Annual Report **2017-18**

Triveni
ENGINEERING & INDUSTRIES LTD.

Seeds of Success

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Forward-looking statement

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

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

At Triveni Engineering & Industries Ltd. (Triveni), we measure success not just by a yardstick of numbers, but also by the development of intrinsic strengths that steer our growth strategy. It is our belief that the roots of success are nurtured as much by the seeds sown, as by the external environment in which they flourish.

Led by this belief, we have consistently augmented our core capabilities to drive better-than-industry performance in our Sugar Business, while concurrently strengthening our Engineering platform, to boost profitability and deliver world-class solutions.

The quality of the seeds of our success are manifest in the superior varieties of sugarcane which we are able to procure through hard work in the fields in partnership with our farmers, and also in the record production of sugar in our ultra-modern facilities equipped with the best-in-class machines. It is also evident in the buoyancy in the Engineering business, where the opportunity landscape provides an excellent lever for the Company's growth in both the Gears and the Water segments.

Triveni is one of India's largest integrated sugar manufacturers and a market leader in its Engineering businesses, encompassing high-speed gears, gearboxes, and water and wastewater treatment solutions.

Seeding Success

The Cane Development Programme, nurtured by our strong farmer relations, remains the seed of our success strategy in the Sugar business.

ROOTED IN OPPORTUNITY

We have worked relentlessly to partner with cane farmers to improve cane quality and farm level productivity. The offshoots of our efforts are visible in the phenomenal growth in our Sugar business, which posted record highs on its operational matrices during the year. The strategic roadmap of our Sugar business, which carries on it the stamp of our visionary focus and detailed implementation approach, has been crafted to harness the emerging opportunities along the entire value chain of operations – from Sugar production to Co-generation of power and Distillation.

Increased sugarcane crushing at 8.37 million tonnes in Sugar Season (SS) 2017-18, against 6.40 million tonnes in the previous sugar season, followed by a spurt in recovery to 11.38%, led to record sugar production. A lower finance cost, secured through judicious deployment of internal accruals, further boosted excellence in operational performance and helped in payback of debt.

With the Government intervening to take a series of initiatives to balance the supply-demand pressures and stabilise prices, encouraging and promoting ethanol blending through a friendly policy, the industry macro

1,84,305 Hectares
Area under sugarcane production

8.37 million tonnes
Sugarcane crushed

9,52,100 tonnes
Sugar produced

11.38%
Recovery

7,61,276 tonnes
Sugar Despatches

environment appears to be positive. With our lower-than-average industry production costs giving us a strong competitive advantage, we are well positioned to capitalise on the positivity in the sector.

NURTURING GROWTH

The seeds of success in our Sugar business have also emerged as powerful nurturers of growth in our Co-generation and Distillery businesses. Steered by improved operating efficiencies, our Co-generation plants reported excellent operations, leading to increase in year-on-year profitability.

On the Distillery business, the operations were impacted due to unscheduled closure for over a month, and supplies deferred due to late finalisation of ethanol tenders. Barring the aforesaid, the operations were satisfactory and these would be further benefited on account of low raw material (molasses) prices due to a glut. The prospects for the future, in view of Government policies to encourage ethanol blending, appear to be quite encouraging, and we see our intrinsic strengths and strategic approach propelling growth in our Distillery business.

Engineering Success

Our enhanced focus on sectors showing greater demand potential along with inherent strength of our business model, is driving the growth of our Engineering Businesses.

GEARED FOR GROWTH

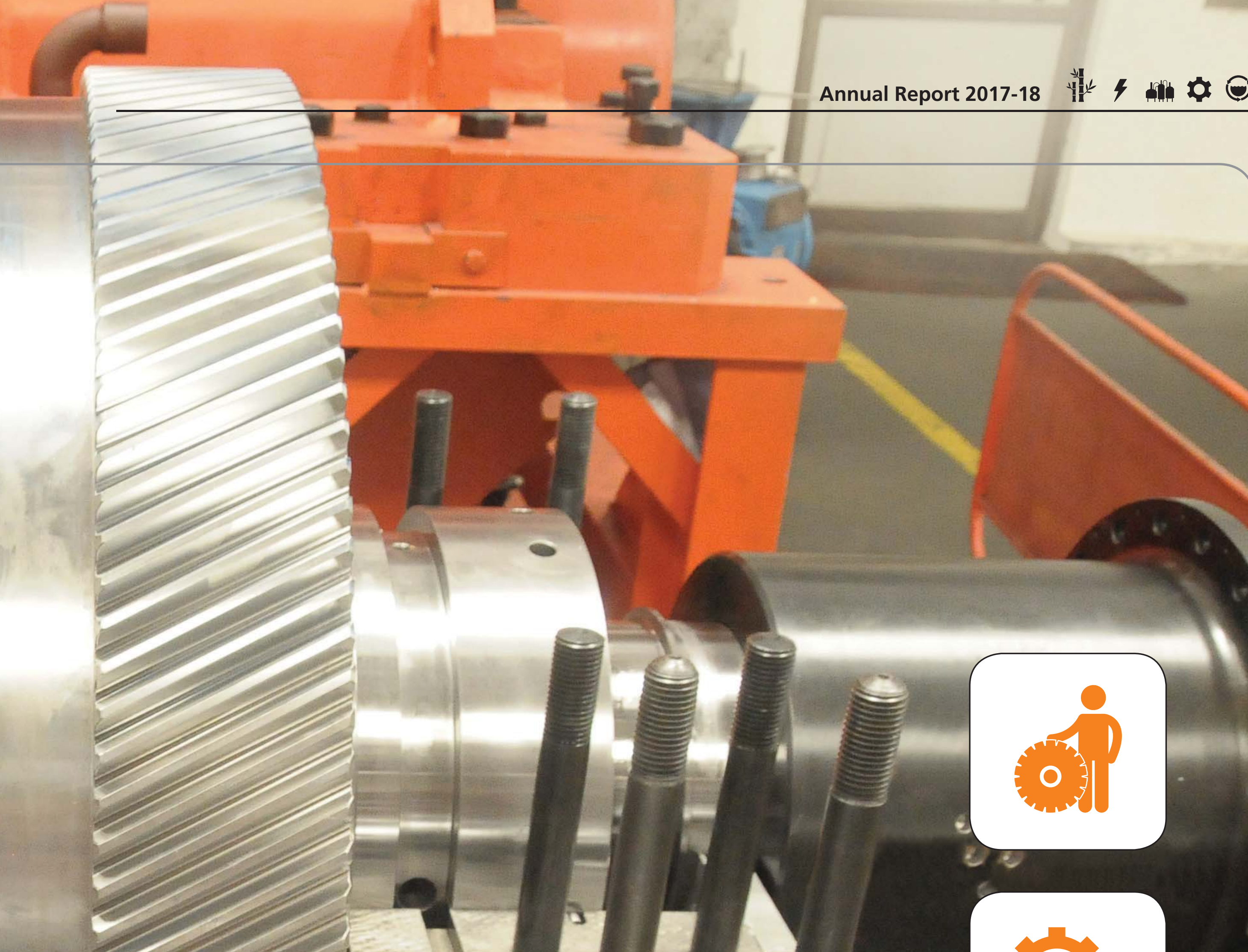
With a positive enquiry pipeline materialising into strong order booking, our Gears business has registered robust growth in terms of turnover and profitability. Turnover from OEMs in both domestic and international markets has risen substantially, endorsing the strength of our business model and underscoring our capabilities in the field.

The overall stability in the market, coupled with positive signs of growth in some of our key sectors, has boosted the visibility for the Gears business. This helped us sow the seeds of higher growth all through FY 18, and for well beyond, when our current orders become executable. Our entry into the Defence sector, where we have strategically forayed on the strength of our expertise and experience, is, in particular, offering significant opportunities for growth. We have enhanced our focus on this and other sectors which are showing greater demand potential.

As new products and geographies are getting added to our portfolio, offering potential growth opportunities, the Gears business is set to achieve higher growth in the coming years.

₹ 187.8 Crore
Order booking

74%
Increased Profitability



READY FOR GERMINATION

The Water segment offers encouraging prospects for growth, which we are capable of harnessing with the strength of our technology, project management skill, strategic thinking and experience. We believe that there is enormous business potential in the Water Business, but somehow the prospects did not materialise due to subdued business conditions, demonetisation and transition to GST. The performance of the business during the year was impacted due to lower than optimal turnover, slow project execution due to reasons attributable to our clients, cost overruns due to delays and resultant provisioning. We, however, witnessed a perceptible change towards the end of the year when traction in order finalisation was clearly visible. We earnestly believe that, with our competitiveness, we will be able to secure adequate orders to put our Water business on the growth trajectory.

With our inherent strengths to drive our business strategy, we find ourselves well placed to secure some large municipal orders in the coming quarters. We are also focused on leveraging our existing relationships, especially our engineering relationships with industrial sectors, to get more business. Increased Government spending on infrastructure development is also opening up humungous opportunities in large projects especially in sewage treatment, which we are well prepared to harness.

Business Profile

Sugar

Integrated.
Sustainable.
Quality Product.

Triveni is one of the largest integrated sugar manufacturers in India, with seven sugar mills strategically located across the western, central and eastern parts of the sugarcane rich areas of Uttar Pradesh (U.P.) - India's largest sugarcane producing state. Integrated production concept ensures that almost all the raw material is converted into high quality products.

BUSINESS
Integrated sugar manufacturing

LOCATION
7 Sugar units in Uttar Pradesh; three co-generation and three incidental co-generation units; one standalone distillery

PRODUCT VARIETY
Sugar: Multi grade - Large, Medium and Small crystal - Sugar, Refined Sugar, Pharma-grade Sugar

Co-generation: Power export to UPPCL

Distillery: Flexi product manufacturing - Ethanol, ENA, RS, SDS

REACH
Across 14 states

REVENUE
₹ 3,330.7 Crore

PBIT
₹ 241.2 Crore

INTEGRATED OPERATIONS

Our Khatauli, Deoband and Sabitgarh units are in Western UP, while Rani Nangal, Chandanpur and Milak Narayanpur units are in central UP, and the Ramkola unit is in Eastern UP. Integrated with co-generation and distillery businesses, our sugar operations are optimised for value addition. Two of our facilities, Khatauli and Sabitgarh, produce refined sugar, which accounts for almost 40% of total sugar production, while the other five units manufacture white sulphitation sugar. The Sabitgarh unit also produces different grades of Pharmaceutical sugar that can be customised as per customer's requirements. Triveni presently operates grid-connected three co-generation plants, and three incidental co-generation plants located across five sugar units which facilitate the export of surplus power to Uttar Pradesh Power Corporation Limited (UPPCL). We have one of the largest and most efficient single stream molasses-based distillery in the country, located at Muzaffarnagar, which operates on captive feedstock from our sugar units.

HIGH QUALITY PRODUCTS

Sugar:

We produce premium quality multi-grade plantation white, refined and pharmaceutical sugar. Our Sugar units are FSSC-2000:2010 certified. Our sugar is supplied not only to household consumers but also to bulk consumers. We have supply chain relationships with leading multinational beverage companies, food & FMCG companies, pharmaceutical companies and leading confectionery producers. We also have a strong presence in branded sugar market through our brand "Shagun".

Distillery-based products:

The distillery has a flexible manufacturing process, allowing it to produce Ethanol, Extra Neutral Alcohol (ENA), Rectified Spirit (RS) and Specially Denatured Spirit (SDS), all of which are renowned for high quality.

Power Export:

Triveni currently operates 104.5 MW grid connected co-generation capacity. The Company's Sabitgarh unit is registered as Renewable Energy Certificate (REC) project under CERC.

COMPETITIVE EDGE

Geographic advantage due to natural favourable conditions –

- The Sugar Units are spread over western, central and eastern parts of Uttar Pradesh. The land is highly fertile and well irrigated, and is fit for sugarcane cultivation
- Besides the sugarcane catchment areas, all sugar units of the Company are under canal irrigation, both in western and central UP, leading to reduced dependency on the monsoon

Mills located near major consumption centres –

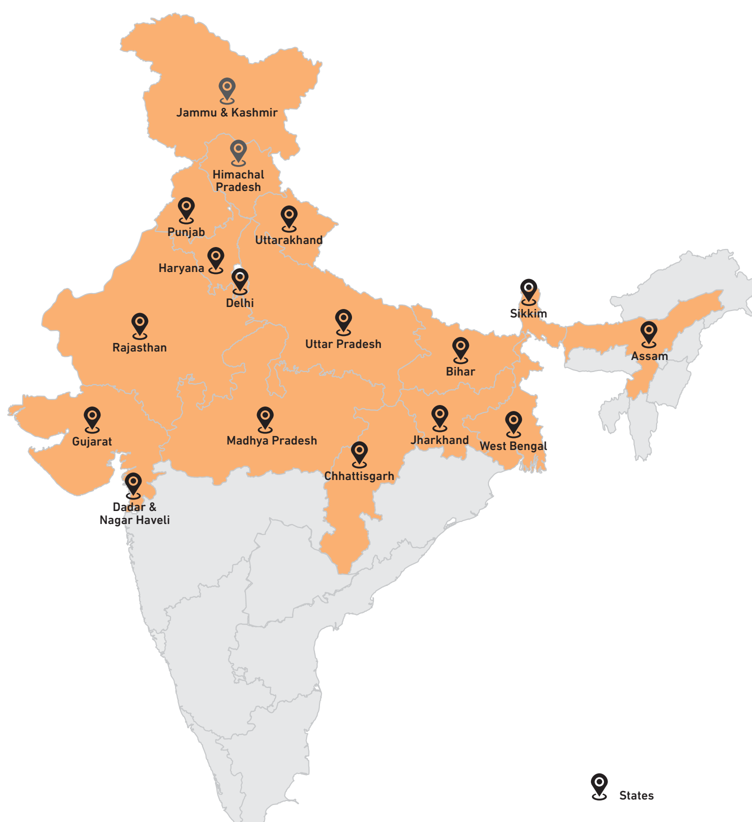
- The strategic vicinity of the units to the country's major sugar consuming markets ensures better realisation prices through lower transportation costs and the possibility of greater off-take
- Our units produce an optimal blend of different qualities and sizes of sugar

Cane Development & Research –

- We remain continuously focused on increasing the farm level productivity by working with farmers on implementing the latest agro-techniques for sustainable farming
- We are working with scientists and research institutes for propagation and adoption of the new high sugared and high-yielding varieties of sugarcane
- We are engaged in carrying out soil analysis at soil testing labs and preparing soil maps to ascertain deficiency in nutrients, if any, and implementing a plan to restore such nutrients in partnership with farmers. Soil health cards are given to the farmers, to explain the concept of soil health and recommend an action plan to restore soil health
- We encourage farmers to implement better and scientific techniques using modern agri-tools, which helps in yield enhancement and generation of additional income, besides helping in sustenance of soil health

14	Sugar, Power and Ethanol producing units
2,50,000+	Associated farmers
1,84,000+	Hectares of area under sugarcane cultivation
~ 40%	Of the sugar produced is Refined sugar
66%	Power is exported to grid
94%	Ethanol sales in distillery product mix

DIVERSE MARKETS



Business Profile

Gears

Excellence.
Expertise.
Technology.

