64
Excise duty on sale of goods		2917.60	-
Employee benefits expense	29	27076.59	25576.42
Finance costs	30	5163.17	7933.13
Depreciation and amortisation expense	31	7908.76	7489.12
Impairment loss on financial assets (including reversals of impairment losses)	32	340.18	861.47
Other expenses	33	40573.35	37727.16
Total expenses		**427586.46**	**404767.18**
Profit before share of net profits of investments accounted for using equity method and tax		**45788.52**	**42522.46**
Share of net profit of associates accounted for using the equity method	45	121.04	2038.61
Profit before exceptional items and tax		**45909.56**	**44561.07**
Exceptional items	34	66.95	-
Profit before tax		**45976.51**	**44561.07**
Tax expense:			
- Current tax	35	10924.39	7910.46
- Deferred tax	35	5591.85	3138.79
Total tax expense		**16516.24**	**11049.25**
Profit for the year		**29460.27**	**33511.82**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plan	38	(44.36)	(147.86)
- Share of other comprehensive income of associates accounted for using the equity method	45	24.18	(11.57)
		(20.18)	**(159.43)**
A (ii) Income tax relating to items that will not be reclassified to profit or loss	35	(15.50)	(51.67)
		(4.68)	**(107.76)**
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	(141.36)	(24.11)
- 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	85.30	(150.48)
		(56.06)	**(174.59)**
B (ii) Income tax relating to items that may be reclassified to profit or loss	35	-	-
		(56.06)	**(174.59)**
Other comprehensive income for the year, net of tax		**(60.74)**	**(282.35)**
Total comprehensive income for the year		**29399.53**	**33229.47**
Earnings per equity share (face value ₹ 1 each)			
Basic	36	12.01	13.32
Diluted	36	12.01	13.32

The accompanying notes 1 to 51 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

Date : June 29, 2021

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

Dhruv M. Sawhney
Chairman & Managing Director

Homai A. Daruwalla
Director & Chairperson Audit Committee

Suresh Taneja
Group CFO

Geeta Bhalla
Group Vice President & Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

(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 2019	2579.47
Extinguishment of shares upon buy-back [refer note 14 (iv)]	(100.00)
As at 31 March 2020	**2479.47**
Extinguishment of shares upon buy-back [refer note 14 (iv)]	(61.90)
As at 31 March 2021	**2417.57**

B. OTHER EQUITY

	Reserves and surplus							Items of other comprehensive income		Total other equity
	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	
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**
Profit/(loss) for the year	-	-	-	-	-	-	33511.82	-	-	33511.82
Other comprehensive income, net of income tax	-	-	-	-	-	-	(96.19)	-	-	(96.19)
Share of other comprehensive income of associates	-	-	-	-	-	-	(11.57)	(24.11)	(150.48)	(186.16)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**33404.06**	**(24.11)**	**(150.48)**	**33229.47**
Share of associates	-	-	0.67	-	-	-	-	-	-	0.67
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	-	-	-	-	-	-	(560.62)	-	-	(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**
Profit/(loss) for the year	-	-	-	-	-	-	29460.27	-	-	29460.27
Other comprehensive income, net of income tax	-	-	-	-	-	-	(28.86)	-	-	(28.86)
Share of other comprehensive income of associates	-	-	-	-	-	-	24.18	(141.36)	85.30	(31.88)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**29455.59**	**(141.36)**	**85.30**	**29399.53**
Share of associates - additions	-	-	0.01	-	-	-	-	-	-	0.01
Share of associates - adjustments consequent to divestment (refer note 13)	-	162.06	(38.97)	-	-	-	-	221.55	-	344.64
Transferred to molasses storage fund reserve	-	-	-	-	-	40.49	(40.49)	-	-	-
Transactions with owners in their capacity as owners :										
- Amount utilised for buy-back of equity shares [refer note 14(iv)]	-	-	(6437.60)	-	-	-	-	-	-	(6437.60)
- Transferred from securities premium to capital redemption reserve on buy-back of equity shares [refer note 14(iv)]	61.90	-	(61.90)	-	-	-	-	-	-	-
- Transaction costs related to buy-back of equity shares [refer note 14(iv)]	-	-	(87.68)	-	-	-	-	-	-	(87.68)
- Tax paid on buy-back of equity shares [refer note 14(iv)]	-	-	(1456.44)	-	-	-	-	-	-	(1456.44)
Balance as at 31 March 2021	635.04	2868.83	8375.55	926.34	49919.43	181.20	90205.90	25.36	12.18	153149.83

The accompanying notes 1 to 51 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

Date : June 29, 2021

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

Dhruv M. Sawhney
Chairman & Managing Director

Homai A. Daruwalla
Director & Chairperson Audit Committee

Suresh Taneja
Group CFO

Geeta Bhalla
Group Vice President & Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-21	Year ended 31-Mar-20
Cash flows from operating activities		
Profit before tax	45976.51	**44561.07**
Adjustments for :		
Share of net profit/(loss) of associate accounted for using the equity method	(121.04)	(2038.61)
Depreciation and amortisation expense	7908.76	7489.12
Bad debts written off - trade receivables carried at amortised cost	75.06	315.06
Impairment loss allowance on trade receivables and other financial assets (net of reversals)	265.12	546.41
Bad debts written off - non financial assets	10.00	17.36
Impairment loss allowance on non financial assets (net of reversals)	59.24	(8.65)
Provision for non moving/obsolete inventory (net of reversals)	(6.00)	(74.29)
Loss on sale/write off of inventory	15.77	200.44
Net fair value (gains)/losses on investments	(169.36)	61.77
Mark-to-market losses/(gains) on derivatives	(35.92)	2.19
Credit balances written back	(131.63)	(208.16)
Exceptional items - profit on disposal of investments of property	(66.95)	-
Unrealised losses/(gains) from changes in foreign exchange rates	25.38	(19.69)
Loss on sale/write off/impairment of property, plant and equipment	423.49	19.86
Net (profit)/loss on sale/redemption of investments	(0.02)	(0.10)
Interest income	(571.29)	(229.76)
Dividend income	(2.84)	(2.86)
Finance costs	5163.17	7933.13
Working capital adjustments :		
Change in inventories	17828.01	20527.06
Change in trade receivables	1713.75	(11967.85)
Change in other financial assets	3.22	(1.29)
Change in other assets	20126.42	(23643.88)
Change in trade payables	(13111.37)	12065.96
Change in other financial liabilities	356.36	105.30
Change in other liabilities	(1254.07)	2365.94
Change in provisions	882.34	277.59
Cash generated from operations	85362.11	**58293.12**
Income tax paid (net)	(6282.84)	(7258.10)
Net cash inflow from operating activities	79079.27	**51035.02**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(8924.48)	(11691.61)
Proceeds from sale of property, plant and equipment	237.47	87.73
Advance given against purchase of investments	-	(160.00)
Advance received against assets held for sale	-	10.00
Investments in subsidiaries	(24.00)	-
Investments (other than subsidiaries and associates)	(5.27)	-
Proceeds from sale of investment property	60.00	-
Proceeds from disposal/redemption of investments (other than subsidiaries and associates)	10.69	20.72
Purchase of investment property	(42.44)	-
Loan to associates	(1733.60)	-
Decrease/(increase) in deposits with banks	(489.72)	450.86
Interest received	122.26	201.89
Dividend received from associate	-	353.14
Other dividends received	2.84	2.86
Net cash outflow from investing activities	(10786.25)	**(10724.41)**

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-21	Year ended 31-Mar-20
Cash flows from financing activities		
Proceeds from long term borrowings	5693.09	21354.87
Repayment of long term borrowings	(23921.13)	(8932.63)
Increase/(decrease) in short term borrowings	(38230.97)	(29197.08)
Interest paid (other than on lease liabilities)	(5152.55)	(7729.61)
Payment of lease liabilities (interest portion)	(146.14)	(180.75)
Payment of lease liabilities (principal portion)	(567.62)	(467.59)
Buy-back of equity shares	(6499.50)	(10000.00)
Buy-back costs	(87.68)	(127.76)
Tax paid on buy-back of equity shares	(1456.44)	-
Dividend paid to Company's shareholders	-	(2727.40)
Dividend distribution tax	-	(560.62)
Net cash outflow from financing activities	**(70368.94)**	**(38568.57)**
Net increase/(decrease) in cash and cash equivalents	(2075.92)	1742.04
Cash and cash equivalents at the beginning of the year [refer note 12 (a)]	3203.61	1461.57
Addition on acquisition of a subsidiary	0.01	-
Cash and cash equivalents at the end of the year [refer note 12 (a)]	1127.70	**3203.61**

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 tax thereon and buy-back costs)	Unpaid dividends
Balance as at 31 March 2019	**49049.44**	**123540.95**	**169.69**	**-**	**-**	**-**
Cash flows	12422.24	(29197.08)	(7729.61)	(648.34)	(10127.76)	(3288.02)
Finance costs accruals (including interest capitalised)	-	-	7797.40	185.93	-	-
Lease liabilities accruals	-	-	-	2228.91	-	-
Buy-back of equity shares (including tax thereon and 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**	**-**	**-**
Cash flows	(18228.04)	(38230.97)	(5152.55)	(713.76)	(8043.62)	-
Finance costs accruals (including interest capitalised)	-	-	5016.55	147.12	-	-
Lease liabilities accruals	-	-	-	125.67	-	-
Buy-back of equity shares (including tax thereon and buy-back costs) accruals	-	-	-	-	8043.62	-
Balance as at 31 March 2021	**43243.64**	**56112.90**	**101.48**	**1325.53**	**-**	**-**

The accompanying notes 1 to 51 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

Date : June 29, 2021

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

Dhruv M. Sawhney
Chairman & Managing Director

Homai A. Daruwalla
Director & Chairperson Audit Committee

Suresh Taneja
Group CFO

Geeta Bhalla
Group Vice President & Company Secretary

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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 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 financial statements of subsidiary company namely Triveni Foundation, incorporated under Section 8 of the Act are not considered for consolidation since the Group is not exposed to or has any right to variable returns from its involvement with this company.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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 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).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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.

(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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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 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.

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(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 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:
  - 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.
  - mobile phones costing ₹ 5,000/- or more are depreciated over two years.

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- patterns, tools, Jigs etc. are depreciated over three years.
- 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.

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.

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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.

(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
Power Transmission Business	Weighted average and Specific cost

Raw materials & Components

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

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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.

(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

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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 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.

- ***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.

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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 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

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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.

(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

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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.

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

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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 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.

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(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.

(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, 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 2020-21

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(All amounts in ₹ lakhs, unless otherwise stated)

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 2021 is ₹ 5700.08 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 in India during last year has caused significant disturbance and slowdown of economic activity. During the period of lockdown in the first quarter of the financial year, 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 that lockdown period subsequent to which these have resumed normal operation by the second week of May'2020. The second wave of outbreak of COVID-19, which started towards the end of the financial year and continued subsequent to the closure of the financial year, has impacted the operations of engineering businesses to some extent due to precautionary steps taken to safeguard our employees, disturbance in supply chain due to impact of pandemic at vendor's end, reduced availability of labour and non-supply of oxygen for industrial purposes in the first quarter of the financial year 2021-22. 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 2021. 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 statements. 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, 17 and 42 for further disclosures.

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(All amounts in ₹ lakhs, unless otherwise stated)

(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.

(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

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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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NOTE 3: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	Property, plant and equipment											Capital work-in-progress
	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	
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	-	(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	-	(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**
Year ended 31 March 2021												
Gross carrying amount												
Opening 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
Additions	307.07	-	6.68	1285.33	132.81	4793.69	28.20	162.29	110.26	213.87	7040.20	3867.93
Disposals	-	-	-	(735.36)	(282.33)	(181.67)	(1.83)	(29.95)	(13.46)	(12.29)	(1256.89)	(23.10)
Transfers *	-	-	-	-	-	-	-	-	-	-	-	(4260.34)
Closing gross carrying amount	**3874.81**	**1986.75**	**359.82**	**23019.37**	**2040.27**	**107852.77**	**436.01**	**1509.61**	**708.40**	**1001.90**	**142789.71**	**2223.43**
Accumulated depreciation and impairment												
Opening accumulated depreciation and impairment	-	-	23.96	3809.13	558.36	23940.68	197.35	459.05	201.75	422.78	29613.06	23.10
Depreciation charge during the year	-	-	5.69	1084.54	552.39	5778.28	36.79	162.53	89.39	150.96	7860.57	-
Disposals	-	-	-	(156.14)	(268.52)	(116.15)	(1.09)	(20.85)	(10.14)	(9.24)	(582.13)	(23.10)
Closing accumulated depreciation and impairment	**-**	**-**	**29.65**	**4737.53**	**842.23**	**29602.81**	**233.05**	**600.73**	**281.00**	**564.50**	**36891.50**	**-**
Net carrying amount	**3874.81**	**1986.75**	**330.17**	**18281.84**	**1198.04**	**78249.96**	**202.96**	**908.88**	**427.40**	**437.40**	**105898.21**	**2223.43**

* 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.

(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 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 a new distillery plant being constructed at Milak Narayanpur, building under construction (viz. sugar godown etc.) and plant & equipment (viz. Pollution control equipment etc.) under the process of installation pertaining to Sugar & Distillery business of the Group.

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NOTE 4: INVESTMENT PROPERTY

	As at 31-Mar-21	As at 31-Mar-20
Gross carrying amount		
Opening gross carrying amount	1167.07	1170.12
Additions	43.08	-
Classified as held for sale (refer note 13)	-	(3.05)
Closing gross carrying amount	1210.14	**1167.07**
Accumulated depreciation and impairment		
Opening accumulated depreciation	-	-
Depreciation charge/impairment losses	-	-
Closing accumulated depreciation and impairment	-	**-**
Net carrying amount	1210.14	**1167.07**

(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-21	As at 31-Mar-20
Rental income from office flat at Mumbai	13.56	15.24
Direct operating expenses on property that generated rental income	-	-
Direct operating expenses on property that did not generate rental income	(10.46)	(10.11)
Profit from investment properties before depreciation	3.10	**5.13**
Depreciation	-	-
Profit from investment properties	3.10	**5.13**

(iii) Restrictions on realisability and contractual obligations

Though the transfer of titles in the name of the Group is pending in respect of freehold land having carrying amount of ₹ 12.90 lakhs, the Group 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-21	As at 31-Mar-20
Investment properties		
- Various parcels of freehold land located in the states of Uttar Pradesh.	*	*
- Office flat at Mumbai	502.98	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.

Estimation of fair value of office flat at Mumbai

TThe 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).

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 5: INTANGIBLE ASSETS

	Goodwill	Computer software
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**
Year ended 31 March 2021		
Gross carrying amount		
Opening gross carrying amount	-	364.42
Additions	-	80.84
Acquisition of Subsidiary (see (i) below)	68.23	-
Disposals	-	(0.23)
Closing gross carrying amount	68.23	445.03
Accumulated amortisation		
Opening accumulated amortisation	-	271.30
Amortisation charge for the year	-	50.28
Disposals	-	(0.23)
Closing accumulated amortisation	-	321.35
Closing net carrying amount	68.23	123.68

(i) Goodwill represents the excess of consideration paid over the net assets value of United Shippers & Dredgers Limited upon acquisition of its entire shareholding on March 25, 2021.

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 6: INVESTMENTS

(a) Investments accounted for using the equity method

	As at 31-Mar-21	As at 31-Mar-20
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Associate		
70,627,980 (31 March 2020: 70,627,980) Equity shares of ₹ 1/- each of Triveni Turbine Limited [refer note 44(ii)]	13907.92	11571.24
Total aggregate quoted investments	**13907.92**	**11571.24**
Unquoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Associate		
Nil (31 March 2020: 13,008) Equity shares of New Israeli Shekel 0.10 each of Aqwise Wise Water Technologies Limited (Israel) [refer note 13 and 44(ii)]	-	2261.06
Total aggregate unquoted investments	**-**	**2261.06**
Total investments accounted for using the equity method	**13907.92**	**13832.30**
Total investments accounted for using the equity method	**13907.92**	**13832.30**
Aggregate amount of quoted investments	13907.92	11571.24
Aggregate amount of market value of quoted investment	71899.28	41317.37
Aggregate amount of unquoted investments	-	2261.06
Aggregate amount of impairment in the value of investments	-	-

(b) Other non-current investments

	As at 31-Mar-21	As at 31-Mar-20
At Cost		
Unquoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Subsidiaries		
100,000 (31 March 2020: Nil) Equity shares of ₹ 1/- each of Triveni Foundation (incorporated u/s 8 of the Companies Act, 2013)	1.00	-
Total other non-current investments carried at cost [A]	**1.00**	**-**
At Amortised cost		
Unquoted Investments (fully paid-up)		
Investments in Government or trust securities		
National Saving Certificates (kept as security)	0.03	0.03
Investments in Bonds		
2,000 (31 March 2020 : Nil) 9.25% bonds of ₹ 1,000/- of Dewan Housing Finance Corporation Ltd SR-V B	6.00	-
24,600 (31 March 2020 : Nil) 9.25% bonds of ₹ 1,000/- of Dewan Housing Finance Corporation Ltd SR-III	73.80	-

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	As at 31-Mar-21	As at 31-Mar-20
12,200 (31 March 2020 : Nil) 9.10% bonds of ₹ 1,000/- of Dewan Housing Finance Corporation Ltd. SR-VI A	36.60	-
500 (31 March 2020 : Nil) 9.30% bonds of ₹ 1,000/- of Dewan Housing Finance Corporation Ltd SR-VI B	1.50	-
2,000 (31 March 2020 : Nil) 9.55% of ₹ 1,000/- bonds of IL&FS Financial Services Ltd. SR-V	0.20	-
3,000 (31 March 2020 : Nil) 8.85% of ₹ 1,000/- bonds of IL&FS Financial Services Ltd. SR-VI	6.00	-
4,000 (31 March 2020 : Nil) 8.75% of ₹ 1,000/- bonds of IL&FS Financial Services Ltd. SR-III	8.00	-
9,700 (31 March 2020 : Nil) 8.65% of ₹ 1,000/- bonds of IL&FS Financial Services Ltd. SR-XVI	0.97	-
5,100 (31 March 2020 : Nil) 8.23% of ₹ 1,000/- bonds of IL&FS Financial Services Ltd. SR-I	10.20	-
2,000 (31 March 2020 : Nil) 8.70% of ₹ 1,000/- bonds of IL&FS Financial Services Ltd. SR-I	4.00	-
3,000 (31 March 2020 : Nil) 9.50% of ₹ 1,000/- bonds of Infrastructure Leasing & Financial Services Ltd. SR-II C	6.00	-
6,000 (31 March 2020 : Nil) 9.00% of ₹ 1,000/- bonds of Infrastructure Leasing & Financial Services Ltd. SR-I-H (O-1)	12.00	-
Total other non-current investments carried at amortised cost [B]	**165.30**	**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 2020: 13,500) Equity shares of ₹ 2/- each of Housing Development Finance Corporation Limited	337.25	220.47
5,000 (31 March 2020: 5,000) Equity shares of ₹ 1/- each of HDFC Bank Limited	74.68	43.09
24,175 (31 March 2020: 24,175) Equity shares of ₹ 2/- each of Punjab National Bank	8.86	7.82
76 (31 March 2020 : 76) Equity shares of ₹ 10/- each of Central Bank of India	0.01	0.01
3,642 (31 March 2020: 3,642) Equity shares of ₹ 5/- each of NBI Industrial Finance Co. Limited	71.33	51.38
Total aggregate quoted investments	**492.13**	**322.77**
Unquoted Investments (fully paid-up)		
Investments in Bonds		
Nil (31 March 2020: 1) 8.57% bonds of ₹ 10 lakhs each of Central Bank of India	-	10.67
Total aggregate unquoted investments	**-**	**10.67**
Total other non-current investments carried at FVTPL [C]	**492.13**	**333.44**
Total other non-current investments ([A]+[B]+[C])	**658.43**	**333.47**
Total other non-current investments	**658.43**	**333.47**
Aggregate amount of quoted investments	492.13	322.77
Aggregate amount of market value of quoted investment	492.13	322.77
Aggregate amount of unquoted investments	166.30	10.70
Aggregate amount of impairment in the value of investments	-	-

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 7: TRADE RECEIVABLES

	As at 31-Mar-21		As at 31-Mar-20	
	Current	Non- current	Current	Non- current
Trade receivables (at amortised cost)				
- Considered good - Unsecured	20976.22	11981.97	26943.69	8106.13
- Trade receivables which have significant increase in credit risk	-	1004.59	-	614.57
- Trade receivables - Credit impaired	-	969.40	-	1039.11
Less: Allowance for bad and doubtful debts	(136.99)	(1973.99)	(147.65)	(1653.68)
Total trade receivables	**20839.23**	**11981.97**	**26796.04**	**8106.13**

(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 hybrid 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.

NOTE 8: LOANS

	As at 31-Mar-21		As at 31-Mar-20	
	Current	Non- current	Current	Non- current
At amortised cost				
Loan to related parties (refer note 39)				
- Loans receivables considered good - Unsecured	1831.47	-	291.53	-
Loan to employees				
- Loans receivables considered good - Unsecured	11.74	2.46	45.86	1.82
Loan to others				
- Loans receivables considered good - Unsecured	0.56	-	0.57	-
- Loans receivables - Credit impaired	-	-	-	44.53
Less: Allowance for bad and doubtful loans	-	-	-	(44.53)
	0.56	**-**	**0.57**	**-**
Total loans	**1843.77**	**2.46**	**337.96**	**1.82**

(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 (refer note 13).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 9: OTHER FINANCIAL ASSETS

	As at 31-Mar-21		As at 31-Mar-20	
	Current	Non- current	Current	Non- current
At amortised cost				
Security deposits (see (i) below)	26.38	671.10	45.65	639.92
Earnest money deposits	48.13	2.00	51.73	2.00
Less: Allowance for bad and doubtful deposits	(0.15)	-	(0.15)	-
	47.98	2.00	**51.58**	**2.00**
Bank balances:				
Earmarked balances with banks:				
- Deposit against molasses storage fund (refer note 15(vi))	-	244.27	-	195.89
Balances under lien/margin/kept as security:				
- Post office savings account	-	0.19	-	0.19
- Fixed / margin deposits	-	474.24	-	73.82
Other balances:				
- Fixed deposits	-	4.20	-	4.20
	-	722.90	**-**	**274.10**
Accrued interest	17.72	0.68	34.65	1.90
Insurance claim recoverable	122.38	-	54.79	-
Miscellaneous other financial assets	8.15	14.90	3.12	14.90
Less: Allowance for bad and doubtful assets	-	(14.90)	-	(14.90)
	8.15	-	**3.12**	**-**
Total other financial assets at amortised cost [A]	222.61	1396.68	**189.79**	**917.92**
At fair value through Profit or Loss (FVTPL) (refer note 42)				
Derivatives financial instruments carried at fair value				
- Foreign exchange forward contracts	35.92	-	-	-
Total other financial assets at FVTPL [B]	35.92	-	**-**	**-**
Total other financial assets ([A]+[B])	258.53	1396.68	**189.79**	**917.92**

(i) Investment of ₹ 82.95 lakhs (31 March 2020: ₹ 79.72 lakhs) in equity shares of Atria Wind Power (Bijapur1) Private Limited, under group captive arrangement to source power, has been considered as security deposit in accordance with applicable accounting standards.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 10: OTHER ASSETS

	As at 31-Mar-21		As at 31-Mar-20	
	Current	Non- current	Current	Non- current
Capital advances	-	1671.66	-	238.25
Advances to suppliers	1105.33	18.06	1084.97	18.06
Less: Allowance for bad and doubtful advances	(54.89)	(18.06)	(54.89)	(18.06)
	1050.44	-	**1030.08**	**-**
Advances to related parties (refer note 39)	1.16	-	1.16	-
Indirect tax and duties recoverable	3505.69	314.69	2459.92	309.76
Less: Allowance for bad and doubtful amounts	(13.82)	(1.46)	(13.82)	(1.46)
	3491.87	313.23	**2446.10**	**308.30**
Deposit with sales tax authorities	166.95	6.55	142.73	6.55
Bank guarantee encashment recoverable	-	200.00	-	200.00
Less: Allowance for bad and doubtful claims	-	(200.00)	-	(200.00)
	-	-	**-**	**-**
Export incentives receivable	35.22	-	28.73	-
Less: Allowance for bad and doubtful claims	(7.46)	-	(7.46)	-
	27.76	-	**21.27**	**-**
Government grant receivables (refer note 43)	4535.96	-	23513.85	-
Advances to employees	41.37	1.45	30.55	1.45
Prepaid expenses	796.82	29.04	817.67	46.36
Due from customers under construction contracts [see (ii) below]	5611.67	-	7251.03	-
Unbilled revenue [see (ii) below]	23.17	-	144.30	-
Customer retentions [see (i) and (ii) below]	7251.59	-	7790.90	-
Less: Allowance for bad and doubtful debts	(121.02)	-	(61.66)	-
	7130.57	-	**7729.24**	**-**
Miscellaneous other assets	149.71	112.31	73.19	121.98
Less: Allowance for bad and doubtful assets	-	(20.78)	-	(20.90)
	149.71	91.53	**73.19**	**101.08**
Total other assets	23027.45	2113.46	**43201.17**	**701.99**

(i) Customer retentions include ₹ 2139.68 lakhs (31 March 2020 : ₹ 5023.76 lakhs) expected to be received after twelve months within the operating cycle.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Contract balances

	As at 31-Mar-21	As at 31-Mar-20
Contract assets		
- Amounts due from customers under construction contracts	5611.67	7251.03
- Unbilled revenue	23.17	144.30
- Customer retentions	7130.57	7729.24
Contract liabilities		
- Amounts due to customers under construction contracts	6064.42	6620.83
- Advance from customers	5151.28	5653.69

(a) Contract assets are initially recognised for revenue earned but not billed pending 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 or less recognised losses are compared with 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 service work performed pending billing on customers is also 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) has resulted due to billing in the current year of substantial work carried out in the previous year upon achieving contractual milestones, mainly in respect of sewage treatment projects in the municipal segment.