Driven by quality, innovation and flexibility, Triveni Gears has been delivering customised solutions for industrial gearboxes for the past four decades. Started in 1976, with the objective of fulfilling the Company's captive demand for high-speed gears, the business has become a dominant supplier to all major OEMs in the country, offering solutions to all industrial segments including Oil and Gas as per AGMA, API-613 and API-677 standards. We remain the market leader in high-speed Gears and Gearboxes up to 70 MW capacity and speed of 70,000 rpm.

BUSINESS
Largest engineered-to-order turbo gearbox manufacturer in India

LOCATION
10.5 Acres world-class manufacturing facility in Mysuru, Karnataka

PRODUCT VARIETY
High Power and High-Speed, Low-Speed and Specialised Applications

REACH
More than 60% supplies to South East Asia, market leader in India

REVENUE
₹ 111.8 Crore

PBIT
₹ 31.4 Crore

ADVANCED PRODUCTS

Triveni delivers robust and reliable Gears solutions covering a wide range of applications and industries, to meet the ever-changing operating conditions and customer requirements. The major product portfolio includes steam turbine, gas turbine, and compressor gearboxes under the High Power High-Speed segment. In the Low-Speed segment, the Company focusses on the gearboxes used in applications such as reciprocating pumps and compressors, hydel turbines, mill and extruder drives for metal, sugar, rubber and plastic industries, marine applications, etc. All the products are designed, manufactured and commissioned in accordance with international quality norms such as DIN/ AGMA/ API/ ISO standards and as a result, Triveni gearboxes are synonymous with delivering maximum performance with minimum downtime.

MANUFACTURING EXPERTISE

The state-of-the-art plant, equipped with the latest technology for manufacturing and assembly, helps our highly experienced team to deliver internationally benchmarked products at highly competitive costs, leading to a reduced cost of ownership and lower life cycle costs for customers. Using the latest software design tools, our dedicated team of engineers designs products based on complex and time-bound customer requirements.

Infrastructure

- Fully integrated facility with in-house core processes up to 2 metre dia and in-house heat treatment facility
- Latest profile grinding, hobbing, horizontal and vertical grinding, horizontal boring machines, plano-milling machines and vertical machining centres
- World-Class Quality Assurance infrastructure with in-house Metallurgical Lab
- Testing and assembly bay with multiple workstations and three test benches to test Gearboxes up to 90 MW capacity
- Adhering to highest quality standards - ISO 9001–2015, ISO 14001–2004, OHSAS 18001:2007, CE Certified
- Multi-modal bay for flexible manufacturing

OPTIMISED SUPPLY CHAIN

Our ability to provide optimised solutions with quick delivery comes from our efficient and robust supply chain. All the supply chain partners are governed by a strict code of conduct, with emphasis on cost control, quality, timely delivery, consistency and transparency.

Fully integrated plant with all critical operations in-house with state-of-the-art infrastructure

Preferred partner to all Domestic and Multinational OEMs

Strong presence in Replacement markets

Leading Turbo Gears company in India and SE Asia, market share of >80% in the High-Speed segment

Benchmarked to global quality practices and 5S principles

World-class technology

ISO 9001-2015 — OHSAS 18001:2007 — ISO 14001-2004 — CE self certification status

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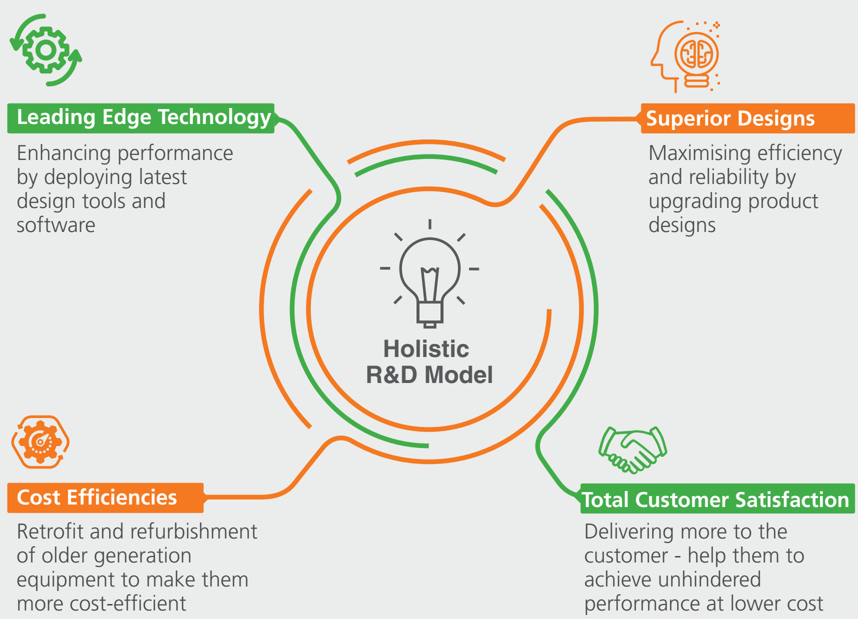
TRIVENI GEARBOX INSTALLATIONS

360-DEGREE SERVICE SOLUTIONS

Our robust and reliable products are backed by 360-degree service solutions, which minimise the downtime for our customers. We provide health monitoring services for all types of critical gearboxes, high-speed and low-speed, and also maintain an inventory of dimension-ready sites for immediate solution. Our highly trained field service specialists provide lifetime support and strive to help our customers in avoiding expensive downtime. Our repair and retrofitting solutions are offered across applications – all Industrial, Oil and Gas covering High-speed to Low-speed, API and Non-API. Our service offerings and solutions include emergency breakdown support like repair or rush delivery of parts, diagnostics and troubleshooting support, reverse engineering and dimensioning expertise at site or in-house with Design and QA engineers, drop-in replacements of gearbox and gear internals, replacements/development of spare white metal bearings, etc.

DESIGN & DEVELOPMENT

Our continuous focus on value engineering helps to deliver products designed to meet customer requirements for economical installation and operation.



Business Profile

Water

Efficient, Sustainable and Complete Water Treatment Solutions.

For over three decades, we have helped our customers overcome complex challenges related to water management, water scarcity and water quality. Triveni Water offers efficient total water management and sustainable solutions for treatment across the water cycle.

LOCATION
Noida, UP

REACH
Pan-India

PBIT
₹ (13.9) Crore

BUSINESS
Leading solution providers for water treatment, wastewater treatment and recycle of water

PRODUCT VARIETY
Total water management solutions

REVENUE
₹ 175.7 Crore

Advanced Solutions offered for total water management:

- Turnkey / EPC (Engineering Procurement Construction)
- Customer Care, Operations and Maintenance
- Life cycle models – Design, Build Own & Operate (DBOO), Design, Build Own Operate and Transfer (DBOOT), BOOT
- Equipment supply for unit processes like screening, grit separation, clarification and sludge handling

WATER TREATMENT

Declining water availability, deteriorating water quality and growing environmental concerns are constantly challenging the economics of water treatment processes. In order to ensure water sustainability for industrial consumption, it is essential for companies to invest in technologically advanced water treatment processes. We provide efficient and cost-effective solutions to help our customers meet the growing demand for water across a large cross section of industries and municipalities. We provide such solutions using the latest technologies and processes, with a strong focus on design and engineering.

WASTEWATER AND SEWAGE TREATMENT

The largest source of surface and ground water pollution in India is untreated sewage. A large number of Indian rivers are severely polluted as a result of discharge of industrial and domestic sewage. With increasing environmental concerns and legislations, wastewater treatment is a mandate to continually improve the discharge standards and lower the environmental hazards. Triveni Water offers sustainable solutions for effluent treatment, common effluent treatment and sewage treatment, which comprises physical, chemical and biological treatment based on advanced technologies. With over a hundred successfully operating installations, our designs offer highly economical plant installation and operation, lowest footprint area, minimal waste generation, and treatment of water to the specified standards.

RECYCLE AND REUSE OF WASTEWATER

Water scarcity, and increasing costs of water and its treatment have made recycle and reuse of wastewater a necessity. We have designed, supplied and installed a large number of successfully operating recycle plants in India. We offer a wide range of technologies to provide complete solutions for recycle, reuse and Zero Liquid Discharge (ZLD).

We offer the widest range of process equipment, such as:

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

CUSTOMER CARE, OPERATIONS AND MAINTENANCE

Our Customer Care Division offers value-added services for operational management and performance optimisation. The following quality service offerings are tailored to customers' requirements, which in many cases form an integral part of the main contract:

- Operations and maintenance
- Annual maintenance contracts
- Product and process audit, health check-up and overhauling
- Pilot experiments
- Refurbishment, upgradation and automation of existing plants
- Spares and service consumables and chemicals
- On-site training and assistance

Over 1,000 successfully operating installations across various segments – infrastructure, industrial and municipal - across India

Technology associations with the world's leading technology providers for various products, processes and solutions.

Approx. 8,000 MLD of water is treated through our projects and equipment.

Received several Water Awards for innovative project designs.

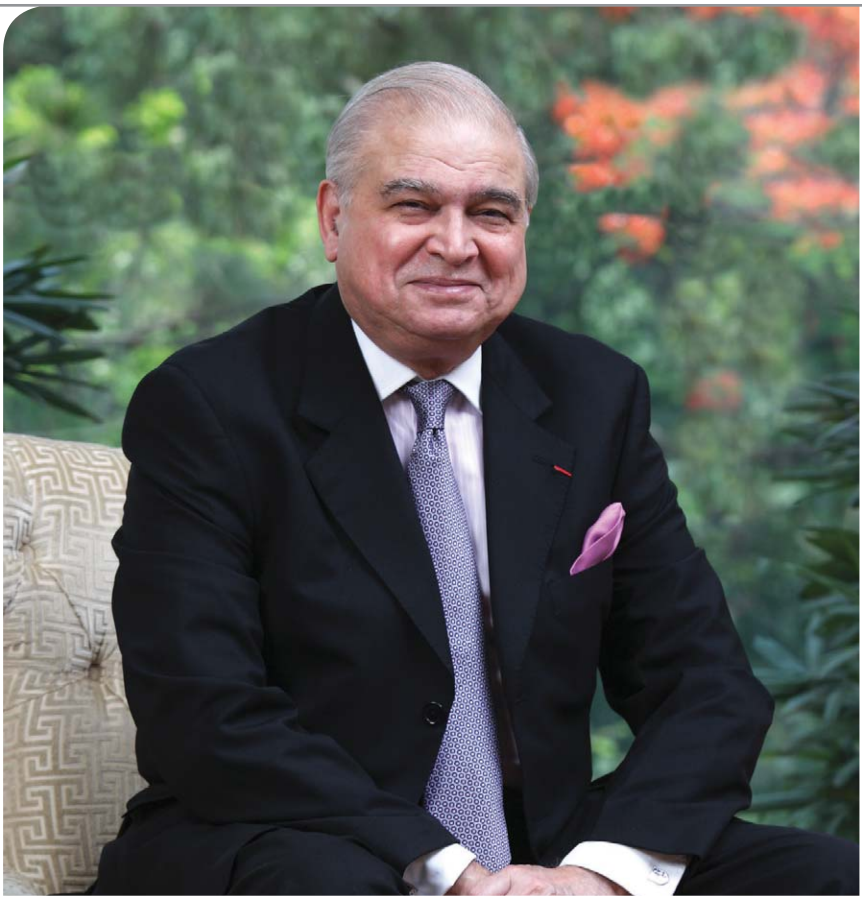
Message from the Chairman

Dear Shareholders,

Transitioning a challenging macro environment to nurture the seeds of success needs a powerful focus on building strengths and driving efficiencies. At Triveni, we are continuously sharpening this focus to drive excellence in performance by harnessing the opportunities of tomorrow.

The performance of our Sugar business stands testimony to the success of this strategic agenda of the Company. With a record sugarcane crush and sugar production, FY 18 turned out to be another remarkable year of excellent performance in this segment. The demand-pricing dynamics in the industry did impact the financial performance of the business, but with our sugar units performing better than the industry, the Company achieved record crushing, production and recovery during the year. The positive Sugar business operating performance further translated into good performance for our Co-generation plants. Though our Distillery was closed for over a month in the first half of the fiscal, causing the segment performance to be impacted, we are extremely positive about this business and have decided to go in for expansion of our distillery capacity.

Our Engineering business has also shown encouraging performance, with Triveni Gears reporting higher growth in bookings, turnover and profitability, and order position. Though a subdued market environment impacted our Water business, the growth prospects in the coming quarters appear to be quite positive, with our innovative solutions for efficient water management and effluent treatment finding a strong demand in the evolving market.



Overall, while the Sugar operations may be impacted by the surplus availability of sugar in the country, we would be helped by strong operating performance in sugar operations and much improved performance of Sugar co-products and Engineering business. With respect to the Engineering business, the market sentiment appears to be on a positive growth trend, with your Company being well equipped to capture the new opportunities of growth on the strength of its robust fundamentals and growing capabilities. The seeds of success have already been sown and it only remains for us to rear them to their maximum potential, so that we can reap the fruits of our efforts more effectively in the months and years to come.

SUGAR BUSINESS

Amid a volatile pricing environment, India reported record sugar production during SS 2017-18. The peculiarity of the industry is indicated by the fact that over a period of one year, the production has increased by as much as 60%. Though surplus production in the global market as well as domestic market threatened to derail the domestic sugar industry, timely strategic initiatives by the Government of India, to a great extent, ensured that the situation did not escalate out of control.

It is good to see the Central Government taking note of the problems facing the industry and taking several measures to address the same, including export of 2 million tonnes of sugar under the

Scheme of Minimum Indicative Export Quantities (MIEQ), cane payment subsidy of ₹ 55/ MT, reverse stock limits in February and March 2018 etc. As a long-term solution, the Government has announced a new Bio-fuel Policy which permits alternate raw material, including sugarcane juice / B-heavy molasses, to be used for the production of Ethanol. It is certainly a good step to be able to regulate sugar production, whenever required, to step up production of ethanol but it can only be successful if the pricing issues are also addressed and incentives are provided for setting up more distillation capacities. Most importantly, more proactive Government reforms are required to address the pricing imbalance between raw material (sugarcane) and the product (sugar), if the sugar industry is to be brought out of the current conundrum in which it finds itself due to the existing lopsided regulation and pricing structure.

As far as our integrated sugar operations are concerned, we are quite encouraged by the Government of India's initiatives to boost Ethanol blending and intend to increase distillation capacities, which should be operational in the next fiscal. High level of integration and flexibility to produce optimal mix of final products should contribute significantly and largely de-risk the Company against cyclical downturn in the Sugar business.

At Triveni, we remain poised to seize the opportunities that we expect to be unleashed as a result of the Government's strategic initiatives and interventions across the integrated value chain of the business. Our focus on strengthening cost and operational efficiencies, nurturing our cane development programme, diversifying the product specifications such as refined sugar, pharma-grade sugar etc., and building the capabilities needed to tackle the myriad challenges faced by the industry will, in my opinion, continue to keep us firmly on the track of progress.

ENGINEERING BUSINESS

A perceptible positivity in the user industry sentiment, propelled by improved sentiments and capital infusions in the relevant industrial segments, has raised hopes for revival in the Gears market. With our specialised focus on all high-speed and niche low-speed gears in the high-growth sectors of opportunity, we have seen a remarkable growth in turnover and order bookings during the year.

Steering our growth in the Gears business is our strategic focus on fast-growing sectors, such as Oil & Gas, Fertiliser, Mini Hydel, and Defence, as well as our decision to diversify into Wind gear components to utilise our excess capacity. Our long-term multi-year agreement with a global OEM for Wind gear components is a significant development which we see translating into a stable growth-led performance for your Company in the long-term. The replacement market, especially in South and South East Asia, Middle East and Africa, has also emerged as a key area of our growth and expansion focus.

The opportunity matrix catalysed by the Central Government's 'Make in India' thrust is further opening up new areas of potential growth in the diverse engineered products segment, which we are aggressively targeting as part of our focussed strategic agenda. Your Company is further exploring opportunities for utilisation of its existing infrastructure for customised manufacturing and solutions, with Marine Defence engineered products emerging as an important target segment for the Company.

In the Water segment, during the period of slowdown, we have taken the opportunity to restructure our operations for more productivity and efficiencies, sharpen our project management skills, and achieve commercial closure of virtually all the old jobs. It has paved the way for a more focussed business development approach and use of our resources on revenue earning activities, which promises greater visibility for our Water and Wastewater management business in the coming year. With Namami Gange and other large projects that are in the offing, we are optimistic about our Water business witnessing strong performance in the coming years.

ON A CONCLUDING NOTE

We are confident that our inherent resilience, coupled with our strategic thrust on fostering greater efficiencies across our systems and processes, will continue to enable your Company to chart the path of growth even more aggressively, going forward.

On this positive note, let me thank all our stakeholders for their unwavering support and trust in the Company. Your invaluable cooperation remains our motivational strength, as we get ready to chart new frontiers of growth.

With best regards,

Dhruv M. Sawhney
Chairman & Managing Director

Q&A with the Vice Chairman & Managing Director

Tarun Sawhney

How do you rate your Company's performance during FY 18, given the industry and market environment?

It has been a satisfying year from operational performance perspective, given the tremendous efforts that have been put in by the Management team. This performance is not well reflected in the financial results in view of the softening in sugar prices towards the year end due to a record all India sugar production. The profitability of the business was nevertheless high though lower than our forecasts. Our robust operating performance will see us through challenging business conditions in our Sugar segment in the coming year.

Our continued focus on cane development has helped us attain record crush, recoveries and sugar production. We have been able to achieve 35% higher production over Sugar Season (SS) 2016-17 and 95% over SS 2015-16, without incurring any major capital expenditure to increase our capacities. The most satisfying aspect has been the remarkable increase in recoveries by around 32 basis points over SS 2016-17 and 58 basis points over SS 2015-16. The increased recoveries have the effect of substantially lowering our cost of production, and making us more resilient to withstand cyclicality in the Sugar industry.

As a result of strong internal accruals, we have been able to substantially reduce the debts, which is essential in a cyclical business like Sugar. At the end of the year, the term debt is only ₹ 163.3 crore, with interest free or softer loans constituting ₹ 39.3 crore.

We did reasonably well in Co-generation and Gears Business, especially in respect of the latter, despite a subdued market. Our decision to diversify into machining of Wind gear components has come as a key growth enabler, with Defence emerging as another area that has brought increased visibility to our Gears business. The profitability of our Distillery was impacted due to unscheduled closures but it still caught up thereafter.

Water business continued to underperform due to lower than optimal turnover in view of the extremely slow order intake. It was encouraging, however, to witness return of momentum in order finalisation towards the end of the year, which may result in substantial improvement in the fundamentals of Water business, going forward.

We have been able to achieve 35% higher production over SS 2016-17 and 95% over SS 2015-16.

How has the Sugar business performed during the year?

We have been one of the top performers in the state of Uttar Pradesh as regards sugarcane crush, recovery and production. Most importantly, our recoveries are higher than the state average by 53 basis points as compared to 44 basis points in SS 2016-17 and 19 basis points in SS 2015-16. The improved relative performance will give us an advantage in withstanding downturn in the cycle over our peers.

The country's production in SS 2017-18 is expected to be around 32.4 million tonnes, higher by 28% over the initial estimates. This has led to a steep softening of sugar prices and the present financial results incorporate a provision for inventory write-down of ₹ 220 crore.

With the state of UP having scaled up its production substantially, the position of surplus production has come to stay for some years and it is imperative that we have sound policies to ensure that the surplus sugar is regularly exported out. The losses in exports will be well taken care of by healthy sugar prices for the remaining sugar to be sold in the domestic market. Further, we need to create adequate distillation capacities to ensure that sugar production is regulated to produce additional ethanol. And most importantly, the linkage of sugarcane prices with sugar prices is a long-awaited reform, which could be a game changer for the industry.

The Government has taken some tangible measures to rescue the sugar industry in a time of crisis and it is hoped that besides such short-term remedial plans, long-term sustainable plans / policies will be formulated to address some serious gaps.

Was this performance excellence also manifested in your Co-generation and Distillery businesses?

The high crushing quantum naturally translated into excellent performance at our Co-generation plants at Khatauli and Deoband, with higher number of days of operations. We succeeded in efficiently meeting our captive power and process steam requirements. In fact, we went a step ahead and procured bagasse from external sources to ensure optimal co-generation operations at these two plants during the off-season. Our incidental co-generation plants at Chandanpur, Milak Narayanpur and Sabitgarh units also performed exceptionally well during the year, to record their highest ever power exports, respectively.

On the Distillery front, temporary closure of the distillery unit in the

early part of the year led to lower despatches and capacity utilisation, causing business performance to be impacted.

How does the Company see the Sugar and integrated businesses panning out in the coming year?

The surplus sugar availability in the country will stay for a few years till the surplus is regularly exported out or sugar production is regulated by production of ethanol using new distillation capacities, or till the farmers are persuaded to switch to other crops by prescribing remunerative prices vis-à-vis sugarcane. However, the Company is better placed in view of its efficient operations, and it being a low-cost producer. In the event of serious mismatch between sugar prices and the cane prices, we expect the Government to intervene and support the sugar prices to avoid accumulation of cane dues. We would continue to focus on further improving operational efficiencies to optimise all controllable factors.

In order to further integrate our sugar operations and in response to the New Bio-fuel Policy, the Company has decided to set up a new state-of-the-art 160 KLPD ethanol plant at its sugar unit at Sabitgarh with an incineration boiler. The incineration boiler will also be installed at the existing distillery and it will enable both the distilleries to operate for 330 days annually – It will raise the production capacity by about 140%. The project cost is estimated at ₹ 200 crore with an excellent ROI.

Can you provide an update on the performance of the Engineering business? What have been the drivers of growth in the Gears business?

There has been a definite uptick in demand for high-speed gears and also for replacement solutions across most of the key sectors of our presence, leading to significant growth in terms of revenue and profitability. The domestic market segments of our Gears business showed marginal increase during the year, along with growth triggered by indirect exports through OEMs. Our growth has come mainly from major OEMs for high-speed turbo applications.

The Oil & Gas segment, as well as the Process Industry along with IPPs, have pushed growth in the Aftermarket business, including Replacements, which has witnessed increase in turnover and order bookings. Although the growth we were expecting through strategic supply agreement with GE did not come through, some order inflow from GE towards the end of the year indicate that the revival in this segment may have begun.

Based on the initiatives taken by Government of India on "Make in India" and especially the Defence sector, the Company has taken concrete steps to grow in Naval

There has been a definite uptick in demand for high-speed gears and also for replacement solutions across most of the key sectors of our presence, leading to significant growth in terms of revenue and profitability.

Defence segment, aligning to the Group's strengths in designing and manufacturing engineered-to-order equipment. Further, the Company has been successful in bagging the order for development of Turbo Extraction Condensate Pump Naval platform and certain critical parts for the OPV project.

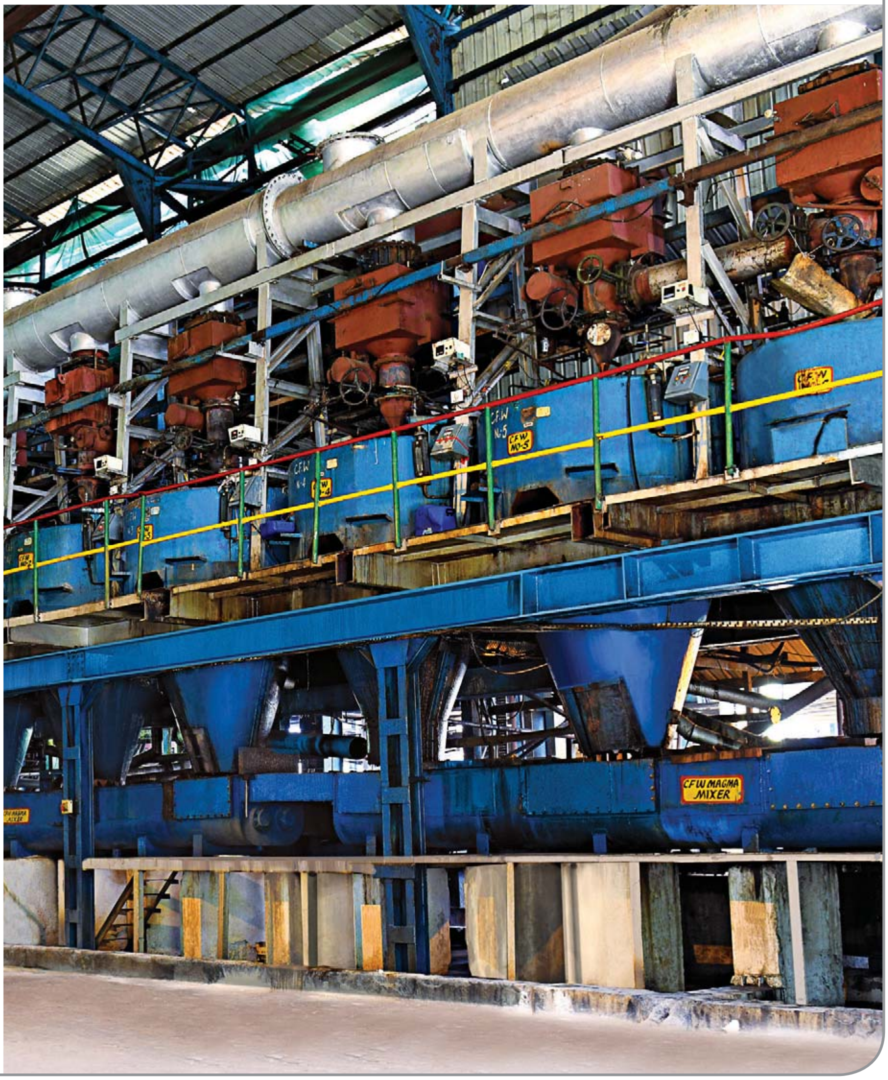
The performance in the Water business, however, remained muted due to inconsistent and unsatisfactory order inflow. Continuing delays in some projects, leading to cost overruns and provisioning, also impacted our performance in this segment. However, towards the year end, we distinctly saw momentum in order finalisation and robust order booking.

What is the Company's outlook for the Engineering business, going forward?

As far as Gears Business is concerned, we see the growth momentum sustaining in the coming year, with our foray into new products expected to result in better performance in the immediate future.

Serial production of customised gears, along with new segments of growth such as Marine Defence, are the areas where we see bigger opportunities for growth in the coming years. We also see the Fertiliser sector offering new windows of opportunity for growth. The Company has been approved as propulsion gearbox manufacturer for class and warships, as well as for indigenous development of other turbo machinery products that are being used in existing platforms and are also needed for future platforms. The Company is well poised to capture this exciting opportunity with high long-term growth potential.

In the Water business, the early signs indicate that the process of order finalisation would be faster next year. We see considerable traction in the Namami Gange programme, which is part of the Clean Ganga Mission of the Government, along with the Swachh Bharat Mission and Smart Cities. We also see better opportunities emerging from the enhanced Government focus on sewage and effluent treatment, with bidding process already initiated for some mega projects, in some of which we are advantageously placed.



Management Discussion and Analysis

The Sugar Industry is one of the key agro-commodity industries in India, a significant contributor to the GDP, and also a source of substantial rural / semi-urban employment.

THE SUGAR INDUSTRY

As the largest sugar consumer in the world and the second largest producer of sugar, India has a unique industry landscape. In view of the large domestic market, India is not actively linked with the global trades, and becomes a marginal exporter or importer, depending upon higher or lower production than consumption in the domestic market.

Even though, over the years, Governments have made several policy changes in the sector, the sugar industry in India is still highly regulated, as the sugarcane price fixation vests with the Government, which feels the need to protect the interests of the large community of sugarcane farmers, and also due to the fact that the final product - sugar - is considered an "essential commodity". Further, similar to other sugar-producing countries, India's Sugar industry also, to a great extent, still depends on the vagaries of nature, due to which the country's output varies significantly year-on-year.

THE SUGAR MARKET

Market Analysis

The Sugar Industry is one of the key agro-commodity industries in India, a significant contributor to the GDP, and also a source of substantial rural / semi-urban employment. The country's sugar mills have evolved, over the past decades, into multi-product, integrated industrial complexes, which not just manufacture sugar but also utilise the co-products for generating green power and green fuel.

India's sugar industry has witnessed a remarkable turnaround in the past two years, as a result of production being well below the demand, which has led to strengthening of sugar prices. FY 18, too, started with stable sugar prices, along with good margins, which continued for the first half of the year. However, the prices started declining considerably towards the end of the first nine-month period in view of revised production figures being substantially higher than the initial estimates, well in excess of consumption. The current market dynamics underscores the urgent need for a well-structured and equitable sugarcane pricing policy.

Sugar Production

The country's sugar production for SS 2017-18 is estimated at ~ 32.4 million tonnes, higher by more than 60% over the previous sugar season. This has been the country's highest sugar production so far, out-performing the previous high of 28.3 million in SS 2014-15. This estimated production excellence is due to record production by the States of Maharashtra and Uttar Pradesh. As per recent estimates, Uttar Pradesh is expected to produce around 12 million tonnes of sugar, followed by Maharashtra at over 10.5 million tonnes, while Karnataka is expected to produce around 3.5 million tonnes of sugar.

The substantial increase in sugar production in Maharashtra is attributable to improved climatic conditions. In U.P., continuous cane development efforts made by sugar mills, and the widespread adoption of new high sugared and high yielding varieties of sugarcane suited to the present sub-tropical climating conditions, has led to higher sugarcane availability and sugarcane yields with improved sugar recovery, resulting in record sugar production.

Sugarcane Pricing

The Central government announced the Fair and Remunerative Price (FRP) for sugarcane for SS 2017-18 at ₹ 255 per quintal, an increase of 11% from the previous season. This price has been linked to a basic recovery rate of 9.5%, subject to a further premium of ₹ 2.68 per quintal for every 0.1%-point increase in recovery beyond 9.5%. However, some of the major sugarcane producing states, such as, UP, Punjab, Uttarakhand and Haryana, announced State Advised Prices (SAP) significantly above the FRP. The UP Government announced SAP for SS 2017-18 at a price hike of ₹ 10/quintal over the previous season. The SAP of general variety of sugarcane is ₹ 315/quintal, ₹ 325/quintal for early maturing and ₹ 310 per quintal for rejected variety, respectively.