Decrease in contract assets (Customer retentions) is mainly due to the release of retentions by the customer upon fulfillment of specified conditions in respect of Power generation and evacuation system project.

Decrease in contract liabilities (Amount due to customers under construction contracts) is mainly attributable to wastewater/sewage treatment projects in the industrial/municipal segment, where, out of opening contract liabilities significant revenue has been recognised during the year in accordance with Ind AS 115 Revenue from Contracts with Customers.

Decrease in contract liabilities (Advances from Customers) is due to adjustment of mobilsation advances as a result of progressive/final billings and due to lower advances received against fresh orders.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

(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-21	Year ended 31-Mar-20
Revenue recognised that was included in the contract liability balance at the beginning of the period	13313.96	6108.29
Revenue recognised from performance obligations satisfied in previous periods	-	-

NOTE 11: INVENTORIES

	As at 31-Mar-21	As at 31-Mar-20
Raw materials and components	3883.10	2988.14
Less: Provision for obsolescence/slow moving raw materials and components	(114.32)	(129.71)
Work-in-progress	2609.73	3406.72
Finished goods [including stock in transit ₹ 2184.92 lakhs as at 31 March 2021 (31 March 2020: ₹ 686.69 lakhs)]	161840.87	180701.02
Stock in trade	44.89	28.41
Stores and spares [including stock in transit ₹ 0.92 lakhs as at 31 March 2021 (31 March 2020: ₹ 1.49 lakhs)]	5335.85	4389.51
Less: Provision for obsolescence/slow moving stores and spares	(287.53)	(278.14)
Others - Scrap & low value patterns	62.33	106.74
Total inventories	**173374.92**	**191212.69**

(i) The cost of inventories recognised as an expense during the year was ₹ 397845.24 lakhs (31 March 2020: ₹ 373529.45 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 write-downs of inventories to net realisable value amounting to ₹ 31.52 lakhs [31 March 2020: reversal of write-downs of ₹ 143.12 lakhs (net of write-downs of ₹ 226.42 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 12: CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at 31-Mar-21	As at 31-Mar-20
At amortised cost		
Balances with banks	1063.77	3114.83
Cheques / drafts on hand	40.11	60.93
Cash on hand	23.82	27.85
Total cash and cash equivalents	**1127.70**	**3203.61**

(b) Bank balances other than cash and cash equivalents

	As at 31-Mar-21	As at 31-Mar-20
At amortised cost		
Earmarked balances with banks:		
- unpaid dividend and preference share redemption accounts	11.75	5.27
Balances under lien/margin/kept as security:		
- in fixed/margin deposits	58.66	70.58
Other balances:		
- in fixed deposits	61.47	8.62
Total bank balances other than cash and cash equivalents	**131.88**	**84.47**

NOTE 13: ASSETS HELD FOR SALE

	As at 31-Mar-21	As at 31-Mar-20
Investments in equity shares (including loan agreed to be converted into equity) of Aqwise Wise Water Technologies Limited (Israel)	660.21	-
Freehold land	-	3.05
Total assets held for sale	**660.21**	**3.05**

The activities of Aqwise Wise Water Technologies Ltd. ("Aqwise"), an associate of the Company, based in Israel, has been severely impacted due to the Covid-19 pandemic. The existing shareholders of Aqwise, including the Company, have accordingly agreed to divest their entire equity stake in favour of G.E.S. Global Environmental Solutions Ltd. ("GES") under an agreement dated 25 March 2021. Under the terms of the agreement with GES and understanding arrived at between the existing shareholders of Aqwise:

(a) loan of USD 2.50 million advanced by the existing shareholders to Aqwise (including USD 2.35 million advanced by the Company), shall be repaid in full along with due interest. Other loans aggregating USD 2.46 million advanced by existing shareholders (including USD 0.4 million advanced by the Company) shall be converted into equity;

(b) the existing shareholders shall divest their entire shareholding (including those arising from conversion of loan as stated above) in favour of GES. The shares shall be transferred on the Closing Date (as defined in the agreement) upon receipt of necessary approvals and completion of certain other formalities. The consideration for transfer of shares shall be approximately USD 2.4 million (net, after deduction of certain agreed expenses) to be held in an escrow account and which shall be released after the expiry of 18 months ("escrow period"). GES shall, during the escrow period, be entitled to set-off against the escrow amount, any indemnification claim which it may have under the agreement as well as to the extent that it is required to fund Aqwise beyond the amount as specified under the agreement. In case no such set-off adjustments occur, the Company expects to receive approximately USD 1.35 million as its share out of the escrow amount USD 2.4 million.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

(c) The existing shareholders shall also be entitled to receive certain graded earn-outs, in the nature of contingent receipts, which are subject to Aqwise and/or one of its subsidiary company achieving certain specified financial targets in future periods. The earn-outs receivable, if any, shall not however exceed in the aggregate USD 17.50 million.

Consequent to the aforesaid, the Company shall cease to consolidate the results of the associate company in any subsequent period. The Company has classified its equity investment held in Aqwise (along with the loan which has been agreed to be converted into equity) as "Assets held for sale". No impairment loss was recognised on classification of the investment (including loan) as "Assets held for sale", since the expected consideration of such investment and loan is higher than their carrying amount. Such investment does not form part of any segment assets.

Freehold land above represents carrying value of land situated in Gujarat intended to be disposed of by the Group. The Group had entered into an agreement to sell such land in the previous year and had also received advance of ₹ 10 lakhs (refer note 19) in terms of such agreement to sell. The Group has transferred the title of such land during the current year. 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 was higher than the carrying amount.

NOTE 14: SHARE CAPITAL

	As at 31-Mar-21		As at 31-Mar-20	
	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	24,17,55,110	2417.55	24,79,45,110	2479.45
Add: Paid up value of equity shares of ₹ 1 each forfeited	8,000	0.02	8,000	0.02
		2417.57		**2479.47**

(i) Movements in equity share capital

	Number of shares	Amount
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**
Extinguishment of shares upon buy-back (see (iv) below)	(61,90,000)	(61.90)
As at 31 March 2021	**24,17,55,110**	**2417.55**

(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.

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for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Details of shareholders holding more than 5% shares in the Company

	As at 31-Mar-21		As at 31-Mar-20	
	Number of shares	% holding	Number of shares	% holding
Dhruv M. Sawhney	3,77,33,691	15.61	3,86,50,774	15.59
Rati Sawhney	1,75,10,356	7.24	1,79,35,928	7.23
STFL Trading and Finance Private Limited	7,77,39,178	32.16	7,96,31,128	32.12
Nikhil Sawhney	1,43,67,837	5.94	1,47,17,033	5.94
Tarun Sawhney	1,38,20,236	5.72	1,41,56,123	5.71

(iv) Buy-back of equity shares

During the year, the Company has completed buy-back of 6,190,000 (31 March 2020: 10,000,000) equity shares of ₹ 1/- each [representing 2.5% (31 March 2020: 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 ₹ 105 (31 March 2020: ₹ 100) per equity share for an aggregate amount of ₹ 6499.50 lakhs (31 March 2020: ₹ 10000 lakhs). Accordingly, the Company has extinguished 6,190,000 (31 March 2020: 10,000,000) 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 241,755,110 (31 March 2020: 247,945,110) 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 ₹ 61.90 lakhs (31 March 2020: ₹ 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-21	As at 31-Mar-20
Capital redemption reserve	635.04	573.14
Capital reserve	2868.83	2706.77
Securities premium	8375.55	16458.13
Amalgamation reserve	926.34	926.34
General reserve	49919.43	49919.43
Molasses storage fund reserve	181.20	140.71
Retained earnings	90205.90	60790.80
Foreign currency translation reserve	25.36	(54.83)
Cash flow hedging reserve	12.18	(73.12)
Total other equity	**153149.83**	**131387.37**

(i) Capital redemption reserve

	Year ended 31-Mar-21	Year ended 31-Mar-20
Opening balance	573.14	473.14
Transferred from securities premium on buy-back of equity shares [refer note 14(iv)]	61.90	100.00
Closing balance	**635.04**	**573.14**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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, 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-21	Year ended 31-Mar-20
Opening balance	2706.77	2706.77
Share of associates - adjustments consequent to divestment (refer note 13)	162.06	-
Closing balance	**2868.83**	**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-21	Year ended 31-Mar-20
Opening balance	16458.13	26585.22
Amount utilised for buy-back of equity shares [refer note 14(iv)]	(6437.60)	(9900.00)
Transferred to capital redemption reserve on buy-back of equity shares [refer note 14(iv)]	(61.90)	(100.00)
Transaction costs related to buy-back of equity shares [refer note 14(iv)]	(87.68)	(127.76)
Tax paid on buy-back of equity shares [refer note 14(iv)]	(1456.44)	-
Share of associates - addition	0.01	0.67
Share of associates - adjustments consequent to divestment (refer note 13)	(38.97)	-
Closing balance	**8375.55**	**16458.13**

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. The Group has utilised securities premium for buy-back of its equity shares [refer note 14(iv)].

(iv) Amalgamation reserve

	Year ended 31-Mar-21	Year ended 31-Mar-20
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, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

(v) General reserve

	Year ended 31-Mar-21	Year ended 31-Mar-20
Opening balance	49919.43	49919.43
Movement during the year	-	-
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-21	Year ended 31-Mar-20
Opening balance	140.71	216.36
Amount transferred from retained earnings	40.49	21.60
Amount transferred to retained earnings	-	(97.25)
Closing balance	**181.20**	**140.71**

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 ₹ 244.27 lakhs (31 March 2020: ₹ 195.89 lakhs) is earmarked against molasses storage fund (refer note 9).

(vii) Retained earnings

	Year ended 31-Mar-21	Year ended 31-Mar-20
Opening balance	60790.80	30599.11
Net profit for the year	29460.27	33511.82
Other comprehensive income arising from the remeasurement of defined benefit obligation net of income tax	(28.86)	(96.19)
Share of other comprehensive income of associates arising from the remeasurement of defined benefit obligation	24.18	(11.57)
Withdrawn from molasses storage fund reserve	-	97.25
Transfer to molasses storage fund reserve	(40.49)	(21.60)
Dividends paid	-	(2727.40)
Dividend distribution tax	-	(560.62)
Closing balance	**90205.90**	**60790.80**

(a) Retained earnings represents undistributed profits of the Group which can be distributed to its equity shareholders in accordance with the provisions of the Companies Act, 2013.

Notes to the Consolidated Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

(b) Details of dividend distributions made and proposed:

	Year ended 31-Mar-21	Year ended 31-Mar-20
Cash dividends on equity shares declared and paid:		
Interim dividend for the year ended 31 March 2021: Nil [31 March 2020: 110% (₹ 1.10 per equity share of ₹ 1/- each)]	-	2727.40
Dividend distribution tax on interim dividend	-	560.62
Total cash dividends on equity shares declared and paid	**-**	**3288.02**
Cash dividends on equity shares proposed:		
Final dividend for the year ended 31 March 2021: 175% (₹ 1.75 per equity share of ₹ 1/- each) [31 March 2020: Nil]	4230.71	-

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

(viii) Foreign currency translation reserve

	Year ended 31-Mar-21	Year ended 31-Mar-20
Opening balance	(54.83)	(30.72)
Share of other comprehensive income of associates arising from the exchange differences on translation of foreign operations	(141.36)	(24.11)
Share of associates - adjustments consequent to divestment (refer note 13)	221.55	-
Closing balance	**25.36**	**(54.83)**

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-21	Year ended 31-Mar-20
Opening balance	(73.12)	77.36
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	85.30	(150.48)
Closing balance	**12.18**	**(73.12)**

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 to profit or loss when hedged item affects profit or loss i.e. sales.

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NOTE 16: NON-CURRENT BORROWINGS

	As at 31-Mar-21		As at 31-Mar-20	
	Current maturities	Non-current	Current maturities	Non-current
Secured- at amortised cost				
Term loans				
- from banks	4762.59	15332.08	8127.90	22284.07
- from other parties	5910.05	15558.86	6178.82	22075.57
	10672.64	**30890.94**	**14306.72**	**44359.64**
Less: Amount disclosed under the head "Other financial liabilities- current" (refer note 17)	(10672.64)	-	(14306.72)	-
Total non-current borrowings	**-**	**30890.94**	**-**	**44359.64**

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for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 16: NON-CURRENT BORROWINGS (CONTD.)