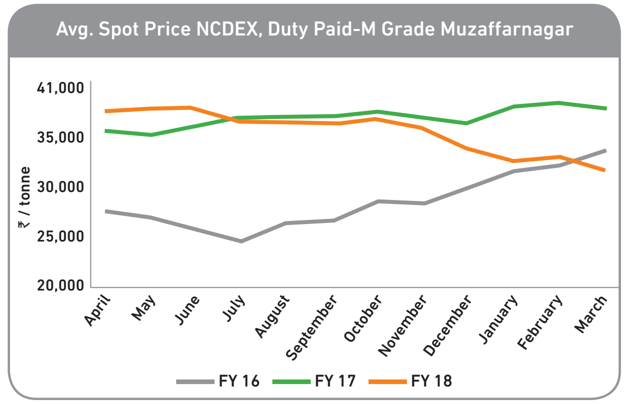
The long-standing demand of the Industry for linkage of sugarcane price with sugar price has not yet materialised. For sustainable and long-term viability of the industry, the industry association has been recommending to the Government that the SAP pricing model needs to be changed, and the cane prices be linked to the output prices, subject to a floor limit. In the event of a mismatch between the sugar and cane prices, the cane prices, to the extent not supported by sugar prices, may be paid by the Government from a fund,

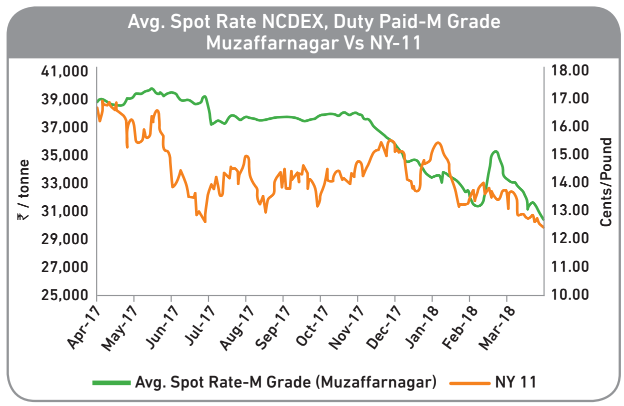
to be specially constituted for this purpose and funded by any cess or levy as may be imposed by the Government on sale of sugar. In the new GST regime, which has subsumed multiple indirect taxes, the Government is evaluating the possibility and mechanics of introducing such a tax. The implementation of these reforms in the sugarcane pricing mechanism will be a game changer, and will enable the industry to subsist without any dependence on the Government. It would also provide stable livelihood to farmers, and most importantly, will help in timely future payment of dues to them.

Sugar Prices

Domestic

The year under review witnessed huge volatility in sugar prices in the domestic market. After witnessing a strong rally in sugar prices in FY 17, the sugar prices remained strong during the first half of FY 18. However, with the increasing estimates of production in SS 2017-18, the sugar prices started declining from November 2017, except for a brief improvement in February 2018 due to the imposition of reverse stock limits by the Government. The revised estimates of production in SS 2017-18, at around 32.4 million tonnes against 25 million tonnes projected before the start of the sugarcane crushing for SS 2017-18, along with supply pressures, have resulted in change in market sentiments. This has resulted in a steady decline in sugar prices since November 2017, to levels below the cost of production. The last six months of FY 18 witnessed a decline in sugar prices by 23% from the high of ₹ 39.45/kg witnessed during FY 18. Towards the year-end, sugar prices were hovering around ₹ 2,800/quintal, which is significantly lower than the cost of production, that stands, on an average, at ₹ 34/kg for UP mills.





Global

As a result of a global surplus in 2017-18, world market prices have remained under pressure since February 2017. The world market prices, for both raw and white, further declined in June, from 14.65 cents/lb at the beginning of the month to below 13 cents/lb by June 28, 2017. The sugar prices remained under pressure in September, with raw sugar spot prices monthly average being USD 14.39 cents/lb - almost the similar levels as of August

(USD 14.37 cents/lb). White sugar prices witnessed a 2.1% drop from August 2017, resulting in a monthly average of USD 371.92/tonne. The global sugar prices remained under pressure even at the end of January 2018, to touch 13.23 Cents/Pound for raw sugar and 352.40 USD/MT for white sugar. In March 2018, the prices dipped further and touched USD 12.44 cents/lb for raw and 343 USD/MT for white sugar.

Demand-Supply Scenario

Domestic

Factors like growing retail consumption, particularly the increasing institutional/bulk demand resulting from rising population and increasing disposable incomes, is triggering the increase in demand for sugar. As per estimates, the share of bulk consumers in the domestic sugar consumption would be around 60%, while the rest of the consumption is directly by individual households. The bulk consumption is also estimated to go up due to increase in consumption in sectors like beverages, processed food, confectionery, bakery products, pharmaceutical, etc.

The estimated sugar production for the country during SS 2017-18 is ~32.4 million tonnes, which is around 60% higher over the previous sugar season. With an opening sugar stock of ~3.9 million tonnes and estimated sugar production of 32.4 million tonnes, the total sugar availability in SS 2017-18 will be 36.3 million tonnes. The annual sugar consumption is estimated at 25.5 million tonnes, and with expected exports of 0.5 million tonnes of sugar, the total sugar stock at the beginning of the next sugar season is expected to be around 10.3 million tonnes, which is 40% of the annual consumption.

Global

The estimates of the world sugar production indicates a surplus of over 6 million tonnes in 2017-18. The surplus production is on account of higher production in Brazil, India and Thailand. Favourable weather conditions in India and Thailand have led to a substantial increase in production. Apart from these factors, expansion of cultivation area in China and ending of production quotas in European Union have also led to the overall increase in global sugar production.

The sugarcane crushed in Brazil CS region since the beginning of the current harvest had reached 588.5 million tonnes till mid-March 2018, with 46.7% of the feedstock being utilised to make sugar. Sugar production had reached 35.9 million tonnes till mid-March 2018, which was 1.5% higher than the corresponding period of the previous year. After two years of severe drought, Thailand is estimated to produce 11.5 million tonnes of sugar in 2017-18, which is over 14% higher than the previous year.

Government Policy

At the beginning of the financial year 2017-18, the Central Government increased the import duty on sugar [Raw sugar, Refined or White sugar] to 50% from 40%. This was done to curb dumping of sugar from the international market, keeping in view the low global sugar prices, which would have severely impacted the domestic industry by exacerbating the surplus availability and impacting the sugar prices. To keep speculation in check, the Government extended the stock limit on dealers of sugar - 10,000 quintals in Kolkata and 5,000 quintals in other regions - to December 31, 2017.

The Government had initiated a series of actions from the beginning of 2018 to reverse the trend of decline in prices and increasing sugarcane arrears, including withdrawal of stock holding limit on traders and increasing the import duty to 100%. The Central Government also announced reverse stock limits for sale of sugar in February and March

2018 with a view to limiting the supplies for supporting the declining sugar prices.

In March 2018, the Government mandated export of two million tonnes of sugar until the end of the September 2018, to partially liquidate surplus stocks in order to stabilise and support the falling sugar prices. Improved and remunerative sugar prices would have enabled sugar mills to avail higher bank credit and enhance their accruals, to place them in a position to pay outstanding sugarcane dues. Under the Minimum Indicative Export Quota (MIEQ), it has been mandated to export the fixed quota that has been allocated to each sugar mill, taking into account the average production of mills achieved in the last two years and up to February of this marketing year. The sugar mills can export the quota or get it exported by a merchant exporter by sourcing sugar from other mills on mutually agreeable conditions. Further, the Government also allowed export of white sugar till September 2018, under the Duty Free Import Authorisation (DFIA) scheme, which allows exporters to import sugar at zero duty within three years.

Based on the prevailing/expected global and domestic sugar price matrix, mandatory exports can take place only at a loss, which is dependent on the conditions prevailing at the time of exports. However, liquidation of surplus sugar is paramount to reduce the overhang of surplus sugar, so that the balance sugar can be sold in the domestic market at remunerative prices. Considering the gravity of situation, the Government has introduced a scheme of cane price assistance of ₹ 55/MT to sugar mills based on certain conditions.

THE ETHANOL MARKET

Market Analysis

India is the fourth largest producer of alcohol globally, and the leading producer of alcohol in the South-East Asian region with about 65% share. The Central Government has been promoting the production and blending of Fuel Ethanol with petrol, and has targeted 10% blending (EBP10). Apart from being environment-friendly, this also ensures fuel security for the country, besides conserving foreign exchange and helping the sugar industry to get an additional revenue stream to minimise the impact of the inherent cyclicality in the industry. In order to meet the 10% blending goal, it is estimated that approximately 313 crore litres of ethanol is required.

Demand Drivers

Population growth and increasing urbanisation are pushing the need for mobility. India's transportation sector is growing rapidly, with dependence on oil also concurrently rising. Considering the burgeoning oil import bill and the growing concern for the environment, there is need to adopt non-conventional fuels. The blending of ethanol at 5% with petrol helps in reducing dependence on oil, besides lowering pollution, while saving ₹ 6,000 crore in foreign exchange annually. Ethanol has about 30% oxygen, which in turn enables fossil fuel to burn much better within the engine. This extra and efficient burning of the fossil fuel within the engine, due to the presence of ethanol, significantly reduces the emissions. Ethanol, being a value-added product from molasses - a co-product in the manufacture of sugar from sugarcane, directly benefits the sugarcane farmers across the country.

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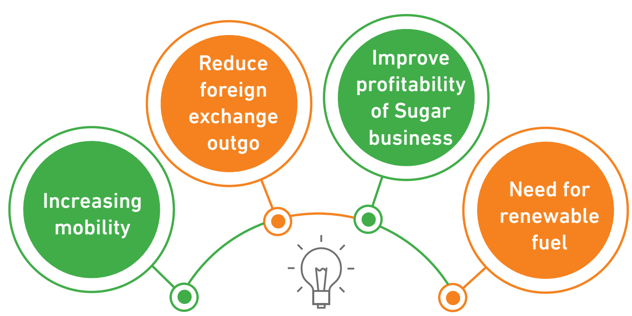


Demand-Supply Scenario

Currently, out of the 530 sugar mills in the country, only about 130 have the capacities to produce fuel ethanol. The country's total production capacity is 224 crore litres of ethanol. In SS 2017-18, Oil Marketing Companies (OMCs) released tenders worth 313.57 crore litres for the current marketing year. To achieve 10% blending, distillation capacities need to be increased, which requires increasing the existing capacities as well as the establishment of new capacities.

There has been a record sugar production in SS 2017-18, mainly due to better recoveries and yields. The current production trend, subject to the impact of any adverse climatic factors, is likely to continue, and is expected to well outstrip the consumption. Instead of exporting such surplus at losses, the Government would do well to permit sugar mills to produce ethanol from B-Heavy molasses, to be able to regulate sugar production in the years of surplus sugar production and simultaneously, to strengthen the ethanol blending programme. It may require policy formulation and dual pricing mechanism, based on the type of molasses used in the production of ethanol.

Government Policy

The various policy initiatives undertaken by the Indian Government for Ethanol blending:

The Central Government has raised the ethanol price by around 5% - from ₹ 39/ltr to ₹ 40.85/ltr for Marketing Year 2017-18 starting from December 2017 for a total quantity of 313 crore litres, marking an increase of ~12% over last year's quantity.

There has been a sharp increase in energy consumption, triggered by high levels of economic growth and industrialisation.

THE CO-GENERATION MARKET

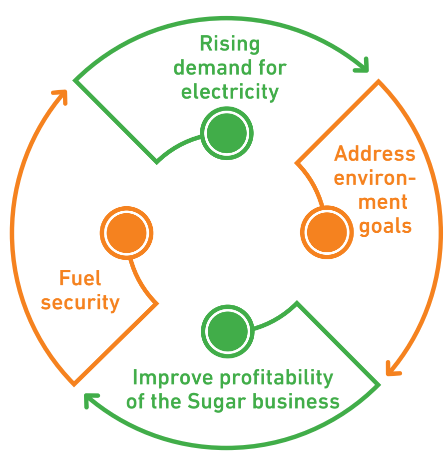
Co-generation is a decentralised incremental power addition that has many associated benefits, such as mitigated risk of loss of power to large areas due to shutdown, reduced T&D losses, local power supply, and employment generation. The importance of having high efficiency grid connected co-generation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

Market Analysis

The installed power generation capacity in India is 334 GW, as on March 31, 2018, out of which 20% at 69 GW is renewable power. The Government has set a target of 175 GW renewable power installed capacity by the end of 2022, which includes 60 GW from wind power, 100 GW from solar power, 10 GW from biomass power and 5 GW from small hydro power. The all-India potential of bagasse based co-generation is estimated at 7,000-7,500 MW. UP is the leading state in bagasse-based power generation, with an installed capacity of around 1,200 MW. The potential of bagasse co-generation within UP is around 1,500 MW, from over 130 sugar mills. The sugar mills work on a Power Purchase Agreement (PPA) model with the Uttar Pradesh Power Corporation Ltd. (UPPCL).

Demand Drivers

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



Demand-Supply Scenario

Bagasse-based co-generation should remain in focus in U.P., along with other renewables. The potential for bagasse co-generation lies mainly in the nine key sugar-producing States, especially in U.P., since it is one of the highest sugarcane-producing states.

Government Policy

The Government is providing various incentives and schemes to promote grid interactive biomass power and bagasse based co-generation in sugar mills. A subsidy is provided under Central Financial Assistance for private sector projects, such as IPP Grid interactive biomass combustion power projects and bagasse co-generation in private / joint sector sugar mills, IPP-based BOOT/BOLT model projects in Cooperative / Public sector sugar mills.

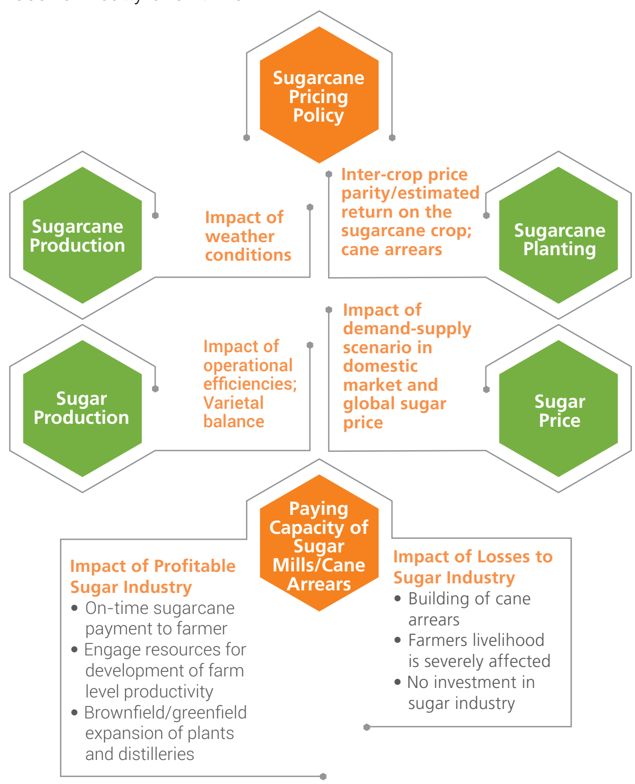
Sugar Industry and Economy

It is estimated that the annual direct and indirect contribution of the sugar industry to the exchequer is around ₹ 75,000 crore. The industry has the potential to cater to the growing domestic sugar consumption, while supporting the country in reducing the oil import bill through supply of ethanol for fuel blending, and also generate energy as a renewable power producer. The need of the hour is to improve the quality of the sugarcane produced, i.e. higher yields and recoveries, along with increase in the operating efficiencies at the mills. In order to unleash the full potential of the sector, it is necessary to rationalise the sugarcane pricing mechanism.

Policy level interventions are required to ensure the viability of the sugar industry, while protecting the interest of all stakeholders i.e. farmers, consumers and sugar mills.

- Ensure a level playing field with rational sugarcane pricing policy based on commercial considerations across the country
- Incentivise farm level productivity
- Strengthen farmer-miller relationship
- Sustainable inter-crop price parity
- Ensure sugar price linked to input prices
- Enforce better and on-time import/export decisions
- Incentivise the production of green power and green fuel

These interventions should help in uncapping the immense potential of the sugar industry. The Government is exploring the possibility of manufacturing flexi-fuel cars and vehicles in India, which can run on higher ethanol blend percentages. This will require increased ethanol production. The sugar industry in India has the potential to act as an energy-producing hub for the rural sector, which will boost the rural economy and facilitate the Government in enabling the socio-economic transformation of the rural population. Rising fossil fuel costs, fuel security issues and Government policies to support renewable energy will allow renewable fuels to compete economically over time.



The sugar industry in India has the potential to act as an energy-producing hub for the rural sector, which will boost the rural economy and facilitate the Government in enabling the socio-economic transformation of the rural population.

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BUSINESS REVIEW

With its synergistic and strategic business units, the Company is continuously sowing new seeds to nurture greater success, year-on-year, to drive increased value delivery for its stakeholders.

Sugar Business

Triveni operates seven sugar units spread across the State of Uttar Pradesh (U.P.). Most of its mills are located in Western and Central U.P., while one unit is located in Eastern U.P. The weightage of sugarcane crushed by the Company in Sugar Season 2017-18 is ~7.5%, while sugar output is equivalent to ~7.9% in the State. The Company manufactures refined sugar, which constitutes ~40% of the total sugar production and fetches a premium over the sugar price of normal sulphitation sugar. The refined sugar is supplied to high grade end-users, thereby creating a niche customer profile. The Company also produces different grades of Pharma sugar that can be customised as per customer's requirements. Triveni's seven sugar units strictly adhere to best-in-class manufacturing processes and quality benchmarks, and supply sugar to major multinational soft drink companies, leading confectionery manufacturers, breweries, pharmaceutical companies and leading ice cream producers for their requirements.

Performance Overview

The Company has achieved record sugarcane crush and sugar production during Sugar Season 2017-18. The sugarcane crushed by the Company during the season was 31% higher than the previous season, with an increase in recovery by 32 basis points, which resulted in about 35% increase in sugar production. The performance of Triveni sugar units has been significantly higher than the U.P. state average – the differential recovery in the present season is 53 basis points more than the state average, as against 44 basis points in the previous season. The increase in sugar production in the current season is 35% as against 38% in the entire state. The refined sugar production from the two units of Khatauli and Sabitgarh remained at 40% of the total sugar production, which will also help Triveni achieve better overall average sugar realisation. The average sugar price realisation for the Company has been ₹ 36,244/MT during the year.

(Million Tonnes)

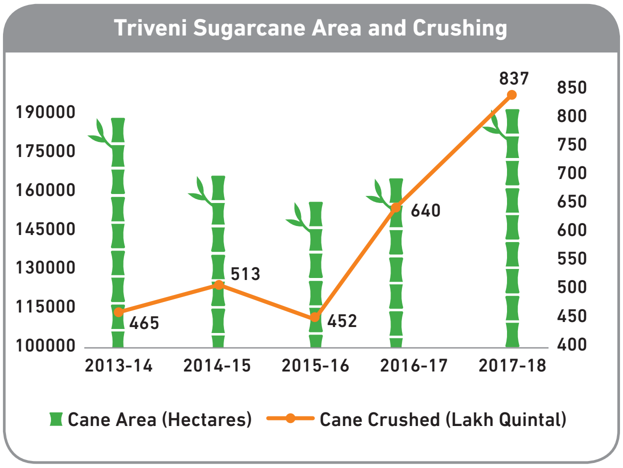
Units	Sugar Recovery (%)		Sugarcane Crushed		Sugar Production		Increase over SS 2016-17		
	SS 2017-18	SS 2016-17	SS 2017-18	SS 2016-17	SS 2017-18	SS 2016-17	Recovery	Sugarcane Crushed	Sugar Production
Khatauli	11.38	11.01	2.21	1.82	0.25	0.20	0.37	22%	26%
Deoband	11.11	10.70	1.50	1.17	0.17	0.12	0.41	29%	34%
Ramkola	11.24	11.21	0.98	0.69	0.11	0.08	0.03	42%	42%
Sabitgarh	11.03	10.39	0.97	0.74	0.11	0.08	0.64	31%	39%
Chandanpur	12.00	11.83	1.00	0.78	0.12	0.09	0.17	28%	30%
Rani Nangal	12.00	11.78	0.93	0.71	0.11	0.08	0.22	30%	33%
Milak Narayanpur	10.97	10.60	0.78	0.50	0.08	0.05	0.37	57%	62%
Group	**11.38**	**11.06**	**8.37**	**6.40**	**0.95**	**0.71**	**0.32**	**31%**	**35%**

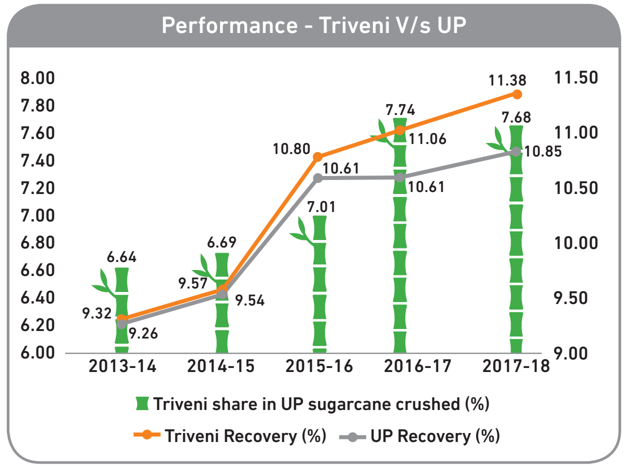
Chandanpur, Milak Narayanpur and Sabitgarh units operate incidental co-generation units and export the surplus power to the grid, leading to the generation of an export revenue of ₹ 23.6 crore in FY 18.

Organic Growth through Cane Development Programme

Being a large-scale manufacturer of different varieties of sugar, along with co-products, the Company works continuously with its farmers to increase farm productivity through a well-planned Cane Development programme.

This programme is carried out with rigour and fervour, across all the seven sugar manufacturing units. The Company's efforts in providing high-yielding seeds and inducing better agronomic practices have positively impacted the yields, earning the confidence of more than 250,000 sugarcane growers.





The sugarcane crushed by the Company during SS 2017-18 was 31% higher than the previous season.

These continuous efforts have resulted in increase in area under sugarcane plantation, leading to increased sugarcane crushing and higher yields. While the State of Uttar Pradesh showed a CAGR of 9.23% in sugarcane crushed during the past five years, Triveni Sugar grew by 12.5% during the same period. Similarly, the average recovery improvement during the past five years for the state of Uttar Pradesh has been 1.61%, whereas Triveni successfully achieved an improvement of 2.06% during the same period. The increase in crushing, coupled with higher recoveries, led to record sugar production for the Company in SS 2017-18.

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

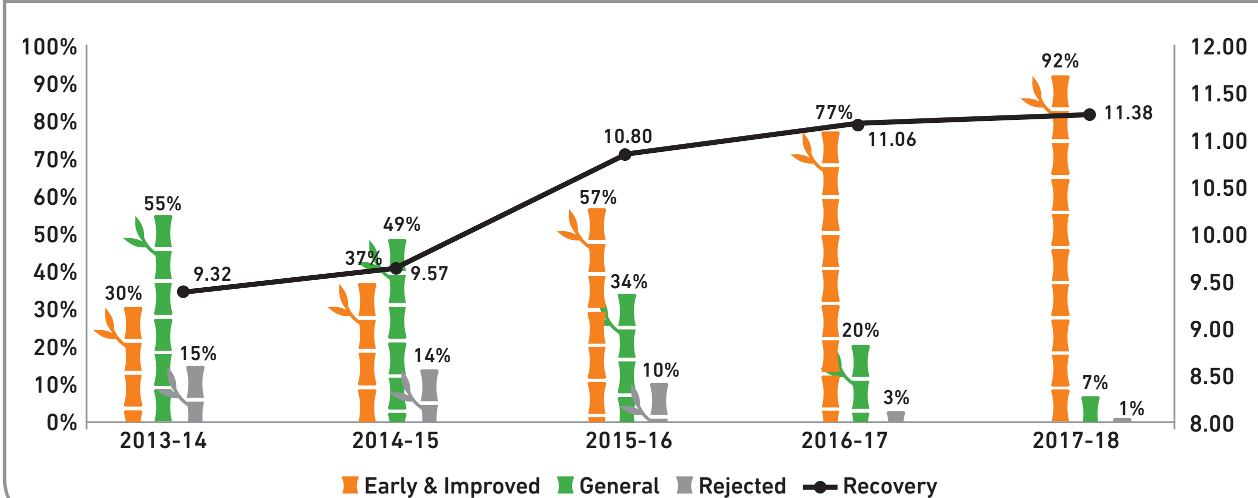
Besides varietal development, the Company is also working on yield enhancement activities such as green manuring, intercropping, deep ploughing, planting by trench method, 4-5 feet planting; single bud planting and planting by upper 1/3rd portion of cane. This has resulted in yield improvement - from 450 quintals/hectare in 2013-14 to over 600 quintals/ hectare in 2017-18.

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

Outlook

Sugar stocks are expected to increase from ~ 3.9 million tonnes at the beginning of SS 2017-18 to over 10 million tonnes by the end of this sugar season, after considering 0.5 million tonnes of exports under MIEQ. The stocks are higher than the acceptable levels by 2-3 million tonnes, and there are forecasts of even higher production next year, which could be the reason for the

Change in Sugarcane Varietal Mix and Recovery



depressed sugar pricing scenario. Pressure on sugar prices, and the consequent deteriorating financials, are leading to the building of cane arrears - to around ₹ 20,000 crore by end of May 2018. The planting for SS 2018-19 has been completed, and as per estimates, the area under sugarcane cultivation has increased by 1% y-o-y across India, which is expected to result in another year of surplus. There is dire need of sugarcane price linkage with sugar prices, as the sugar industry cannot sustain another slump of the kind witnessed during 2012-2015. The industry is hopeful that the Governments, both at the Centre and in the state of UP, will seriously address the issue of sugar prices and financial support in the short term, and will initiate some much needed reforms linking sugar prices with cane prices, along with flexibility to regulate sugar production through the production of ethanol from sugarcane juice / B-heavy molasses, in the long term, for the sustainability and viability of the industry.

Co-generation Business

Bagasse is a fibrous residue left after crushing of sugarcane and is a key by-product of the sugar industry. Being a renewable fuel, it does not lead to any net carbon dioxide addition to the atmosphere and is thus regarded as green fuel.

Triveni currently operates grid-connected three large capacity co-generation plants and three smaller co-generation capacities (incidental co-generation facilities) at its five sugar units, namely Khatauli, Deoband, Chandanpur, Milak Narayanpur and Sabitgarh units. The former three large-sized plants are part of the operations of Co-generation, whereas the other three small-sized plants are considered a part of the sugar operations. Triveni's co-generation plants at Khatauli and Deoband utilise highly efficient 87 ata / 515°C steam cycle to maximise efficient usage of bagasse.

After meeting the sugar factory's captive requirement as well as the co-generation plant's auxiliary power requirement, surplus power from these plants is exported to the grid. The Company has power purchase agreements with UPPCL for all its co-generation facilities.

Facilities

The co-generation plants at Khatauli and Deoband utilise highly efficient high pressure (87 ata) and temperature (515°C) steam cycles, and are regarded amongst the most efficient co-generation plants in India. The Company's smaller capacity co-generation plants operate mostly on medium pressure steam cycles (46 ata/440^{0}C). These plants are designed to conduct fully-automated operations, using the latest Distributed Control System (DCS). Highly experienced and skilled manpower operates these plants, thus ensuring trouble-free efficient operations with high uptime and reliable operations, along with very high operating efficiencies. The Company puts significant emphasis on maintaining excellent management of the boiler feed water quality parameters to ensure sustained and trouble-free operation of the boiler and the turbine.

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

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

Performance Overview

The operation of the bagasse-based co-generation plant depends upon the availability of bagasse from the sugar factory to a large extent. The availability of bagasse from the sugar factory in turn depends upon cane availability for the crush during the season and efficient operations of the sugar factories. Higher cane availability leads to more season operating days, higher bagasse savings, and therefore longer operation of the co-generation plants.

The Company has undertaken an extensive and focussed cane development programme in the command areas of its sugar units, particularly in the previous three years. This has led to much better availability of sugarcane in view of the significantly improved yields. Accordingly, the operating days increased by 25% and bagasse availability increased by 20%, and these two factors were responsible for much improved financial performance of the co-generation segment.

The performance of the co-generation plants at Khatauli and Deoband continued to be excellent, with very high uptime and reliable operations. The requirements of process steam and captive power of the sugar factory operations were fully and efficiently met. Apart from captive supply, bagasse was also procured from outside sources to optimise the co-generation operations at both the co-generation plants during the off-season, the results of which will be reflected in the next accounting year.

The Company's incidental co-generation facilities also performed well and its plants at Chandanpur, Milak Narayanpur & Sabitgarh units recorded their respective highest power export in 2017-18 since inception. Due to increased cane availability at Chandanpur unit, a small capacity low pressure boiler was installed and commissioned during the ongoing crushing season 2017-18, in the month of December 2017, and this facilitated continuous export of power from the unit, post commissioning of the boiler.

The Company has undertaken an extensive and focussed cane development programme in the command areas of its sugar units, particularly in the previous three years, enhancing bagasse availability for co-generation plants.

During the year under review, the co-generation units generated ~28% higher at 275.4 million units, while the exports to the grid have been 182.3 million units. Apart from this, the incidental co-generation units of Chandanpur, Milak Narayanpur and Sabitgarh exported 44% higher at 40 million units to the State Grid.