(i) Details of long term borrowings of the Group

	Amount outstanding as at		Interest rate	Number of instalments		Terms of Repayment	Nature of Security
	31-Mar-21	31-Mar-20		31-Mar-21	31-Mar-20		
Secured- at amortised cost							
Term loans from banks (₹ loans)							
1 RBL Bank Limited *	6238.59	7673.59	At MCLR plus applicable spread. The interest rate as on 31.03.2021 range between 7.40% to 8.55% per annum.	13	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*	4041.13	4978.97		13	16	Equal quarterly installments from September 2020 to June 2024	
3 Punjab National Bank *	4060.59	4996.91		13	16	Equal quarterly installments from September 2020 to June 2024	
4 Punjab National Bank (Soft Loan)*	-	12485.48		Nil	24	-	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.
5 ICICI Bank Limited	495.00	-		16	-	Equal quarterly installments from June 2022 to March 2026	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.

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(All amounts in ₹ lakhs, unless otherwise stated)

	Amount outstanding as at		Interest rate	Number of instalments		Terms of Repayment	Nature of Security
	31-Mar-21	31-Mar-20		31-Mar-21	31-Mar-20		
6 Axis Bank Limited	5035.10	-		48	-	Equal quarterly installments from December 2021 to September 2033	(i) First charge by way of hypothecation of all the fixed assets / moveable assets and current assets of the borrower subsidiary company (present & future), other than project assets, except those acquired out of free flow of the company in operation phase. (ii) Pledge of 40509000 shares (30% of total equity shares) of the borrower subsidiary company held by the Holding Company. (iii) Unconditional & irreovacable Corporate Guarantee of the Holding Company
7 Axis Bank (Vehicle loan)	200.32	221.72	At fixed rates ranging from 7.60% to 9.99% p.a.	2 to 51	1 to 56	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
8 PNB Bank (Vehicle loan)	11.81	18.10					
9 Yes Bank (Vehicle loan)	12.13	37.20					
	20094.67	**30411.97**					
Total term loans from banks	**20094.67**	**30411.97**					
Term loans from other parties (₹ loans)							
1 Daimler Financial Services Pvt. Ltd. (Vehicle loan)	95.64	119.71	8.91% p.a.	10	4 to 22	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 *	21373.27	28134.68	5% p.a.	38	51	Equal monthly installments upto June 2024	Secured by first pari-passu charge on the fixed assets of the Company
Total term loans from other parties	**21468.91**	**28254.39**					
Total loans	**41563.58**	**58666.36**					

*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, 2021

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NOTE 17: OTHER FINANCIAL LIABILITIES

	As at 31-Mar-21		As at 31-Mar-20	
	Current	Non-current	Current	Non-current
At amortised cost				
Current maturities of long-term borrowings (refer note 16)	10672.64	-	14306.72	-
Accrued interest	97.86	-	208.80	-
Capital creditors (see (i) below)	1149.76	-	1894.29	-
Employee benefits & other dues payable	3029.02	-	2725.94	-
Lease liabilities	352.85	972.68	544.87	1221.63
Security deposits (see (ii) below)	446.86	-	391.14	-
Unpaid dividends (see (iii) below)	11.73	-	5.25	-
Total other financial liabilities at amortised cost [A]	**15760.72**	**972.68**	**20077.01**	**1221.63**
At fair value through Profit or Loss (FVTPL) (refer note 42)				
Derivatives financial instruments carried at fair value				
- Foreign exchange forward contracts	-	-	2.19	-
Total other financial liabilities at FVTPL [B]	**-**	**-**	**2.19**	**-**
Total other financial liabilities ([A]+[B])	**15760.72**	**972.68**	**20079.20**	**1221.63**

(i) Capital creditors as at 31 March 2021 include ₹ 24.74 lakhs (31 March 2020 : Nil) outstanding balance of micro enterprises and small enterprises (refer note 49).

(ii) Security deposits as at 31 March 2021 include ₹ 364 lakhs (31 March 2020 : ₹ 314 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.

(iii) 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-21		As at 31-Mar-20	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Gratuity (refer note 38)	482.67	4074.09	333.28	3794.78
Compensated absences	543.86	1101.25	509.39	998.56
Other Provisions				
Warranty	2375.07	-	1855.08	-
Cost to completion	220.41	-	385.76	-
Arbitration/Court case claims	105.65	-	99.44	-
Total provisions	**3727.66**	**5175.34**	**3182.95**	**4793.34**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(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. It also includes provisions made towards contractual obligations to replace certain parts under an Operation and Maintenance contract. 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-21			Year ended 31-Mar-20		
	Warranty	Cost to completion	Arbitration/ Court case claims	Warranty	Cost to completion	Arbitration/ Court case claims
Balance at the beginning of the year	1855.08	385.76	99.44	1307.65	1024.47	93.23
Additional provisions recognised	539.25	145.00	6.21	577.53	299.65	6.21
Amounts used during the year	(19.26)	(310.35)	-	(16.84)	(838.36)	-
Unused amounts reversed during the year	-	-	-	(13.26)	(100.00)	-
Balance at the end of the year	**2375.07**	**220.41**	**105.65**	**1855.08**	**385.76**	**99.44**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 19: OTHER LIABILITIES

	As at 31-Mar-21		As at 31-Mar-20	
	Current	Non-current	Current	Non-current
Revenue received in advance				
Deferred revenue arising from government grant related to assets (refer note 43)	-	141.46	-	141.45
Deferred revenue arising from government grant related to income (refer note 43)	858.92	821.14	1125.25	1680.07
Amount due to customers under construction contracts [refer note 10(ii)]	6064.42	-	6620.83	-
Other advances				
Advance from customers	5151.28	-	5653.69	-
Advance against assets held for sale (refer note 13)	-	-	10.00	-
Others				
Statutory remittances	2685.68	-	2846.75	-
Miscellaneous other payables	159.31	108.51	251.13	72.11
Total other liabilities	**14919.61**	**1071.11**	**16507.65**	**1893.63**

NOTE 20: CURRENT BORROWINGS

	As at 31-Mar-21	As at 31-Mar-20
Secured- at amortised cost		
Repayable on demand		
- Cash credits/working capital demand loans/soft loans from banks (see (i) below)	56157.43	94343.87
Unsecured- at amortised cost		
Loans from related parties (refer note 39)	1.09	-
Total current borrowings	**56158.52**	**94343.87**

(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 and immoveable property at New Delhi and third charge on the properties of Sugar, Co-Generation and Distillery units of the Company on pari-passu basis. Interest rates on the above loans outstanding as at the year end majorly ranges between 4.95% to 8.00% (weighted average interest rate : 5.85% p.a.).

NOTE 21: TRADE PAYABLES

	As at 31-Mar-21	As at 31-Mar-20
Trade payables (at amortised cost)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 49)	538.57	6.73
- Total outstanding dues of creditors other than micro enterprises and small enterprises	61891.35	75635.18
Total trade payables	**62429.92**	**75641.91**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 22: INCOME TAX BALANCES

	As at 31-Mar-21		As at 31-Mar-20	
	Current	Non-current	Current	Non-current
Income tax assets				
Tax refund receivable (net)	-	1119.58	-	4391.23
	-	1119.58	**-**	**4391.23**
Income tax liabilities				
Provision for income tax (net)	1912.14	-	886.86	-
	1912.14	-	**886.86**	**-**

NOTE 23: DEFERRED TAX BALANCES

	As at 31-Mar-21	As at 31-Mar-20
Entities with net deferred tax assets		
Deferred tax assets	27.31	18.15
Deferred tax liabilities	-	-
Net deferred tax assets	27.31	**18.15**
Entities with net deferred tax liabilities		
Deferred tax assets	3306.42	8319.33
Deferred tax liabilities	(16715.57)	(16142.97)
Net deferred tax liabilities	(13409.15)	**(7823.64)**

(i) Movement in deferred tax balances

For the year ended 31 March 2021

	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	9.16	-	27.31
	18.15	9.16	-	27.31
Deferred tax liabilities	-	-	-	-
Net deferred tax assets	18.15	9.16	-	27.31

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Entities with net deferred tax liabilities				
Deferred tax assets				
Difference in carrying values of investment property	190.86	(24.28)	-	166.58
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	1663.90	(124.94)	15.50	1554.46
- Statutory taxes and duties	180.43	(4.00)	-	176.43
- Other contractual provisions	725.42	(37.90)	-	687.52
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	592.67	91.33	-	684.00
Other temporary differences	40.71	(3.28)	-	37.43
Unutilised tax losses	-	-	-	-
Unused tax credits	4925.34	(4925.34)	-	-
	8319.33	(5028.41)	15.50	3306.42
Deferred tax liabilities				
Difference in carrying values of property, plant & equipment and intangible assets	(13268.36)	(122.60)	-	(13390.96)
Investment in associates under equity method	(2874.61)	(450.00)	-	(3324.61)
	(16142.97)	(572.60)	-	(16715.57)
Net deferred tax liabilities	(7823.64)	(5601.01)	15.50	(13409.15)

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**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
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 for the year ended 31 March 2020 was 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.

(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-21	As at 31-Mar-20
Tax effect on unused tax losses (long/short term capital losses) (see table below for expiry)	0.41	12.79
Net deferred tax assets/(liabilities)	**0.41**	**12.79**
Expiry profile of unrecognised unused tax losses		
Unused tax losses shall expire on -		
(i) Long term capital loss		
March 31, 2021	-	11.77
March 31, 2028	-	0.45
(ii) Short term capital loss		
March 31, 2025	0.16	0.23
March 31, 2026	0.25	0.34
	0.41	**12.79**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 24 : REVENUE FROM OPERATIONS

	Year ended 31-Mar-21	Year ended 31-Mar-20
Sale of products [refer note 37(vii)]		
Finished goods	425887.37	388704.38
Stock-in-trade	2132.59	1859.51
Sale of services		
Erection and commissioning	-	4.66
Servicing	232.18	194.66
Operation and maintenance	2578.00	2978.25
Construction contract revenue	20848.56	26013.05
Other operating revenue		
Subsidy from Central Government (refer note 43)	18579.03	23472.11
Income from sale of renewable energy certificates	16.06	254.00
Income from scrap	61.35	182.60
Total revenue from operations	**470335.14**	**443663.22**

(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-21 #	As at 31-Mar-20 #
Within one year	14413.63	28005.22
More than one year	9108.41	19334.00
Total	**23522.04**	**47339.22**

#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-21	As at 31-Mar-20
Contract price	470481.32	443750.33
Adjustments for Discounts/ Commissions to Customers	(146.18)	(87.11)
Total revenue from operations	**470335.14**	**443663.22**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 25: OTHER INCOME

	Year ended 31-Mar-21	Year ended 31-Mar-20
Interest income		
Interest income from financial assets carried at amortised cost	249.25	214.43
Interest income from investments carried at FVTPL	0.17	2.60
Interest income from others	321.87	12.73
	571.29	**229.76**
Dividend income		
Dividend income from equity investments	2.84	2.86
	2.84	**2.86**
Other non-operating income (net of expenses directly attributable to such income)		
Rental income [refer note 4(ii)]	33.85	45.11
Subsidy from Central Government (refer note 43)	200.64	1224.58
Miscellaneous income	1533.33	1162.31
	1767.82	**2432.00**
Other gains/(losses)		
Net fair value gains/(losses) on investments	169.36	(61.77)
Net gains/(losses) on derivatives	133.29	(14.16)
Net foreign exchange rate fluctuation gains	-	78.36
Credit balances written back	131.63	208.16
Net profit/(loss) on sale / redemption of investments	0.02	0.10
Net reversal of impairment loss allowance on other non financial assets (31 March 2020 :includes amounts written off ₹ 17.36 lakhs) (refer note 10)	-	16.20
Net reversal of provision for non moving / obsolete inventory (refer note 11)	6.00	74.29
Provision for cost to completion reversed (net) (refer note 18)	165.35	638.71
Excess provision of expenses reversed	92.24	21.91
	697.89	**961.80**
Total other income	3039.84	**3626.42**

NOTE 26: COST OF MATERIALS CONSUMED

	Year ended 31-Mar-21	Year ended 31-Mar-20
Stock at the beginning of the year	2988.14	2144.99
Add: Purchases	322396.30	301919.31
Less : Amount capitalised (included in the cost of property, plant and equipment)	(9.52)	(8.34)
Less: Stock at the end of the year	(3883.10)	(2988.14)
Total cost of materials consumed (refer note 43)	321491.82	**301067.82**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 27: PURCHASES OF STOCK-IN-TRADE

	Year ended 31-Mar-21	Year ended 31-Mar-20
Petroleum goods	2174.74	2210.00
Other consumer goods	25.99	19.42
Total purchases of stock-in-trade	**2200.73**	**2229.42**

NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	Year ended 31-Mar-21	Year ended 31-Mar-20
Inventories at the beginning 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 beginning of the year	**184136.15**	**206018.79**
Inventories at the end of the year:		
Finished goods	161840.87	180701.02
Stock-in-trade	44.89	28.41
Work-in-progress	2609.73	3406.72
Total inventories at the end of the year	**164495.49**	**184136.15**
Add/(Less): Impact of excise duty on finished goods	273.60	-
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**19914.26**	**21882.64**