The operations of co-generation include income of ₹ 10.1 crore arising from the sale of The Renewable Energy Certificates (RECs), as per the CERC's REC mechanism during the year, through transaction of the already issued RECs. In view of some recent changes, against which the industry has made strong representation, all the sugar units, except at Sabitgarh, will no longer be eligible to be issued RECs from April 1, 2018.

Awards & Recognition

The Company pays high level of management focus on the safety of its operating staff, plants and machinery. Greentech safety awards have been won by Khatauli (Greentech Platinum Safety Award) and Deoband (Greentech Silver Safety Award) in the past. The Khatauli co-generation plant also won the Gold award in EKDKN INNOV Award 2017 under OHS Category in Power (Inclusive Renewables) Sector.

Outlook

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

Distillery Business

The Company operates a 160 Kilo Litre Per Day (KLPD) capacity state-of-the-art molasses-based distillery in Muzaffarnagar district in U.P. It is one of the largest single stream molasses-based distilleries in India. Strategically located in close proximity to two of the Company's largest sugar units (Khatauli & Deoband), the distillery has an assured access to consistent supply of captive raw material (molasses). The unit extracts bio-gas from the effluent, and uses it as the main fuel in the boiler to meet the process steam and power requirements.

The distillery has a flexible manufacturing process, allowing it to produce high quality Extra Neutral Alcohol (ENA), Rectified Spirit (RS), Specially Denatured Spirit (SDS) and Ethanol, based on the market dynamics and requirements. However, for the last few years, the distillery has been producing the maximum quantity of Ethanol and supplying it to OMCs for blending in petrol. The ethanol produced from the distillery is also supplied to other major players in the O&G sector.

Performance Overview

The distillery unit continued to operate efficiently and achieved high levels of the fermentation and distillation efficiencies during the year. The distillery remained closed for over a month in the first half of FY 18, which adversely impacted the overall production. During the year under review, approximately 94% sales of the distillery was Ethanol, with the balance 6% being ENA. The total production of the distillery for FY 18 has been 26.624 million litres, while sales stood at 28.093 million litres.

Ethanol, also known as fuel alcohol, is blended with petrol as a green fuel. Apart from augmenting the country's fuel self-sufficiency with cost advantage, blending of ethanol with petrol helps in reducing the nation's carbon footprint, besides enabling savings of precious foreign exchange on import of crude oil. As per the bio-fuel policy of the Central Government, ethanol blending is targeted to be 20% by 2022, creating continued demand from the indigenous suppliers. The off-take by Oil Marketing Companies (OMCs) has been steadily improving. Triveni has aggressively participated in all tenders issued by the OMCs for the procurement of Ethanol and has secured sizeable quantities.

Awards & Recognition

Triveni is the first Company in U.P. which has obtained certificate from Food Safety and Standards Authority of India (FSSAI) for manufacture of RS (P) and ENA. The Company's distillery has won many awards in the past, and in 2017, the unit won Golden Peacock Business Excellence Award in Chemical sector from the Institute of Directors, New Delhi.

Outlook

The Central Government has embarked on an ambitious ethanol blending programme under its bio-fuel policy, and is keeping a strong focus on enhancing the ethanol blending percentage, with the aim of going to over 20% in very near future. However, there is continued shortage of indigenous ethanol, which means that a large market exists for ethanol from the Indian manufacturers.

In view of higher sugarcane crush in the state of Uttar Pradesh in SS 2017-18, there has been a glut of molasses, but inadequacy of storage capacities has caused the prices to nosedive to almost nought due to panic selling. While it is a considerable loss for the sugar mills, the operations of the distillery have become very profitable, due to the abnormally low raw material prices. Considering the aforesaid scenario, the Company has decided to set up another distillery of 160 KLPD at its Sabitgarh sugar unit and install incineration boilers at both the units for 330 days operations. Such capacities are expected to be functional in the first half of FY 19 and the production potential is likely to increase by 140% as a result. The additional capacities will also help the Company produce ethanol from B-heavy molasses, if required and found viable.

The Industrial Gears industry

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

Demand Drivers

The major demand driver for Industrial Gears is industrial capital expenditure, mainly in sectors like Power, Steel, Refineries, Fertilisers, Cement, Textiles, Sugar, Mining, Power, etc. The infrastructure-related investment in the country stimulates the growth of heavy industries, which in turn fuels the growth of the Industrial gearboxes market. Triveni's core product - High-Speed Gears - are used for all turbo applications like gas turbines, steam turbines, water turbines, compressors, pumps, blowers and test rigs meeting AGMA and API design standards. Demand for these products is linked to industrial growth and the capital goods sector. However, part of the demand is generated from the exports undertaken by domestic OEM customers, which is linked to global demand of products related to Capital spend. Aftermarket opportunity demand is linked to plant utilisation levels, cost pressures on maintenance budgets, policy of keeping insurance spares, emergency breakdowns and alternate sourcing needs to bring down product costs.

Business Opportunities

As a result of the policies being pursued by the Government, business sentiment and capacity utilisation have improved perceptibly, and there are some indications of fresh capital investment in industrial segments like steel, cement, sugar and oil and gas. Increased acceptance of engineered capital goods from India in global markets has boosted sourcing from quality-conscious credible Indian manufacturers.

The Government of India's Make in India initiative has led to new opportunities for diverse engineered products, and Triveni's Mysuru facility is actively participating in many of these indigenous development projects. The Defence Procurement Policy 2016 focusses on self-reliance for various equipment in Design, Development and Manufacture by Indian Industry. Most of the new projects envisaged by the Defence sector are customised requirement for critical equipment, offering substantial value to the existing portfolio of Triveni Gear's rotating machinery. Triveni Gears is initially focussing on Naval Defence markets and has gained some foothold in the critical turbo pumps space.

The Company also expects new capex in the Oil refinery segment for upgrading facilities to meet the prescribed better emission norms, which could be a driver of demand for the equipment manufactured by Triveni. Additionally, the Fertiliser sector is also expected to go for revamp and brownfield expansions, which may generate fresh capital expenditure.

Outlook

The thermal power sector continues to be under pressure for new capex because of the surplus electricity availability in many states, due to nationalisation of grid and slackened industrial activities. There has been a perceptible pickup in activities in Cement, where the capacity utilisation has improved by around 10%. After the diminishing effect of GST and demonetisation, normalcy is being restored, and various sectors of the industry are poised to show growth in the coming quarters. Growth initiating policies like smart cities project, national corridors, water ways and ports infrastructure are likely to boost demand in the Infrastructure sector, particularly Cement and Steel.

The Steel sector has witnessed better price realisation and increase in demand due to a multitude of external factors, such as higher import taxes, but liquidity has been a concern and has negatively impacted this sector. Sugar segment in the northern region has seen good growth in price realisation, owing to improved financial conditions in the past two years.

The growth of the Capital Goods sector in India is expected to be led by increased demand and improved business sentiment, owing to favourable Government policies. The demand drivers for Triveni Gears are expected to be mainly Infrastructure development, new investments in Power projects, Marine and Naval vessels, Metals, Oil and Gas, and Petrochemicals industries. The Government's focus on projects like 'Make in India' is giving further impetus to the overall growth of the Capital goods and other Manufacturing sectors. Apart from the domestic market, it is imperative to explore exports to its full potential.

Triveni Gears – Business Overview

The Company is focussed on all high-speed and niche low-speed products, encompassing supply of new equipment as well as providing replacement solutions for the Power sector, Oil & Gas, Sugar, Cement, IPPs, Steel & Metals, Paper, Chemical/Process and Mini Hydel. In exports, the focus is on new equipment in South East Asia, while for replacement solutions, the key target markets are South Asia and South East Asia, Middle East and Africa. During FY 18, the domestic market segments in which the Triveni Gears business operates have shown marginal increase, combined with growth coming from indirect exports through OEMs sourcing gearboxes to meet their export demand.

Major OEMs for high-speed turbo applications such as Steam Turbine, Pumps and Compressors have shown growth in the domestic as well as export markets. Gears Business has witnessed good growth in turnover and bookings. The bookings growth includes diversification into machining of Wind gear components to utilise excess capacity, and long-term supplies to Defence and global OEMs.

The Aftermarket segment, along with replacement solutions, has witnessed growth of 20% in turnover, as a result of increase in spend towards maintenance spares during the year. O&G and Process industry along with IPPs have been the major contributors to growth in this segment.

The Company is exploring other avenues of growth and utilising its existing infrastructure for component manufacturing, aligned to the customer's drawing, on a serial production basis, and contracts for these have been signed. Similarly, the Company is also exploring the possibility of venturing into Marine Defence engineered products.

The expected business from the strategic supply agreement with GE Oil and Gas could not materialise due to slackened global demand owing to the slowdown in Global Oil and Gas Market. However, during the last quarter, business has witnessed encouraging order inflow from GE.

Market Overview

Gearbox for steam turbines segment order booking has shown a growth of 55% in the financial year under review, both from domestic and exports regions. In the refinery sector, several expansions have been announced, which are likely to fructify into new orders in the coming year, even though some growth in this segment on account of upgradations was witnessed even in FY 18. The Government's initiative to revive the Fertiliser sector has given a boost to pump and compressor manufacturers, thus triggering expected growth for our products.

Only few thermal plant projects were contracted, which resulted in lower orders for Boiler feed pump requirement during the year, and the trend is likely to continue in the coming years as the focus is on non-thermal power generation due to environmental concerns. Gas turbine based power generation continues to be operating at very low capacity due to low availability and high gas price. In the Hydel segment, due to environmental clearances etc., not many projects were taken up during FY 18. Other infrastructure dependent sectors like Cement and Steel have shown mild growth, owing to increase in capacity utilisation and better financial health of the sector.

Globally, the Oil and Gas segment is still not showing big growth, despite increase in oil prices; capex is dependent on sustainability of oil prices. The geopolitical issues and increase in shale gas production have also resulted in lack of investment in new greenfield projects. However, in the domestic O&G sector, some improvement in capex spend is being witnessed due to upgradation of plants to BS6 norms – a trend that is likely to continue in the coming years. Replacement markets in the O&G segment is also seeing some growth in investments in the domestic market, though the international markets continue to remain muted.

Segments

OEM

Triveni Gears is a dominant player in high-speed Gears segment in India. Having achieved over 80% of the domestic market share across OEMs, it is expanding its market reach and dominance in select South East Asian markets. The Company also supplies gear boxes for Hydel application and low-speed applications, including reciprocating pumps and compressors, mill drives and pump drives.

Replacement, Refurbishing and Spares

This has been a dominant market segment for the Gears business and, being an OEM, customers repose confidence in the offerings of the Company. This market is governed by quick response, robust service capabilities and strong stakeholder relationship. The business caters to the same products as in the OEM segment and all other critical products in the low speed segment. The service solutions provided by the Company for proactive health monitoring of all types of critical gearboxes, high-speed and low-speed, and its strong inventory of dimension-ready sites create a differentiator vis-à-vis competition in terms of offering a quick solution, should the need arise. Apart from technical competence, the speed and quality of response provided by the service team is critical for customers to decide order placement, and the Company scores high in this area. The solutions provided by the Company are technologically at par while remaining cost competitive in comparison to international competitors. This, coupled with a shorter lead time, provides a competitive advantage to Triveni in this business segment.

Loose Gearing

The market dynamics of this segment are similar to the OEM segment. This segment demands a capacity availability of critical machines like hobbing, teeth grinding, as well as surface grinding. The Company has a limited yet strategic presence in the segment.

Exports

In order to have reach and access to international customers, Triveni Gears has appointed agents in South Africa and African region, Malaysia, UAE, etc., and it is expected to yield results over a period of time. It is in the process of evaluating and strengthening its network of agents in other geographies, namely Vietnam, Thailand, Philippines and Turkey.

Performance Overview

The performance of Triveni Gears has been encouraging across metrics, and also has firmed up its footprint through diversification into Wind Gears machining by entering into a multi-year agreement with a global OEM. Bookings, turnover and order position have witnessed growth of 85%, 32% and 133%, respectively. In addition, lateral diversification into engineered products in Naval Defence space has also been undertaken by the Company, unleashing higher growth potential in upcoming sectors like Defence.

Key highlights of FY 18:

Domestic

- An order of highest power of 64 MW Gearbox received from GE Triveni Ltd. for an export order
- Entry into prestigious Defence project for design, development, manufacture and supply of prototype Turbo Extraction Condensate Pump and fin stabilisers
- Supply of gear internals for 5 OPV project for the naval marine
- Received multiple orders for replacement of high power gears and gearboxes of European makes from diverse industries
- 100% market share in boiler feed pump segment

Exports

- Received a large order from GE PT for high power gearboxes through GE NP for an overseas project
- Received order from global multinational high-speed pump manufacturers for gearboxes
- Introductory order received for integrally geared compressor from China and approved for long-term sourcing
- Multiple orders received from global customers for replacement of high-speed turbo gears across various geographies

INDIAN WATER INDUSTRY

Triveni is focussed on two major customer segments in its Water business – Municipal and Industrial. This section gives an overview of the current state and future evolution of the Water industry in India.

Industry experts are optimistic that these issues can be resolved with the implementation of innovative solutions for more efficient water management through Demand Side Management, Enhanced Water Use Efficiency and Wastewater Recycling.

Market Analysis

With more than 18% of the world's population and only 4% of world's renewable water resources, India presents a huge business potential. It has been estimated that the water demand in the country will increase from 710 BCM (Billion Cubic Meters) in 2010 to almost 1180 BCM in 2050. Increasing urbanisation is significantly pushing water demand in India, and exerting considerable stress on civic authorities to provide basic requirements, such as safe drinking water, sanitation and infrastructure. Rising industrialisation, to support the rapid urbanisation, and increase in the demand of energy, is further affecting the demand-supply scenario of water.

The domestic and industrial water consumption is expected to increase almost 2.5 times by 2050. The Central Government has been committed to enhancing the water availability and quality through various measures over the past two decades. The country is still facing challenges like water deficiency, mismanagement of water resources, regional disparities, groundwater depletion and contamination, and inefficiencies in usage. The estimated sewage generation in the country till 2015 was 61,754 MLD, as against the developed sewage treatment capacity of 22,963 MLD, leading to about 62% of untreated sewage being discharged directly into nearby water-bodies.

Demand Drivers

Various estimates suggest that India's water sector is a USD 4 billion market, with an expected double-digit growth in the coming years. Stringent environment norms, depleting groundwater sources, commissioning of industrial hubs/ SEZs are the key drivers for the industrial segment. In the municipal segment, the Central Government policies, along with the focus of State Governments and municipalities on improving their performance in providing water and sanitation to citizens, are the major demand drivers. The Government-related projects contribute over 50% of the revenues in the market, with private sector projects constituting the remaining. India is one of the biggest markets in size and growth rate, but the volume of capital expenditure is the lowest compared to other countries globally. This suggests that India has the largest potential for further growth in this segment.

Government Policy Framework

The Central Government has devised various schemes to address the gaps in accessing fresh water. The direct financial assistance for water sector projects at the state level, and funding from multilateral and bilateral agencies,

The domestic and industrial water consumption is expected to increase almost 2.5 times by 2050.

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are giving further impetus to the growth of this sector. The National Water Mission, launched by the Central Government, focusses on increasing water use efficiency at least by 20%, attention on overexploited areas, and promotion of basin level integrated water resources management. The Government has also established wastewater discharge standards for all segments, including municipal and industrial. The Government's recent initiatives – Clean Ganga Mission, Swachh Bharat Mission and Smart Cities projects – augur well for the sector.

Business Opportunities

The Central Government is planning to spend ₹ 20,000 crore till 2019-2020 on cleaning Ganga river under "Namami Gange" programme, increasing the budget by four-fold, and with 100% Central share. The implementation of the programme is divided into phases. The medium-term activities (to be implemented within 5 years of the time frame) will focus on arresting the municipal and industrial pollution entering into the rivers, along with creation of 2,500 MLD municipal sewage treatment capacity. For managing the industrial pollution, industries located along Ganga have been directed to implement zero liquid discharge. All the industries have to install real-time online effluent monitoring stations. In Union Budget 2017-18, ₹ 2,250 crore has been allocated towards Namami Gange – National Ganga Plan.

The Government has also allocated about ₹ 9,000 crore for two central schemes – Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and 'Smart Cities' Mission. The Smart Cities and AMRUT schemes support the creation of world-class urban environments in select cities, including the creation of basic infrastructure services in water supply and sanitation, such as 24X7 water supply, sanitation, drainage, solid waste management and sewage treatment. Under the Smart Cities programme, it is proposed to develop 100 smart cities – 99 cities have already been selected so far, and in the 2018-19 budget, ₹ 6,169 crore has been allocated. In the 2018-19 budget, ₹ 6,000 crore has been allocated for AMRUT, which aims to develop 500 cities.

In the industrial segment, water availability is critical for power generation, as power plants need a significant volume of water for steam generation and cooling. Thermal power plant, petroleum and refinery, textiles, pulp and paper, and iron and steel are highly water-intensive sectors where water is primarily used in heat transfer. As water availability and quality declines, companies may need to invest in water infrastructure projects to secure supplies, water treatment systems, and/or more advanced cooling systems. The industrial units across the country have to set up effluent treatment plants and zero liquid discharge systems in order to curb the release of untreated waste into the water bodies, as per the Government norms.

TRIVENI WATER - BUSINESS PERFORMANCE

Continuing its focus on key operational areas of water and wastewater treatment and management, Triveni Water (WBG) made significant progress during the year, with commercial closure of almost all old jobs. This will not only enable collection of blocked dues but will also improve focus on revenue earning jobs. A focussed region-wise business development approach resulted in the Company making successful strides in southern India in the Municipal segment. This is expected to multiply the Company's presence in hitherto unchartered territories, ably aided by its track record of completed projects, many of which are now industry benchmarks.

The market remained inactive during the year, with extremely low order finalisation. The Company has a strong bidding pipeline and is hopeful of securing significant orders as and when these are finalised. The scenario of order finalisation considerably improved towards the end of the year, raising prospects of significant order booking for the Company next year.

Performance Overview

The market remains subdued in the first half of the year due to various factors, including GST implementation, and most of the Government bids were re-invited in the later half of the year with revised commercial document. Another key factor for the low sentiment in the market was the change in Government in states like U.P. & Punjab, and other geopolitical situations in many of the northern as well as some southern states (Tamil Nadu mainly), where major investments were expected in this segment. All these factors had a significant adverse impact on the Company's business plans.

In view of the minimum infrastructure required in the Water Business by way of various personnel in the support services and operating functions, it is imperative to achieve optimal turnover for profitable operations. In view of problems attributable to customers, there had been slow execution of some projects. Also, the order intake was meagre due to subdued business conditions, leading to lower than optimal turnover. It is expected that things would start looking up with better order flow.

In its export market foray, the Company received some jobs in neighbouring countries, which should gradually lead to better growth opportunities in the future.

Key Highlights

- Secured a contract for a 40 MLD Sewage Treatment Plant (STP) from Bangalore Water Supply & Sewerage Board (BWSSB), which will help the city in managing its acute untreated sewage problems. Project has long-term O&M contract as part of the scope

- From the same client (BWSSB), secured a contract for 210 MLD Sewage Pump House in Bengaluru (Koramangala), which is very crucial for transferring untreated sewage to sewage treatment facilities. Due to specific site issues, this pump house will be constructed using well-sinking methodology, and will be one of the largest facilities in the city built with such construction methodology

- Completed Performance Guarantee (PG) test successfully for water treatment plant comprising Condensate Polishing Units (CPU) and DM plants for M/s Gas Authority of India Ltd (GAIL) at their Pata (U.P.) petrochemical facility, and has been handed over

- Completed PG tests at Effluent Recycling Plant (ERP) of 18,000 M3/day (18 MLD) capacity for M/s Aravalli Power Company Pvt Ltd (a Joint Venture of NTPC, HPGCL and IPGCL) at their Jhajjar (Haryana) Thermal Power Plant of 3 X 500 MW capacity. The ERP facility is based on extensive state-of-the-art treatment scheme, including Ultrafiltration (UF) and Reverse Osmosis (RO). The water so produced is being used by the Power Plant as their raw water source, thus reducing dependence of external fresh water supply by 18 MLD

- Continued good performance for Biogas-based Power Generation 100 MLD STP at Gurgaon for Haryana Urban Development Authority (HUDA), as one of the largest facilities in the National Capital Region (NCR), thereby contributing its share to Waste-to-Energy programme of the Government

Outlook

With the precarious water availability scenario, every country, community and company should seek innovative solutions for efficient water management. The opportunities presented by the domestic water sector are enormous. Synchronised efforts of the public and private sectors can lead to the development of integrated water solutions to resolve the water crisis in the country.

Various schemes under JICA (Japan International Cooperation Agency) funding have started the bidding process for various large-sized STP projects, particularly in Delhi. Various Industrial clusters are expected to finalise their Common Effluent Treatment Plants (CETP) in the coming year, due to increasing pressure from the National Green Tribunal (NGT), specially for the industries where up to 70% Central Government funding is available.

The industrial market, except for PSUs, remained subdued during the year, due to various economic factors, and the Company does not expect a major change in this segment for the next couple of years. Desalination for large projects will be driven by the states of Tamil Nadu and Gujarat. KfW, a German developmental funding agency, and JICA have committed funding towards mega-sized drinking water Desalination projects, which should pave the way for setting up of large desalination plants.

The industry needs to develop new and more cost-effective technology and design systems that work for local needs while improving efficiencies. The sector would remain one of the key focus areas for the country in the medium to long term, as improved water resources management contributes significantly to increased production and productivity, thus boosting the country's economic growth.

COMMUNITY DEVELOPMENT INITIATIVES

Triveni's community development initiatives are focussed on five key areas - education, healthcare, environment, community enhancement and sports & recreation.

Education

The Company runs schools at three of its major sugar units namely Khatauli, Deoband and Ramkola. The Company established Lala Puran Chand Sawhney Memorial Inter College, Deoband as a primary school in the year 1970. Now this school imparts education up to Class 12th to the children of the factory employees as well as to the poorest of poor family's children in the vicinity of the factory at a very nominal fee. The Company has established a basic Prarambhik Pathshala and Rai Bahadur Ishwardas Sawhney Junior High School under the aegis of Rai Bahadur Ishwardas Sawhney Educational Society, Khatauli. The Company also support Smt. Gopi Devi Girls Junior High School, Ramkola to facilitate girls' education in the area. More than 1,300 students are enrolled in these schools out of which around 85% students are from the financially weaker section. These schools encourage activity-based learning. For inclusive growth of students, the schools organise various activities like painting and drawing competition, essay writing competition, singing and dancing competition, sports activities etc.

The Company runs schools at three of its major sugar units namely Khatauli, Deoband and Ramkola.

Early childhood care and education is now being universally recognised as a crucial input for overall development of Pre-Primary child. Realising this, many Non-Governmental Organisations like Pratham, Mysore have come up with model Preschool centres called Balawadis which advocate and practice play-way methods. The Company supports Pratham in its effort to address the Pre-School needs of children in slums and narrow lanes in Mysore. Pratham Mysore's Balawadi programme targets children from low-income families in the age group of 3-5½ years and familiarises them with schooling such that 'school-going' becomes a habit. The Company also sponsored E-Learning kit at Government Higher Primary School at Bhogatgalli village, outskirts of Mysore. This was in collaboration with Rotary Mysore West in its mission "Rotary India Literacy Project".

Healthcare

The Company established dispensaries for the employees and the nearby villagers since the time of commissioning of sugar units at Khatauli, Deoband and Ramkola in 1930s. This initiative was taken to provide free medical facilities to the employees and the villagers of the nearby areas who could not afford medical expenses and first aid facilities. These dispensaries provide free treatment for general ailments. The villagers from the nearby areas come for the first aid and routine check-ups in the dispensary and get free medical aid. On an average, around 200 patients are treated every day at these dispensaries. The sugar units also organise health check-up camps, blood donation and vaccination camps from time to time for the employees and nearby villagers. The Company sponsors Akshaya Patra Programme of ISKCON, which offers free, nutritious mid-day meals to underprivileged children studying in Government primary school in and around Mysore. The programme helps in increased enrolment of children in schools, enhanced classroom performance of children and improves nutrition status.

Environment, community enhancement and sports & recreation

The Company organises Inter unit sports activities for employees with the purpose of enhancing various skills like team building, managing stress and conflicts and thus helping employees to develop attitude for success. Various units of the Company also organise sports activities for residents of adjoining villages and support community fairs and festivities with useful contributions for organising such activities. The sugar units distribute blankets amongst underprivileged people of surrounding villages. Triveni recognises its responsibility towards environment protection and realises the importance of awakening and engaging public at large to achieve greater impact. All units of the Company regularly organise tree plantation campaigns throughout the year and ensure participation of local communities into it.

FINANCIAL REVIEW

₹ lakhs

Description	2017-18	2016-17	Change %
Income from Operations (Gross)	341238	296687	15%
EBITDA	30014	55194	(46%)
Depreciation and Amortisation	5537	5721	(3%)
Finance Cost	8534	12655	(33%)
Profit Before Exceptional / Non-Recurring Items and Tax	15943	36818	(57%)
Exceptional / Non-Recurring Items (Net)		(8547)	
Tax	4969	4915	1%
Profit After Tax	10974	23356	(53%)
Other Comprehensive Income	122	(449)	
Total Comprehensive Income	**11096**	**22907**	**(52%)**

The Profitability in the current financial year was adversely affected due to significant collapse of sugar prices in the last quarter of the current year, necessitating write-down of sugar inventories, which along with estimated export losses pursuant to the scheme of Minimum Indicative Export Quota (MIEQ) notified by the Government, impacted the performance results by ₹ 219.7 crore. In view of declining sugar prices as a result of more than expected sugar production in the SS 2017-18, the Government introduced MIEQ Scheme and export obligation was mandated for each sugar mill based on their past production data.

It was otherwise a record performance for the Sugar Business in terms of crush, recovery and production. After achieving 45% increase in production in SS 2016-17, it has further achieved 35% higher production in the SS 2017-18.

The Co-generation business performed much better than last year due to higher operational days in view of elongated sugar season and commensurate with increase in crush. The performance of Distillery was effected as it remained closed for over a month and operated at lower capacity due to some NGT mandated checks, which impacted the overall production. In view of strong commitment of the Government to pursue and support Ethanol Blending Programme, the Company has decided to set up additional distillation capacities at a cost of around ₹ 200 crore, which will be largely funded by soft loans to be provided by the Government.

The gears business performed well during the current year with robust increase in turnover, profitability and order booking. The performance of Water business was effected by delayed execution of projects attributable to customers, cost overruns, slow intake of orders due to delayed finalisation and resultant high provisioning. The momentum in order booking certainly looks promising towards the year-end and Water Business is confident of securing strong intake of orders in FY 19, which will lead to improved performance results.

Raw Material and Manufacturing Expenses

₹ lakhs

Description	2017-18	2016-17	Change %
Raw material	259820	207983	25%
Percentage to sales	76%	70%	
Manufacturing expenses	20398	18220	12%
Percentage to sales	6%	6%	

The increase in raw material cost is attributed to 3% increase in cane prices and 22% increase in cane crush. The cane price applicable to the SS 2017-18 is at ₹ 3,150/tonne as against ₹ 3,050/tonne in the previous season.

Manufacturing expenses have increased due to higher cane crush.

Both raw material and manufacturing cost in respect of sugar business have direct linkage with the cane crush rather than with sales.

Personnel Cost, Administration Expenses and Depreciation

₹ lakhs

Description	2017-18	2016-17	Change %
Personnel cost	20240	18771	8%
Percentage to sales	6%	6%	
Administration	7785	7750	0%
Percentage to sales	2%	3%	
Selling expenses	2087	1523	37%
Percentage to sales	1%	1%	
Depreciation & Amortisation	5537	5721	(3%)
Percentage to sales	2%	2%	

The increase in personnel cost is reflective of annual salary increase. Despite increased activity level, the administrative expenses have been well controlled and selling expenses have increased by 37% in view of 24% higher sales volume in sugar business and additional freight component on sale of ethanol in the state of U.P.

Finance Cost

₹ lakhs

Description	2017-18	2016-17	Change %
Interest on term loans	2615	4593	(43%)
Interest on working capital funds	5583	7615	(27%)
Others	336	447	(25%)
Net finance cost	8534	12655	(33%)

During the year, term loans were repaid to the extent of ₹ 323.98 crore (undiscounted principal), including prepayments of ₹ 121.38 crore. In view of improved financials, the interest rates were rationalised with the lenders and the average cost of term loans was at 8.55%.

The average working capital utilisation during the year was at ₹ 618 crore which is 15% lower than in the previous year in view of faster liquidation of sugar stocks relating to the previous year, lower bank credit due to low valuation of sugar inventories, and relatively slower cane payment in view of declining sugar prices. The cost of working capital funds was at 9.03%.

Overall cost of funds was 8.87% as against 9.65% in the previous year. There was substantial improvement in the debt profile of the Company and Total Debt : Equity Ratio improved from 1.99 last year to 1.41 as on March 31, 2018.

Segment Analysis

₹ lakhs

	Revenue			PBIT*		
Description	2017-18	2016-17	Change %	2017-18	2016-17	Change %
Business Segments						
- Sugar	333069	296136	12%	24123	48091	(50%)
- Engineering	28744	27339	5%	1748	1527	14%
- Others	6087	5618	8%	20	31	(35%)
Unallocated/inter unit adjustment	(26662)	(32406)		(1414)	(174)	
Total	**341238**	**296687**	**15%**	**24477**	**49475**	**(51%)**

*Before exceptional items

The Company has two major business segments – Sugar business and Engineering business. Sugar business comprises sugar manufacturing operations across 7 Sugar mills, 03 incidental co-generation facilities at three of its Sugar mills, 3 Co-generation plants located at two of its Sugar mills and a standalone Distillery, all located in the State of U.P. Co-generation plants and Distillery source captive raw material, namely, bagasse and molasses, from the Sugar mills. Engineering business comprises of Gears manufacturing at Mysore and Water and Wastewater Treatment business operating from Noida, U.P.