NOTE 29: EMPLOYEE BENEFITS EXPENSE

	Year ended 31-Mar-21	Year ended 31-Mar-20
Salaries and wages	24173.27	22538.89
Contribution to provident and other funds (refer note 38)	2293.08	2380.77
Staff welfare expenses	640.60	704.57
	27106.95	**25624.23**
Less: Amount capitalised (included in the cost of property, plant and equipment)	(30.36)	(47.81)
Total employee benefits expense	**27076.59**	**25576.42**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 30: FINANCE COSTS

	Year ended 31-Mar-21	Year ended 31-Mar-20
Interest costs		
- Interest on loans with interest subvention (refer note 43)	1595.52	1132.33
- Interest on loans with below-market rate of interest (refer note 43)	1348.56	1696.46
- Interest on other borrowings	2002.67	4859.23
- Interest on lease liabilities	147.12	185.93
- Other interest expense	57.65	96.09
Total interest expense on financial liabilities not classified as at FVTPL	5151.52	7970.04
Less : Amount capitalised (included in the cost of property, plant and equipment)	(0.51)	(50.20)
	5151.01	**7919.84**
Exchange differences regarded as an adjustment to borrowing costs	-	5.17
Other borrowing costs		
- Loan monitoring and administration charges	12.16	8.12
Total finance costs	5163.17	**7933.13**

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31-Mar-21	Year ended 31-Mar-20
Depreciation of property, plant and equipment (refer note 3)	7860.57	7458.78
Amortisation of intangible assets (refer note 5)	50.28	31.83
	7910.85	**7490.61**
Less: Amount capitalised (included in the cost of property, plant and equipment)	(2.09)	(1.49)
Total depreciation and amortisation expense	7908.76	**7489.12**

NOTE 32: IMPAIRMENT LOSS ON FINANCIAL ASSETS (INCLUDING REVERSALS OF IMPAIRMENT LOSSES)

	Year ended 31-Mar-21	Year ended 31-Mar-20
Bad debts written off - trade receivables carried at amortised cost	75.06	315.06
Impairment loss allowance on trade receivables (net of reversals) (refer note 7)	309.65	546.41
Reversal of impairment loss allowance on other financial assets carried at amortised cost (refer note 8 & 9)	(44.53)	-
Total impairment loss on financial assets (including reversal of impairment losses)	340.18	**861.47**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 33: OTHER EXPENSES

	Year ended 31-Mar-21	Year ended 31-Mar-20
Stores and spares consumed	4031.44	3520.40
Power and fuel	2329.25	1575.37
Design and engineering charges	53.32	71.49
Cane development expenses	186.74	164.34
Machining/fabrication expenses	100.81	86.84
Erection and commissioning expenses	999.38	855.68
Civil construction charges	3581.26	4646.37
Packing and stacking expenses	4463.68	4007.31
Repairs and maintenance		
- Machinery	5234.94	4815.68
- Building	823.07	728.34
- Others	378.95	345.37
Factory/operational expenses	2708.66	2648.81
Travelling and conveyance	1104.99	1413.30
Rent expense (refer note 46)	196.34	165.27
Rates and taxes	446.69	464.51
Insurance	698.94	480.77
Directors' fee	69.95	68.65
Directors' commission	96.00	72.50
Legal and professional expenses	1590.98	1032.36
Security service expenses	1654.09	1549.45
Net impairment loss allowance on contract assets (refer note 10)	59.36	24.91
Bad debts written off - other non financial assets (net of reversal of impairment loss allowance of ₹ 0.12 lakhs) (refer note 10)	9.88	-
Net foreign exchange rate fluctuation losses	4.06	-
Warranty expenses [includes provision for warranty (net) ₹ 539.25 lakhs (31 March 2020 : ₹ 564.27 lakhs) (refer note 18)]	540.56	596.44
Provision for Arbitration/Court case claims (refer note 18)	6.21	6.21
Payment to Auditors (see (i) below)	73.93	74.58
Corporate social responsibility expenses (see (ii) below)	427.54	141.20
Loss on sale /write off of inventory	15.77	200.44
Loss on sale / write off / impairment of property, plant and equipment	423.49	19.86
Expenses relating to third party exports under MAEQ scheme	28.75	-
Selling commission	877.75	878.53
Royalty	242.60	269.65
Outward freight and forwarding (refer note 43)	5061.83	4685.85
Other selling expenses	272.93	260.90
Miscellaneous expenses	1812.18	1924.89
Less : Amount capitalised (included in the cost of property, plant and equipment)	(32.97)	(69.11)
Total other expenses	**40573.35**	**37727.16**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Detail of payment to auditors

	Statutory Auditors		Cost Auditors	
	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20
Audit fee	47.22	47.54	4.48	4.48
Limited review fee	16.20	16.95	-	-
Other services (Certification) *	5.45	1.80	0.33	0.65
Reimbursement of expenses	0.25	2.78	-	0.38
Total payment to auditors	**69.12**	**69.07**	**4.81**	**5.51**

*This amount is exclusive of ₹ 3 lakhs (31 March 2020: ₹ 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-21	Year ended 31-Mar-20
(a) Gross amount required to be spent during the year	427.54	135.32
(b) Maximum amount approved by the Board to be spent during the year	460.85	141.20
(c) Amount spent during the year on :		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above		
Education, Vocational skills and Livelihood enhancement	104.00	71.09
Environmental sustainability and conservation of natural resources	60.00	-
Healthcare	58.43	-
Promoting sports	5.00	5.00
Quality of soil	172.86	53.27
Contribution to Prime Minister National Relief Fund	50.85	-
Rural Development	-	11.84
	451.14	**141.20**
Less: Excess spent during the year, carried forward to next year	23.60	-
Net amount recognised in the statement of profit and loss	427.54	**141.20**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 34: EXCEPTIONAL ITEMS

	Year ended 31-Mar-21	Year ended 31-Mar-20
Profit on sale of land	66.95	-
Total exceptional items	**66.95**	**-**

NOTE 35: INCOME TAX EXPENSE

(i) Income tax recognised in profit or loss

	Year ended 31-Mar-21	Year ended 31-Mar-20
Current tax		
In respect of the current year	10915.06	7920.92
In respect of earlier years	9.33	(10.46)
Total current tax expense	**10924.39**	**7910.46**
Deferred tax		
In respect of current year origination and reversal of temporary differences*	5591.85	3138.79
Total deferred tax expense	**5591.85**	**3138.79**
Total income tax expense recognised in profit or loss	**16516.24**	**11049.25**

* includes utilisation of MAT credit of ₹ 4925.34 lakhs (31 March 2020: ₹ 4092.24 lakhs).

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

	Year ended 31-Mar-21	Year ended 31-Mar-20
Profit before tax	45976.51	44561.07
Income tax expense calculated at 34.944% (including surcharge and education cess) (2019-20: 34.944%)	16066.03	15571.42
Effect of changes in tax rate#	-	(4059.47)
Effect of income that is exempt from taxation	(21.90)	(1.00)
Effect of income that is taxable at lower rates	(46.33)	1.94
Effect of expenses that is non-deductible in determining taxable profit	231.51	176.69
Effect of tax incentives and concessions	(3.79)	(1568.41)
Effect of changes in tax base of assets not considered in profit or loss (net of reversal of temporary differences)	25.63	285.79
Effect of recognition of deferred tax assets/liabilities due to changes in estimates	(206.36)	70.41
Effect of changes in estimates related to prior years	9.71	(10.46)
Effect of different tax rates for subsidiaries	(81.41)	(100.42)
Effect of tax on share in undistributed profit of associates	407.70	682.33
Effect of tax losses for which deferred tax asset not created	0.51	0.43
Effect of elimination of income on consolidation (Net)	134.94	-
Total income tax expense recognised in profit or loss	**16516.24**	**11049.25**

#With effect from the financial year commencing from 1 April 2019, in accordance with the provisions of section 115BAA of the Income Tax Act, 1961, domestic companies have an option to pay income tax at a concessional rate by foregoing certain existing exemptions, deductions and credits ("new tax regime"). During the year ended 31 March 2020, the Company had assessed the impact of the newly introduced provisions and had decided to continue with the existing tax structure to claim certain deductions and to ensure that the tax credits that it was entitled to were substantially utilized, before opting for the new tax regime. Further, in accordance with the applicable accounting standard, it remeasured its deferred tax liabilities (net) which were expected to reverse in the future when the Company would have shifted to the new tax regime. Accordingly, the charge of deferred tax for the year ended 31 March 2020 was lower by ₹ 4059.47 lakhs. As at 31 March 2021, the Company has not opted to switch to the new tax regime whereas the other group entities, which are subject to tax, have exercised such option.

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(All amounts in ₹ lakhs, unless otherwise stated)

During the previous year, with the change in taxation laws relating to taxability of dividend and removal of dividend distribution tax, the Company had 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-21	Year ended 31-Mar-20
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	(15.50)	(51.67)
Total income tax expense recognised in other comprehensive income	**(15.50)**	**(51.67)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(15.50)	(51.67)
Items that may be reclassified to profit or loss	-	-
Total income tax expense recognised in other comprehensive income	**(15.50)**	**(51.67)**

NOTE 36: EARNINGS PER SHARE

	Year ended 31-Mar-21	Year ended 31-Mar-20
Profit for the year attributable to owners of the Company [A]	29460.27	33511.82
Weighted average number of equity shares for the purposes of basic EPS/ diluted EPS [B]	24,52,99,521	25,16,33,635
Basic earnings per share (face value of ₹ 1 per share) [A/B]	12.01	13.32
Diluted earnings per share (face value of ₹ 1 per share) [A/B]	12.01	13.32

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 uses its captively produced bagasse, generated as a by-product in the manufacturing of sugar, as a feed stock for generation of power and apart from meeting the power and steam requirements of the associated sugar units, also exports power to the state grid. Molasses, another by-product in the manufacturing of sugar, is used as raw material for producing alcohol/ethanol. The Group sells the surplus molasses and bagasse, after meeting its captive requirements.

(b) **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. The Group has also, under its Alcoholic Beverages vertical forming part of this segment, started producing country liquor during the current year at its bottling facility in the premises of its existing distillery in Muzaffarnagar, Uttar Pradesh, to facilitate forward integration of distillery operations.

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Engineering Business

(a) **Power transmission:** This business segment is focused on all high speed and niche low speed products - supply of new equipment, after market services and retrofitment of gearboxes, catering to the requireent of power sector as well as other industrial segments. The manufacturing facility is 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. It operates in EPC segments, HAM projects and O&M. The Group also includes a wholly owned subsidiary "Mathura Wastewater Management Pvt. Ltd." incorporated as a special purpose vehicle to execute a project awarded under Namami Gange Programme.

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 includes a turnkey project relating to steam turbines which was awarded to it pursuant to bids tendered prior to demerger of steam turbine business.

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. During the current year, the Management had, pursuant to a review, combined the cogeneration operations with the sugar operations in accordance with Ind AS 108 'Operating Segments' as the cogeneration activities no longer qualified as a separate operating segment. Accordingly, the figures of the corresponding previous period(s) have been regrouped. Further, the Board has approved to redesignate the 'Gear business' as the 'Power Transmission business', which is a more accurate representation of the present business, and accordingly, the new terminology has been used in the segment information.

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.

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(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Segment revenue and segment profit

	SUGAR						ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Distillery		Total Sugar		Power transmission		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20
REVENUE																		
From external customers	369923.17	350982.86	54350.99	39095.34	424274.16	390078.20	12960.17	15360.28	26074.42	30586.95	39034.59	45947.23	7026.39	7637.79	-	-	470335.14	443663.22
From inter-segments sales	36388.29	28757.82	24.57	21.31	36412.86	28779.13	47.43	61.86	-	6.50	47.43	68.36	117.82	433.15	(36578.11)	(29280.64)	-	-
Total revenue from operations	406311.46	**379740.68**	54375.56	**39116.65**	460687.02	**418857.33**	13007.60	**15422.14**	26074.42	**30593.45**	39082.02	**46015.59**	7144.21	**8070.94**	(36578.11)	**(29280.64)**	470335.14	**443663.22**
RESULT																		
Segment Profit/(loss)	37449.92	35748.57	10105.42	11054.94	47555.34	46803.51	4090.81	4853.53	2674.51	2401.37	6765.32	7254.90	(45.15)	(47.09)			54275.51	54011.32
Unallocated expenses (Net)																	(3895.11)	(3785.49)
Finance cost																	(5163.17)	(7933.13)
Interest income																	571.29	229.76
Exceptional items																	66.95	-
Share of profit of associates																	121.04	2038.61
Profit before tax																	45976.51	44561.07
Current tax																	(10924.39)	(7910.46)
Deferred tax																	(5591.85)	(3138.79)
Profit for the year																	29460.27	33511.82

- 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 since these are managed/applicable at an overall Group basis.

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(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Segment assets and liabilities

	SUGAR						ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Distillery		Total Sugar		Power transmission		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20
ASSETS																		
Segment assets	239116.88	285020.87	46060.18	40520.38	285177.06	325541.25	11812.68	11089.69	38301.55	40011.02	50114.23	51100.71	1148.33	2020.70	-	-	336439.62	378662.66
Unallocated assets																	25555.57	25938.50
Total assets	**239116.88**	**285020.87**	**46060.18**	**40520.38**	**285177.06**	**325541.25**	**11812.68**	**11089.69**	**38301.55**	**40011.02**	**50114.23**	**51100.71**	**1148.33**	**2020.70**	**-**	**-**	**361995.19**	**404601.16**
LIABILITIES																		
Segment liabilities	66154.95	76558.96	2873.31	2305.85	69028.26	78864.81	3193.44	2436.49	16461.63	21683.13	19655.07	24119.62	573.70	1435.81	-	-	89257.03	104420.24
Unallocated liabilities																	117170.76	166314.08
Total liabilities	**66154.95**	**76558.96**	**2873.31**	**2305.85**	**69028.26**	**78864.81**	**3193.44**	**2436.49**	**16461.63**	**21683.13**	**19655.07**	**24119.62**	**573.70**	**1435.81**	**-**	**-**	**206427.79**	**270734.32**

- 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		Distillery		Total Sugar		Power transmission		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20
Amount considered in segment results																		
Depreciation and amortisation	4747.89	4615.13	1555.96	1317.93	6303.85	5933.06	800.07	811.91	188.68	191.13	988.75	1003.04	19.71	19.09	-	-	7312.31	6955.19
Unallocated depreciation and amortisation																	596.45	533.93
Total depreciation and amortisation	4747.89	**4615.13**	1555.96	**1317.93**	6303.85	**5933.06**	800.07	**811.91**	188.68	**191.13**	988.75	**1003.04**	19.71	**19.09**	-	**-**	7908.76	**7489.12**
Non cash items (other than depreciation and amortisation)	(22.00)	(42.16)	(1.11)	113.89	(23.11)	71.73	(81.81)	191.23	401.25	550.14	319.44	741.37	(0.18)	(0.12)	-	-	296.15	812.98
Unallocated non cash items (other than depreciation and amortisation)																	(213.88)	39.14
Total non cash items (other than depreciation and amortisation)	(22.00)	**(42.16)**	(1.11)	**113.89**	(23.11)	**71.73**	(81.81)	**191.23**	401.25	**550.14**	319.44	**741.37**	(0.18)	**(0.12)**	-	**-**	82.27	**852.12**
Amounts not considered in segment results																		
Interest expense	4016.78	**6810.07**	816.29	**622.43**	4833.07	**7432.50**	11.70	**31.33**	967.90	**380.10**	979.60	**411.43**	0.66	**0.98**	-	**-**	5813.33	**7844.91**
Unallocated interest expense																	(650.16)	88.22
Total interest expense	4016.78	**6810.07**	816.29	**622.43**	4833.07	**7432.50**	11.70	**31.33**	967.90	**380.10**	979.60	**411.43**	0.66	**0.98**	-	**-**	5163.17	**7933.13**
Interest income	38.33	54.70	8.47	4.36	46.80	59.06	16.42	12.14	218.99	16.56	235.41	28.70	-	-	-	-	282.21	87.76
Unallocated interest income																	289.08	142.00
Total interest income	38.33	**54.70**	8.47	**4.36**	46.80	**59.06**	16.42	**12.14**	218.99	**16.56**	235.41	**28.70**	-	**-**	-	**-**	571.29	**229.76**
Capital expenditure	4027.22	4182.26	2049.44	4914.10	6076.66	9096.36	210.47	307.03	101.69	195.46	312.16	502.49	0.70	33.30	-	-	6389.52	9632.15
Unallocated capital expenditure																	199.62	2289.81
Total Capital expenditure	4027.22	**4182.26**	2049.44	**4914.10**	6076.66	**9096.36**	210.47	**307.03**	101.69	**195.46**	312.16	**502.49**	0.70	**33.30**	-	**-**	6589.14	**11921.96**

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(All amounts in ₹ lakhs, unless otherwise stated)

(v) Break-up of revenue by geographical area

	Year ended 31-Mar-21	Year ended 31-Mar-20
India (country of domicile)	467293.55	440214.05
Foreign countries	3041.59	3449.17
	470335.14	**443663.22**

(vi) Non-current assets by geographical area

All non current assets of the Group are located in India.

(vii) Break-up of revenue from major products and services

	Timing of revenue recognition	Year ended 31-Mar-21	Year ended 31-Mar-20
Sale of products			
Finished goods			
- Sugar	At a point in time	346014.17	323525.14
- Molasses	At a point in time	420.88	505.73
- Bagasse	At a point in time	2684.14	3324.20
- Power	At a point in time	6835.05	5415.62
- Alcohol	At a point in time	54102.27	38977.88
- Mechanical equipment - Water/Waste-water	At a point in time	2687.49	1540.60
- Gears/Gear Boxes (including spares)	At a point in time	12634.12	15027.23
- Others	At a point in time	509.25	387.98
		425887.37	**388704.38**
Stock in trade			
- Petroleum goods (Diesel/Petrol/Lubricants)	At a point in time	2104.33	1841.41
- Other consumer goods	At a point in time	28.26	18.10
		2132.59	1859.51
		428019.96	**390563.89**
Sale of services			
Erection and commissioning	Over time	-	4.66
Servicing	Over time	232.18	194.66
Operation and maintenance	Over time	2578.00	2978.25
		2810.18	**3177.57**
Construction contract revenue			
Water, Waste-water and Sewage treatment	Over time	20786.56	25931.56
Power generation and evacuation system	Over time	62.00	81.49
		20848.56	**26013.05**
Other operating revenue			
Subsidy from Central Government	At a point in time	18579.03	23472.11
Income from sale of renewable energy certificates	At a point in time	16.06	254.00
Income from scrap	At a point in time	61.35	182.60
		18656.44	**23908.71**

(viii) Information about major customers

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(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.

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-21	Year ended 31-Mar-20
Employers' contribution to Employees' Provident Fund *1	1293.48	1231.29
Administration and other expenses relating to above *2	40.32	31.41
Employers' contribution to Employees' State Insurance Scheme	7.54	8.80
Employers' contribution to Superannuation Scheme	124.96	127.50
Employers' contribution to National Pension Scheme	50.77	43.56

*1 Contribution for the financial year ended 31 March 2020 includes contibution of ₹ 179.27 lakhs made till October 2019 to a Provident Fund Trust set up by the company for managing the obligations of a specific establishment which had been granted exemption from contributing directly to the Regional Provident Fund Commissioner. The Company requested surrender of the exemption during the financial year ended 31 March 2020 and accordingly, the contributions w.e.f. 1 November 2019 (i.e., contributions in respect of salary payable for the month of October 2019 onwards) has been deposited directly with the provident fund authority and past accumulations of all the members also stand transferred to such authority. The employer's contribution for the financial year ended 31 March 2020, as depicted in the table above, also includes an amount of ₹ 189.50 lakhs towards funding by the Company of the deficit of the Trust in transferring such past accumulations.

*2 Administrative and other expenses payable to the Provident Fund authorities in respect of the financial year ended 31 March 2020 includes ₹ 4.19 lakhs pertaining to the Provident Fund Trust set up by the company as mentioned in * 1 above.

(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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

(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-21	**31-Mar-20**
Discounting rate	6.50%	6.60%
Future salary growth rate	5.50% for next year and 8% thereafter	5.50% for next 2 years and 8% thereafter
Mortality table*	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Attrition rate	7.00% for Permanent employees 4.00% for Seasonal employees	7.00% for Permanent employees 3.00% 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

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(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-21	Year ended 31-Mar-20
Current service cost	438.48	408.39
Net interest expense	246.77	255.66
Components of defined benefit costs recognised in profit or loss	**685.25**	**664.05**
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	(49.22)	66.50
- Actuarial gains and loss arising from changes in demographic assumptions	(7.54)	0.75
- Actuarial gains and loss arising from changes in financial assumptions	36.64	88.07
- Actuarial gains and loss arising from experience adjustments	64.48	(7.46)
Components of defined benefit costs recognised in other comprehensive income	**44.36**	**147.86**
Total	**729.61**	**811.91**

(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-21	As at 31-Mar-20
Present value of defined benefit obligation as at the end of the year	6310.39	5727.01
Fair value of plan assets	1753.63	1598.95
Funded status	**(4556.76)**	**(4128.06)**
Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet	**(4556.76)**	**(4128.06)**

(f) Movement in the present value of the defined benefit obligation (gratuity) is as follows:

	Year ended 31-Mar-21	Year ended 31-Mar-20
Present value of defined benefit obligation at the beginning of the year	5727.01	5294.33
Expenses recognised in profit or loss		
- Current service cost	438.48	408.39
- Interest expense (income)	352.23	372.81
Remeasurement (gains)/losses recognised in other comprehensive income		
- Actuarial (gain)/loss arising from:		
i. Demographic assumptions	(7.54)	0.75
ii. Financial assumptions	36.64	88.07
iii. Experience adjustments	64.48	(7.46)
Benefit payments	(300.91)	(429.88)
Present value of defined benefit obligation at the end of the year	**6310.39**	**5727.01**

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

	Year ended 31-Mar-21	Year ended 31-Mar-20
Fair value of plan assets at the beginning of the year	1598.95	1548.30
Recognised in profit or loss		
- Expected return on plan assets	105.46	117.15
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actual return on plan assets in excess of the expected return	49.22	(66.50)
Contributions by employer	300.91	429.88
Benefit payments	(300.91)	(429.88)
Fair value of plan assets at the end of the year	**1753.63**	**1598.95**

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-21			As at 31-Mar-20		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	-	42.10	42.10	-	17.58	**17.58**
Debt instruments						
- Government securities	-	266.94	266.94	-	265.60	**265.60**
- State development loans	-	702.47	702.47	-	563.19	**563.19**
- Private sector bonds	-	48.00	48.00	-	45.34	**45.34**
- Public sector bonds	-	309.71	309.71	-	170.85	**170.85**
- Fixed deposits with banks	-	47.50	47.50	-	142.50	**142.50**
- Special deposit scheme balance with RBI	-	102.13	102.13	-	102.13	**102.13**
- Debt mutual funds	-	78.72	78.72	-	74.96	**74.96**
Equity instruments						
- Index mutual funds	-	90.73	90.73	-	39.76	**39.76**
- Arbitrage mutual funds	-	14.91	14.91	-	14.34	**14.34**
Accrued interest and other recoverables	-	50.42	50.42	-	162.70	**162.70**
Total plan assets	**-**	**1753.63**	**1753.63**	**-**	**1598.95**	**1598.95**

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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(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-21	31-Mar-20	31-Mar-21	31-Mar-20
Discounting rate	0.50%	in ₹ lakhs	(176.27)	(167.32)	186.74	177.44
		in %	-2.79%	-2.92%	2.96%	3.10%
Future salary growth rate	0.50%	in ₹ lakhs	183.85	175.35	(175.29)	(167.01)
		in %	2.91%	3.06%	-2.78%	-2.92%
Attrition rate	0.50%	in ₹ lakhs	(15.16)	(13.04)	15.84	13.66
		in %	-0.24%	-0.23%	0.25%	0.24%
Mortality rate	10.00%	in ₹ lakhs	(1.06)	(0.90)	1.06	0.90
		in %	-0.02%	-0.02%	0.02%	0.02%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, it 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 ₹ 1016.94 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 2021 is 6 years (31 March 2020: 6 years).

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

	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
Defined benefit obligation (Gratuity)	1473.53	763.33	1864.53	5839.76	9941.15

(iii) The President has given his assent to The Code on Social Security, 2020 ('Code') in respect of employee benefits (during employment and post-employment) in September 2020. The Code may impact the contributions made by the Group towards Provident Fund and Gratuity. However, the date on which the Code will come into effect has not yet been notified. The Group would assess and give effect to the implications, if any, arising from the implementation of the Code, in the period in which, the Code becomes effective and the related rules are notified.

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 39: RELATED PARTY TRANSACTIONS

(i) Subsidiaries (wholly owned) - incorporated under section 8 of the Companies Act, 2013

Triveni Foundation (incorporated on 28 June 2020)

(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-21	Year ended 31-Mar-20
Sales and rendering services			
Triveni Turbine Limited	Associate	2877.84	3539.25
Purchases and receiving services			
Triveni Turbine Limited	Associate	222.85	293.61
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	-	0.91
Interest income			
Aqwise Wise Water Technologies Limited (Israel)	Associate	127.48	9.50
Rent & other charges received			
Triveni Turbine Limited	Associate	19.82	21.81
Dividend received from investment in equity shares			
Triveni Turbine Limited	Associate	-	353.14
Rent paid			
Dhruv M. Sawhney (Chairman & Managing Director) *	Key managerial personnel	59.37	53.97
Rati Sawhney	Relative of key managerial personnel	38.77	36.82
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	93.55	84.88
Corporate Social Responsibility expenses			
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	83.21	-
Triveni Foundation	Subsidiary incorporated u/s 8 of the Companies Act, 2013	65.00	-
Remuneration			
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	650.39	556.27

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-21	Year ended 31-Mar-20
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	233.38	226.16
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	95.60	87.17
Directors fee paid			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	9.60	11.40
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	-	8.20
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	14.75	11.25
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	15.00	10.50
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	10.60	10.80
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	12.00	9.50
J. K. Dadoo (Independent Non-Executive Director)	Key managerial personnel	8.00	7.00
Directors commission			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	45.00	30.00
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	10.00	8.50
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	11.00	8.50
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	10.00	8.50
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	10.00	8.50
J. K. Dadoo (Independent Non-Executive Director)	Key managerial personnel	10.00	8.50
Contribution to post employment benefit plans			
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	300.91	428.04
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	124.96	127.50
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	-	529.59
Contribution towards deficiency in provident fund trust			
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	-	189.50

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-21	Year ended 31-Mar-20
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	1.49	23.91
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	(3.76)	(2.82)
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	(0.02)	(0.02)
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)
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	-	(0.19)
Dividend paid on equity shares			
Dhruv M. Sawhney (Chairman & Managing Director) *	Key managerial personnel	-	425.16
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	-	155.72
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	-	161.89
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	-	0.15
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	-	0.11
Manmohan Sawhney HUF	Relative of key managerial personnel	-	47.82
Rati Sawhney	Relative of key managerial personnel	-	197.30
Tarana Sawhney	Relative of key managerial personnel	-	0.26
STFL Trading and Finance Private Limited *	Enterprise over which key managerial personnel have substantial interest/ significant influence	-	875.94
Buy-back of equity shares			
Dhruv M. Sawhney (Chairman & Managing Director) *	Key managerial personnel	962.94	1479.98
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	352.68	539.25
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	366.66	560.62

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-21	Year ended 31-Mar-20
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.35	0.54
Manmohan Sawhney HUF	Relative of key managerial personnel	108.31	165.62
Rati Sawhney	Relative of key managerial personnel	446.85	683.24
Tarana Sawhney	Relative of key managerial personnel	0.60	0.92
STFL Trading and Finance Private Limited *	Enterprise over which key managerial personnel have substantial interest/ significant influence	1986.55	3064.93
Sale of property, plant & equipment			
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	1.05	1.29
Investment made in equity shares			
Triveni Foundation	Subsidiary incorporated u/s 8 of the Companies Act, 2013	1.00	-
Acquisition of equity shares of United Shippers & Dredgers Limited			
Subhadra Trade and Finance Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	23.00	-
Advance paid against purchase of bonds			
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	-	160.00
Purchase of investment in bonds			
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	165.27	-
Loans given (including interest converted to loan)			
Aqwise Wise Water Technologies Limited (Israel)	Associate	1875.05	-

Related party transactions stated above are inclusive of applicable taxes

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(All amounts in ₹ lakhs, unless otherwise stated)

Outstanding balances

Name of related party and nature of balances	Relationship	As at 31-Mar-21	As at 31-Mar-20
Receivable			
Triveni Turbine Limited	Associate	380.12	271.68
Aqwise Wise Water Technologies Limited (Israel)	Associate	1831.47	305.50
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	-	160.00
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	1.05	-
Payable			
Triveni Turbine Limited	Associate	501.76	1374.78
Dhruv M. Sawhney (Chairman & Managing Director) *	Key managerial personnel	3.27	4.11
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	253.20	153.65
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.20	0.13
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	45.46	30.00
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	10.00	8.50
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	11.46	8.50
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	10.46	8.50
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	10.00	8.50
J. K. Dadoo (Independent Non-Executive Director)	Key managerial personnel	10.00	8.50
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	-	1.02
Subhadra Trade and Finance Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	1.09	-
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	124.96	127.50
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	-	189.69

* Person or entity belonging to the promoter/promoter group holding 10% or more shareholding in the Company

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(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Remuneration of key managerial personnel:

	Year ended 31-Mar-21	Year ended 31-Mar-20
Short-term employee benefits	914.84	805.88
Post-employment benefits	64.53	63.72
Total	**979.37**	**869.60**

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) 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.

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.

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The Group monitors capital structure through gearing ratio represented by debt-equity ratio (debt/total equity). In addition to the gearing ratio, the Group also looks at long term debt to operating profit ratio (long term debt/EBITDA) 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. The gearing ratios and long term debt/EBITDA ratio for the Group as at the end of reporting period were as follows:

	As at 31-Mar-21	As at 31-Mar-20
Non-current borrowings (note 16)	30890.94	44359.64
Current borrowings (note 20)	56158.52	94343.87
Current maturities of long-term borrowings (note 17)	10672.64	14306.72
Total debt	**97722.10**	**153010.23**
Add: Deferred revenue arising from government grant related to borrowings (refer note 19)	1680.06	2805.32
Less: Cash and cash equivalents [note 12(a)]	(1127.70)	(3203.61)
Net debt	**98274.46**	**152611.94**
Total equity (note 14 & note 15)	**155567.40**	**133866.84**
EBITDA (before exceptional items)	**58981.49**	**59983.32**
Net debt to equity ratio	0.63	1.14
Long term debt equity ratio	0.28	0.46
Long term debt/EBITDA ratio	0.73	1.02

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

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 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 is associated with the possibility of a counterparty defaulting on its contractual obligations to pay, resulting in financial loss to the Company. 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. As required, the Group also advances loans to its associate company and there is some credit risk associated with it. As far as practicable, the Group endeavours to take reasonable security to mitigate the credit risk.

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(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 through established sugar agents whereas in Cogeneration, forming part of sugar business, 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 Power transmission 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-21			Year ended 31-Mar-20		
	External sales (A)	Year end receivables (B)	% Receivables (B/A)	External sales (A)	Year end receivables (B)	% Receivables (B/A)
Sugar business	351399.03	5726.64	2%	327598.42	9315.82	3%
Distillery business	54350.99	3206.57	6%	39095.34	3261.83	8%
Power transmission business	12909.37	4248.02	33%	15272.61	2661.87	17%
Water business	26070.33	19440.69	75%	30586.95	19301.20	63%
Others	7026.39	199.28	3%	7637.79	361.45	5%
Total	**451756.11**	**32821.20**	**7%**	**420191.11**	**34902.17**	**8%**

In the case of Water business, the % receivables to external sales is high whereas the overall ratio for the Group is much lower. 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. Further, this business group is executing a project on hybrid annuity PPP basis, according to which 40% of EPC value is 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%. In the case of Power transmission

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for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

business, the % receivable to external sales is high due to higher year end sales and lower turnover of the business during the year.

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-21	ECL amount as at 31-Mar-20
Sugar	Nil	Nil	Nil
Distillery	Nil	Nil	Nil
Power transmission	0.84%	36.59	32.90
Water	1.15%	100.40	114.75

(c) Reconciliation of loss allowance provision

Trade receivables:

	Year ended 31-Mar-21	Year ended 31-Mar-20
Balance at beginning of the year	1801.33	1254.92
Additional provisions recognised during the year	445.45	931.04
Provision reversed/utilised during the year	(135.80)	(384.63)
Balance at the end of the year	**2110.98**	**1801.33**

Loans and other financial assets:

	Loans		Other financial assets	
	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20
Balance at beginning of the year	44.53	44.53	15.05	15.05
Movement in expected credit loss allowance during the year	(44.53)	-	-	-
Balance at the end of the year	**-**	**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 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-21	As at 31-Mar-20
Total current assets	221263.69	265028.78
Total current liabilities	154908.57	210642.44
Current ratio	1.43	1.26

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 2021							
Borrowings	56157.43	11540.72	24589.44	4014.31	3187.50	99489.40	97722.10
Trade payables	-	61754.47	675.45	-	-	62429.92	62429.92
Lease liabilities	-	352.85	595.44	373.01	4.23	1325.53	1325.53
Other financial liabilities	-	4735.23	-	-	-	4735.23	4735.23
	56157.43	78383.27	25860.33	4387.32	3191.73	167980.08	166212.78
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**

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Maturities of derivative financial instruments:

The Company enters into derivative contracts (viz. foreign exchange forward contracts) to manage some of its foreign currency exposures that are settled on a net basis. Derivative asset (net) are of ₹ 35.92 lakhs as at 31 March 2021 (31 March 2020 : Derivative liability (net) ₹ 2.19 lakhs), shall mature within one year from reporting date.

(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). 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 86% of the long term debts as at 31 March 2021 (31 March 2020 : 99% 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-21	Year ended 31-Mar-20
Total debt as at the end of the year	97722.10	153010.23
Debt at floating rate of interest as at the end of the year	76028.93	124478.82
Average availment of borrowings at floating rate of interest	68680.79	127516.81
Impact of 1% interest rate variation	686.81	1275.17

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 previous year, since same had 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.

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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.

Sensitivity analysis in respect of sugar price risk is provided here below:

	Year ended 31-Mar-21	Year ended 31-Mar-20
Annual production of sugar (MT)	1007299	971918
Impact of sugar price variation by ₹ 1000/MT	10072.99	9719.18

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	SGD
As at 31 March 2021					
Financial assets					
- Trade receivables	in foreign currency lakhs	3.05	8.08	1.03	-
	in equivalent ₹ lakhs	221.69	682.91	101.93	-
- Loans receivables	in foreign currency lakhs	25.19	-	-	-
	in equivalent ₹ lakhs	1831.47	-	-	-
Derivatives (in respect of underlying financial assets)					
- Foreign exchange forward contracts sell foreign currency	in foreign currency lakhs	-	6.04	-	-
	in equivalent ₹ lakhs	-	510.56	-	-
Net exposure to foreign currency risk (assets)	in foreign currency lakhs	28.24	2.04	1.03	-
	in equivalent ₹ lakhs	2053.16	172.35	101.93	-

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		US$	EURO	GBP	SGD
Financial liabilities					
- Trade payables	in foreign currency lakhs	0.62	1.56	0.07	0.04
	in equivalent ₹ lakhs	46.01	136.36	7.51	2.02
Derivatives (in respect of underlying financial liabilities)					
- Foreign exchange forward contracts buy foreign currency	in foreign currency lakhs	-	-	-	-
	in equivalent ₹ lakhs	-	-	-	-
Net exposure to foreign currency risk (liabilities)	in foreign currency lakhs	0.62	1.56	0.07	0.04
	in equivalent ₹ lakhs	46.01	136.36	7.51	2.02

		US$	EURO	GBP	SGD
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 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	-
- Borrowings (including interest)	in foreign currency lakhs	-	-	-	-
	in equivalent ₹ lakhs	-	-	-	-
Derivatives (in respect of underlying financial liabilities)					
- Foreign exchange forward contracts 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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The Group's foreign currency derivatives outstanding (including for firm commitments) at the end of the reporting period are as follows:

		US$	EURO	GBP	SGD
As at 31 March 2021					
Foreign exchange forward contracts	in foreign currency lakhs	4.06	12.71	-	-
to sell foreign currency	in equivalent ₹ lakhs	295.49	1074.42	-	-
Foreign exchange forward contracts	in foreign currency lakhs	-	-	-	-
to buy foreign currency	in equivalent ₹ lakhs	-	-	-	-
As at 31 March 2020					
Foreign exchange forward contracts	in foreign currency lakhs	5.69	-	-	-
to sell foreign currency	in equivalent ₹ lakhs	425.24	-	-	-
Foreign exchange forward contracts	in foreign currency lakhs	2.92	2.58	-	-
to buy foreign currency	in equivalent ₹ lakhs	222.20	218.47	-	-

All the above contracts are maturing within one year from the reporting date.

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-21	31-Mar-20	31-Mar-21	31-Mar-20
US$ sensitivity	5%	100.36	9.13	(100.36)	(9.13)
EURO sensitivity	5%	1.80	1.31	(1.80)	(1.31)
GBP sensitivity	5%	4.72	(3.07)	(4.72)	3.07
SGD sensitivity	5%	(0.10)	-	0.10	-

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-21	31-Mar-20	31-Mar-21	31-Mar-20
US$ sensitivity	5%	(14.77)	(6.09)	14.77	6.09
EURO sensitivity	5%	(28.19)	10.92	28.19	(10.92)
GBP sensitivity	5%	-	-	-	-
SGD sensitivity	5%	-	-	-	-

There is no impact on other components of equity since the Group has not elected to apply hedge accounting.

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NOTE 42: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	As at 31-Mar-21		As at 31-Mar-20	
	FVTPL *	Amortised cost	FVTPL *	Amortised cost
Financial assets				
Investments				
- Equity instruments	492.13	-	322.77	-
- Bonds	-	165.27	10.67	-
- National Saving Certificates	-	0.03	-	0.03
Trade receivables	-	32821.20	-	34902.17
Loans	-	1846.23	-	339.78
Cash and bank balances	-	1982.48	-	3562.18
Security deposits	-	697.48	-	685.57
Earnest money deposits	-	49.98	-	53.58
Derivative financial assets	35.92	-	-	-
Other receivables	-	148.93	-	94.46
Total financial assets	**528.05**	**37711.60**	**333.44**	**39637.77**
Financial liabilities				
Borrowings	-	97722.10	-	153010.23
Trade payables	-	62429.92	-	75641.91
Capital creditors	-	1149.76	-	1894.29
Security deposits	-	446.86	-	391.14
Derivative financial liabilities	-	-	2.19	-
Lease liabilities	-	1325.53	-	1766.50
Other payables	-	3138.61	-	2939.99
Total financial liabilities	**-**	**166212.78**	**2.19**	**235644.06**

*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 2021					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	492.13	-	-	492.13
- Foreign exchange forward contract at FVTPL	9	-	35.92	-	35.92
		492.13	35.92	-	528.05

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	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 contract at FVTPL	17	-	2.19	-	2.19
		-	**2.19**	**-**	**2.19**

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) 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-21		As at 31-Mar-20	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Trade receivables	32821.20	32805.26	34902.17	33822.93
	32821.20	**32805.26**	**34902.17**	**33822.93**

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	As at 31-Mar-21		As at 31-Mar-20	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Trade payables	62429.92	62348.22	75641.91	75550.38
	62429.92	**62348.22**	**75641.91**	**75550.38**

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
As at 31 March 2021				
Financial assets				
Trade receivables	-	-	32805.26	32805.26
	-	**-**	**32805.26**	**32805.26**
Financial liabilities				
Trade payables	-	-	62348.22	62348.22
	-	**-**	**62348.22**	**62348.22**
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**

(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.

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NOTE 43: GOVERNMENT GRANTS

(i) Government grants recognised in the financial statements

	Grants recognised in profit or loss			Grant recoverable	
	Year ended 31-Mar-21	Year ended 31-Mar-20	Treatment in financial statements	As at 31-Mar-21	As at 31-Mar-20
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.	1125.25	1350.33	Reduced from finance cost (note 30)	-	-
Total deferred government grants	**1125.25**	**1350.33**		**-**	**-**
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 2020-21	545.00	-	Presented under "Other operating revenue" (note 24)	545.00	-
b) 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.	17979.14	12967.82	Presented under "Other operating revenue" (note 24)	371.67	12967.82
c) 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)		

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	Grants recognised in profit or loss			Grant recoverable	
	Year ended 31-Mar-21	Year ended 31-Mar-20	Treatment in financial statements	As at 31-Mar-21	As at 31-Mar-20
d) 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)	-	-
e) Financial assistance by Government of India under the Scheme for Creation and Maintenance of Buffer Stock of sugar.	200.64	1224.58	Depicted under "Other income" (note 25)	1897.71	2885.88
	1049.85	2848.01	Reduced from finance cost (note 30)		
f) 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	131.37	2044.58	Reduced from finance cost (note 30)	1025.26	1367.97
g) 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”	749.33	671.00	Reduced from finance cost (note 30)	696.32	671.00
h) Export incentives under Duty Draw back Scheme, Incremental Export Incentive Scheme and Merchandise Export Incentive Scheme.	54.89	87.77	Presented under "Other operating revenue" (note 24)	35.22	28.73
Total other revenue government grants	**20710.22**	**34340.47**		**4571.18**	**23542.58**
Total government grants related to income	**21835.47**	**35690.80**		**4571.18**	**23542.58**

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	Grants received			Grant recoverable	
	Year ended 31-Mar-21	Year ended 31-Mar-20	Treatment in financial statements	As at 31-Mar-21	As at 31-Mar-20
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	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 in respect of Effluent Treatment Plant from the State Government of Karnataka under Karnataka 2009-14 Industrial Policy.	11.59	-	Reduced from gross value of PPE upon receipt. Recognised in profit or loss by way of reduced depreciation (refer note 3 and 31)	-	-
c) Grant of ₹ 141.45 lakhs in the form of duties saved upon import of machinery during financial year 2017-18 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	**11.59**	**7.00**		**-**	**-**

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(ii) Movement of deferred government grants is provided here below:

	Year ended 31-Mar-21	Year ended 31-Mar-20
As at the beginning of the year	2946.77	4297.10
Recognised during the year	-	-
Released to the statement of profit and loss	(1125.25)	(1350.33)
As at the end of the year	**1821.52**	**2946.77**
Current (refer note 19)	858.92	1125.25
Non-current (refer note 19)	962.60	1821.52
Total	**1821.52**	**2946.77**

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-21	As at 31-Mar-20
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%
United Shippers & Dredgers Limited	see (a) below	India	100%	0%
Gaurangi Enterprises Limited	see (a) below	India	100%	N.A.
Triveni Foundation (Section 8 company)	Corporate social responsibility activities	India	100%	N.A.
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.

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(ii) 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-21	As at 31-Mar-20
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% (refer note 13)	25.04%

The above associates are accounted for using the equity method in these financial statements. Further at the current year end, investment in Aqwise Wise Water Technologies Limited has been classified as "Assets held for sale" (refer note 13).

(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-21	As at 31-Mar-20	As at 31-Mar-21*	As at 31-Mar-20*
Current assets	65972.07	53762.02	13632.17	25338.37
Non-current assets	28212.57	28454.44	3214.98	2863.11
Current liabilities	29276.89	27373.42	23042.77	21145.39
Non-current liabilities	1150.04	1825.24	1701.25	6749.24
Contributions of non-controlling interest towards share in losses	-	-	797.58	507.62
Net assets	63757.71	53017.80	(7099.29)	814.47

Summarised statement of profit and loss of Associates

	Triveni Turbine Limited		Aqwise Wise Water Technologies Limited	
	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-21*	Year ended 31-Mar-20*
Revenue	70258.31	81786.85	13859.23	22496.18
Profit from continuing operations	10246.27	12177.82	(7532.98)	(2258.51)
Profit from discontinued operations	-	-	-	-
Other comprehensive income	493.63	(683.32)	(69.12)	129.94
Total comprehensive income	10739.90	11494.50	(7602.10)	(2128.57)
Dividend received from the Associate	-	353.14	-	-

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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-21	As at 31-Mar-20	As at 31-Mar-21*	As at 31-Mar-20*
Net assets of the Associates	63757.71	53017.80	(7099.29)	814.47
Group's share in %	21.85%	21.85%	25.04%	25.04%
Group's share in ₹	13928.24	11582.05	(1777.66)	203.95
Adjustments:				
Group's share in adjustment for unrealised profits on inter-company transactions (net of tax)	(12.28)	(2.77)	-	-
Goodwill on acquisition (as restated)	(8.11)	(8.11)	2012.75	2057.11
Adjustments in respect of share of capital reserve and security premium earlier considered in the carrying amount of investment, consequent to divestment (refer note 13)	-	-	123.10	-
Other adjustments	0.07	0.07	-	-
Transferred to "Assets held for sale" (refer note 13)	-	-	(358.19)	-
Carrying amount	13907.92	11571.24	-	2261.06

*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 2020/2019 adjusted for the effects of significant transactions / events for the quarter ended 31 March 2021/2020, if any (refer note 13).

NOTE 45: ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	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 2021	86.35%	134326.92	97.56%	28740.69	47.52%	(28.86)	97.66%	28711.83
31 March 2020	86.31%	115540.78	91.67%	30718.64	158.36%	(96.19)	92.15%	30622.45
Subsidiaries (Group's share)								
Indian								
Triveni Engineering Limited								
31 March 2021	0.07%	110.13	0.00%	(0.98)	0.00%	-	0.00%	(0.98)
31 March 2020	0.09%	118.55	0.00%	(0.93)	0.00%	-	0.00%	(0.93)

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	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
Triveni Energy Systems Limited								
31 March 2021	0.08%	118.62	0.00%	(0.95)	0.00%	-	0.00%	(0.95)
31 March 2020	0.09%	118.04	0.00%	(0.92)	0.00%	-	0.00%	(0.92)
Triveni Sugar Limited								
31 March 2021	0.07%	106.62	0.00%	(1.05)	0.00%	-	0.00%	(1.05)
31 March 2020	0.08%	110.26	-0.01%	(4.28)	0.00%	-	-0.01%	(4.28)
Svastida Projects Limited								
31 March 2021	0.09%	133.80	0.00%	(0.92)	0.00%	-	0.00%	(0.92)
31 March 2020	0.10%	134.71	0.00%	(1.49)	0.00%	-	0.00%	(1.49)
Triveni Entertainment Limited								
31 March 2021	0.08%	128.07	0.00%	(1.46)	0.00%	-	0.00%	(1.46)
31 March 2020	0.09%	122.55	0.00%	(1.24)	0.00%	-	0.00%	(1.24)
Triveni Industries Limited								
31 March 2021	0.07%	104.45	0.00%	(1.23)	0.00%	-	0.00%	(1.23)
31 March 2020	0.08%	111.60	-0.02%	(4.86)	0.00%	-	-0.02%	(4.86)
Mathura Wastewater Management Private Limited								
31 March 2021	4.64%	7211.54	2.07%	608.97	0.00%	-	2.07%	608.97
31 March 2020	5.60%	7490.59	2.29%	768.29	0.00%	-	2.31%	768.29
Gaurangi Enterprises Limited								
31 March 2021	0.08%	126.50	-0.01%	(3.72)	0.00%	-	-0.01%	(3.72)
31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
United Shippers & Dredgers Limited								
31 March 2021	0.00%	(0.82)	0.00%	(0.12)	0.00%	-	0.00%	(0.12)
31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates (Investments as per the equity method)								
Indian								
Triveni Turbine Limited								
31 March 2021	8.49%	13201.57	7.57%	2228.85	-177.53%	107.84	7.94%	2336.69
31 March 2020	8.12%	10864.89	7.77%	2604.14	47.19%	(133.24)	7.44%	2470.90
Foreign								
Aqwise Wise Water Technologies Limited								
31 March 2021	0.00%	-	-7.15%	(2107.81)	230.02%	(139.72)	-7.64%	(2247.53)
31 March 2020	-0.56%	(745.13)	-1.69%	(565.53)	18.74%	(52.92)	-1.86%	(618.45)
Total								
31 March 2021	100.00%	155567.40	100.00%	29460.27	100.00%	(60.74)	100.00%	29399.53
31 March 2020	100.00%	133866.84	100.00%	33511.82	100.00%	(282.35)	100.00%	33229.47

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(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 Ind AS 116 Leases, such 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, godown premises and plots of land. These are generally not non-cancellable leases (except for few premises) having unexpired period upto ten 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 AS 116 Leases, 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 (refer note 3 & 30) and for other leases, yearly lease payments has been expensed off on straight line basis over lease term as rent expenses (refer note 33).

Amounts recognised as expense

	Year ended 31-Mar-21	Year ended 31-Mar-20
Depreciation expense - Right-of-use assets (Land) (refer note 3)	5.69	5.40
Depreciation expense - Right-of-use assets (Building) (refer note 3)	552.39	626.64
Interest on lease liabilities (refer note 30)	147.12	185.93
Rent expense - short term leases (refer note 33)	196.34	165.27
Total	**901.54**	**983.24**

Total cash outflow for leases during the year ended 31 March 2021 is ₹ 911.97 lakhs (31 March 2020: ₹ 810.42 lakhs).

Commitments for short term leases as at 31 March 2021 is ₹ 57.91 lakhs (31 March 2020: ₹ 26.39 lakhs).

Group's share of associates' commitments for short term leases as at 31 March 2021 is Nil (31 March 2020: ₹ 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 25). 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, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 47: COMMITMENTS

		As at 31-Mar-21	As at 31-Mar-20
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9530.44	733.11
(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)	30.86	159.83

NOTE 48: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

		As at 31-Mar-21	As at 31-Mar-20
	Claims against the Group not acknowledged as debts:		
i)	Claims which are being contested by the Group and in respect of which the Group has paid amounts aggregating to ₹ 439.01 lakhs (31 March 2020: ₹ 407.89 lakhs), excluding interest, under protest pending final adjudication of the cases:	7852.59	7625.34

Sl. No.	Particulars	Amount of contingent liability		Amount paid	
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
1	Sales tax	531.51	328.98	95.91	65.35
2	Excise duty	312.73	287.73	275.74	273.86
3	GST	-	0.59	-	0.59
4	Others*	7008.35	7008.04	67.36	68.09

*Amount of contingent liability includes ₹ 5973.50 lakhs as at 31 March 2021 (31 March 2020 : ₹ 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.

(ii)	The Group is contingently liable in respect of short provision against disputed income tax liabilities (excluding determination of final interest payable thereon) of ₹ 3065.18 lakhs (31 March 2020: ₹ 3186.95 lakhs) against which ₹ 1666.79 lakhs (31 March 2020: ₹ 1718.94 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 against which the Department has filed appeals before the Tribunal.	3065.18	3186.95

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31-Mar-21	As at 31-Mar-20
(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	174.60	159.53
	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.		

Contingent assets

Based on management analysis, there are no material contingent assets as at 31 March 2021 and as at 31 March 2020.

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-21	31-Mar-20
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 (refer note 17 & 21)	563.31	6.73
(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	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 50: 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 51: APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved for issue by the Board of Directors of the Company on 29 June 2021 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

Date : June 29, 2021

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

Dhruv M. Sawhney
Chairman & Managing Director

Homai A. Daruwalla
Director & Chairperson Audit Committee

Suresh Taneja
Group CFO

Geeta Bhalla
Group Vice President & Company Secretary