Sugar Business Segments

Sugar Operations

₹ lakhs

Description	2017-18	2016-17	Change %
Turnover	299964	261079	15%
PBIT	11559	36492	(68%)
PBIT/Turnover (%)	4%	14%	
Cane crush (MT)	7338500	6005586	22%
Recovery (%)	11.29%	11.01%	0.28%
Cane cost (landed) (₹ /MT)	3337	3229	3%
Production of sugar (MT)	828517	661229	25%
Volume of sugar sold (MT)	761276	613755	24%
Average realisation price (₹ /MT)	36244	36228	0%

During the year, the profitability of sugar operations was impacted by steep fall in sugar prices in the last quarter of the year due to which, the Company had to write-down sugar inventory by ₹ 219.7 crore, including estimated losses on exports pursuant to MIEQ Scheme. Increased costs due to higher cane price and substantial decline in molasses prices were somewhat mitigated by higher recoveries and economies of scale.

The operational efficiencies and the productivity of the sugar units in terms of cane crush and recovery improved considerably during the year.

Co-generation Business

₹ lakhs

Description	2017-18	2016-17	Change %
Turnover	20505	17437	18%
Income from carbon credit/REC	1011	824	23%
Total turnover	21516	18261	18%
PBIT	9890	6942	42%
PBIT/ Total Turnover (%)	46%	38%	
Power Generation – million units	275	216	28%
Power export (%)	66%	63%	

The profitability in the Co-generation business was higher due to higher operating period and higher REC income.

The power generation during the year was higher by 28% with power exports increasing from 63% to 66% of the total power generation.

Distillery Business

₹ lakhs

Description	2017-18	2016-17	Change %
Turnover	11589	16796	(31%)
PBIT	2674	4657	(43%)
PBIT/Turnover (%)	23%	28%	
Production (KL)	26624	39721	(33%)
Sales Volume (KL)	28093	38078	(26%)
Avg. realisation price of alcohol ₹ /litre (net of excise duty)	39.36	41.38	(5%)

Profitability in FY 18 is lower than the last year due to lower capacity utilisation, primarily due to closure of distillery over a month and its operation at lower capacity, resulting in lower production by 33% from last year. The previous year includes an income of ₹ 8.29 crore due to reversal of provision against unutilised CENVAT Credit in view of benefit available under GST Act.

Engineering Business Segment

Gears Business

₹ lakhs

Description	2017-18	2016-17	Change %
Turnover	11177	9216	21%
PBIT	3142	1802	74%
PBIT/Turnover (%)	28%	20%	

The performance of Gear business during the current year was much improved with 21% increase in turnover and 74% increase in profitability. The activities picked up during FY 18 as the order booking improved by 84% as compared to last year.

The outstanding order book as on March 31, 2018 stood at ₹ 134 crore including orders of ₹ 50.8 crore executable beyond FY 19. The Company is exploring new products, geographies and actively engaged with the Defence Sector to tap business opportunities to further improve its turnover and profitability.

Water and Wastewater Treatment Business

₹ lakhs

Description	2017-18	2016-17	Change %
Turnover	17567	18123	(3%)
PBIT	(1394)	(275)	(407%)
PBIT/Turnover (%)	(8%)	(2%)	

The slow order intake and delayed project execution due to reasons attributable to customers led to sub-optimal revenues, cost overruns and resultant provisioning.

During the year, orders of ₹ 125 crore were booked as against orders of ₹ 171 crore in FY 17. Orders in hand were at ₹ 575 crore (including long-term O&M contracts of ₹ 254 crore). The Company has participated in large number of tenders which are in various stages of finalisation. The momentum in order of finalisation is quite evident towards the year-end and the Company expects to secure significant order booking in FY 19, which will ensure normalisation of operations and growth in turnover in coming years.

Review of Balance Sheet

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

Non-Current Assets

Property, Plant and Equipment

During the year, there have been additions to the extent of ₹ 44.33 crore. These mainly include balancing /de-bottlenecking plant / equipment and facilities at various sugar units to improve crush as well as capital expenditure to set up facilities to manufacture 150 tonnes per day of pharma grade sugar at one of the sugar units.

Income Tax Assets (net)

The income tax assets (net) represents amount receivable in view of various appeals decided in favour of the Company, the refund procedures of which are in progress, and amount excess paid during previous year in anticipation of higher profitability.

Current Assets

Inventories

Inventories have reduced from ₹ 1,674.82 crore as on March 31, 2017 to ₹ 1,579.19 crore as on March 31, 2018. While in quantitative terms, the sugar inventories held as on March 31, 2018 are higher by 14%, its value has declined to low valuation rates consequent to significant write-down to net realisable value.

Other Current Assets

It has reduced from ₹ 129.80 crore as on March 31, 2017 to ₹ 86.45 crore as on March 31, 2018, mainly due to utilisation of substantial unutilised CENVAT balance at distillery after implementation of GST Act.

Non-Current Liabilities

Equity

Share Capital

It has remained unchanged during the year.

Other Equity

During the year, Other Equity increased by ₹ 103.19 crore (14%) to ₹ 855.07 crore due to profit earned during the year and transferred to Retained Earnings.

Borrowings

Total long-term borrowings at the year-end, including current maturities of long-term borrowings, are at ₹ 163.27 crore as against ₹ 479.03 crore as at the end of the previous year. During the year, repayments were made to the extent of ₹ 315.76 crore (undiscounted principal repaid - ₹ 323.98 crore). The long-term borrowings comprise loans of ₹ 39.34 crore with soft interest or with interest subvention.

Deferred Tax Liability (net)

Deferred tax liability (net) has increased during the year from ₹ 23.42 crore as on March 31, 2017 to ₹ 41.72 crore as on March 31, 2018 mainly on account of utilisation of brought forward tax losses (recognised as deferred tax assets).

Current Liabilities

Borrowings

Short-term borrowings are lower at ₹ 1,076.47 crore as against ₹ 1,242.09 crore as on March 31, 2017. In view of lower sugar prices at the year-end, the entitlement of Cash credit limits was pruned as these are dependent on the prevailing sugar prices.

Trade Payables

Trade payables are higher at ₹ 628.06 crore as on March 31, 2017 as against to ₹ 256.58 crore as on March 31, 2017 due to higher cane dues payable than the previous year wherein payment of cane price was relatively faster due to improved fundamentals and liquidity.

Other Financial liabilities

Other Financial liabilities are lower at ₹ 164.26 crore as against ₹ 247.46 crore as on March 31, 2018. The reduction is primarily due to reduction in current maturities of long-term loans as considerable amount of term loans were repaid/ prepaid during the year.

Other Current liabilities

Other Current liabilities are lower at ₹ 79.92 crore as against ₹ 171.88 crore as on March 31, 2017. Previous year includes provision of excise duty of ₹ 101.89 crore on finished goods whereas no such provision is required with excise duty having been subsumed in GST.

RISK MANAGEMENT AND MITIGATION

The Company follows a well-structured Enterprise Risk Management (ERM) Policy, which requires the organisation to identify risks which its businesses are exposed to and to categorise them based on their severity. Risk-based mitigation plans are laid out for each risk along with designation of an owner thereof. It is the endeavour of the Company to continually review and strengthen its systems, processes and controls to improve the overall risk profile of the Company. The ERM policy defines the risk parameters within which the businesses should operate. It helps to build a discipline within the organisation wherein all business decisions are taken after assessing the attendant risks and formulating effective mitigation plans to contain the impact of such risks. Since the Company is engaged in diversified businesses having completely different risk profiles, Risk Management Framework for each business has been devised considering its complexity and uniqueness.

Sugar business of the Company is agro-based and is largely dependent on uncontrollable climatic factors and Government Regulations and Policies whereas the Engineering business relates to capital goods and infrastructure sectors, which are dependent on the economic growth of the country.

Sugar Business

Sugar business is exposed to significant external risks, which mostly are uncontrollable and thus, it is imperative to optimise the controllable business productivity and efficiencies on a dynamic basis to counteract the impact of such uncontrollable external risks. Internal risks, such as, engineering breakdowns, cane procurement logistics, storage of sugar etc., are moderate and are by and large repetitive and manageable.

It is the objective of the Company to be amongst the top performers in UP, way above the average, so that it remains less impacted by the cyclicality associated with this industry.

Some of the external risks which the Sugar business faces with are described herein below:

Risk of unrealistic Cane Price: The Company has all its sugar mills located in the State of Uttar Pradesh (U.P.) where the sugarcane price is declared by the State Government and the price so declared (State Advised Price – SAP) is normally much higher than the Fair and Remunerative Price (FRP) declared by the Central Government. If the cane price is unrealistically fixed and is not commensurate with the output (sugar) prices, the Company may incur losses.

With a view to secure a long-term sustainable solution, the sugar industry has been vigorously representing to the Government to fix realistic cane prices linked with sugar prices and adopt Dr. Rangarajan Committee report for revenue sharing. Simultaneously, the Company had been working vigorously to improve sugarcane quality and had undertaken a massive cane development programme in partnership with its farmers to significantly improve quality of cane to achieve higher recoveries and yields. It appears from the performance of the last two seasons that the Company has substantially achieved its objectives, which will help in mitigating the impact of unrealistic cane prices at least to some extent, if not fully.

Sugar Price risk: Sugar prices are not controlled and these are governed by market forces, including domestic demand

and supply, international trends, export / import restrictions etc. Excessive stocks in the country have the effect of depressing sugar prices. Further, sugar being an essential commodity, the Government has statutory powers to impose stock limits or restrict import / export or vary customs duty to control domestic sugar prices and supplies.

The risk is completely beyond the control of the Company and there are no adequate hedging mechanisms in the country in view of limited breadth of the commodity exchange. However, the Company endeavours to manage the risks through an effective Sales plan which aims to balance the sugar realisation prices along with optimum inventory carrying cost. The Company manufactures around 40% refined sugar which is sold at a premium to normal sulphitation sugar. Lately, it has set up facilities to manufacture pharma-grade sugar at one of its sugar units, with a view to increase the overall realisation prices. Further, institutional sales form 16% of the total sugar sales and these are generally at higher realisation than the normal wholesale prices. While all the aforesaid mitigations cumulatively help in improving sugar realisation price but these are not adequate to fully mitigate the risk.

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

Again such risks being by and large uncontrollable, the Company focusses on internal efficiencies and productivities to counter the impact. The Company's cane staff are quite vigilant and after the sowing season, they closely monitor the growth of sugarcane and infestation with disease, if any, so that timely action could be taken to avert or minimise the damage.

Other Mitigation Measures

- The Company has been focussing on cane development initiatives in a big way and the results achieved during the last two seasons have been encouraging. After having achieved 85% higher crush, 58 basis points higher recovery and 95% higher production over the SS 2015-16, the Company continues to focus on cane development to further increase high sugared varieties, to reduce overdependence on any one variety and reduce lead time from harvest to crush, which has a favourable impact on the recovery
- The Company has integrated sugar operations with three co-generation plants and a large-sized distillery. Additionally, the Company has set up three incidental co-generation plants having aggregate power export capacity of 11 MW. The operations of such businesses are profitable and stable
- In view of the Government's commitment to Ethanol blending programme, the Company is proceeding to set up another 160 KLPD distillery at its Sabitgarh sugar unit. With total distillation capacity of 320 KLPD with incineration boiler based operations of 330 days annually, the alcohol manufacturing capacity is estimated to increase by 140%
- The Company has stringent budgetary and cost control systems which help the Company to contain its costs.

Engineering Business

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

Risk of economic slow-down: Slow-down in the economy results in sluggish demand of the products of the user industries, which in turn has adverse effect on investment spend on capital goods required for capacity creation or modernisation. New markets are regularly explored to identify business opportunities based on its engineering strength. For example, Gears Business has secured some preliminary orders from Defence Sector which may pave the way for sizeable business in future.

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

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

Project delays and payment risks: It is particularly more relevant in the case of Water business where the period of project completion is normally 2 to 3 years. On account of problems relating to funds availability with customers, the project may get delayed, resulting in credit risks, cost overruns and blockage of working capital.

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

Gears Business

- Unfortunately, the expected business from GE Lufkin could not fructify due to severe downturn in the global markets. It's believed that upon restoration of normalcy, the Company may be able to secure such business in view of its large potential

- Being associated with the world premier gear manufacturing companies, best technology is available with the Company. Additionally, it also endeavours to broad-base its products and is continually engaged in developing new products for other industrial segments through R&D efforts

Water Business

- To ensure optimal resource allocation, the Water business accepts product order/projects only beyond a threshold amount and consequently, it has limited number of projects of reasonable size to execute. It ensures focussed management attention and efforts

- Before accepting fresh orders, Water business carries out a detailed credit analysis of the customer and funding arrangements for the proposed project and the orders are accepted only from credible customers

- In view of financial stress in certain sectors, the Water business is generally not inclined to accept orders from these sectors except in cases with special merit

- Water Business is also exploring international market to avoid over dependence on the domestic market.

All these actions help the business to manage its resources efficiently and effectively, and make use of the opportunities which may arise due to specific initiatives of the Government and also due to higher sensitivity and concern for the environmental issues.

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Directors' Report

Your Directors have pleasure in presenting the 82nd Annual Report and audited financial statements for the Financial Year (FY) ended March 31, 2018.

FINANCIAL RESULTS

(₹ in lakhs)

	Standalone		Consolidated	
	2017-18	2016-17	**2017-18**	2016-17
Revenue from operations (Gross)	**341238.37**	296686.61	**341238.37**	296686.61
Operating Profit (EBITDA)	**30013.82**	55194.78	**29132.20**	54867.83
Finance cost	**8533.87**	12655.44	**8533.97**	12655.44
Depreciation and Amortisation	**5536.55**	5720.99	**5536.55**	5720.99
Profit before exceptional items & tax	**15943.40**	36818.35	**15061.68**	36491.40
Exceptional Items	**--**	(8546.74)	**--**	(8546.74)
Profit before Tax (PBT)	**15943.40**	28271.61	**15061.68**	27944.66
Tax Expenses	**4969.02**	4915.36	**4969.68**	4916.30
Profit after Tax (PAT), before Share of Net Profit of Associates	**10974.38**	23356.25	**10092.00**	23028.36
Share of net profit of Associates			**1822.01**	2267.76
Profit for the year	**10974.38**	23356.25	**11914.01**	25296.12
Other comprehensive income (net of tax)	**121.72**	(448.62)	**120.57**	(479.89)
Total comprehensive income	**11096.10**	22907.63	**12034.58**	24816.23
Earning per equity share of ₹ 1 each (in ₹)	**4.25**	9.06	**4.62**	9.81
Retained Earnings brought forward	**(4954.46)**	(27842.07)	**(1498.45)**	(26297.49)
Appropriation:				
- Equity Dividend (including dividend distribution tax)	**776.20**	-	**776.20**	-
- Transfer to/ (withdrawn) from molasses storage fund reserve (net)	**(6.14)**	20.03	**(6.14)**	20.03
Retained earnings carried forward	**5371.58**	(49,54.46)	**9774.25**	(1498.45)

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

BUSINESS OPERATIONS AND FUTURE PROSPECTS

Sugar Business:

The performance of Sugar operations had been a mixed bag during the year. As against PBIT (before exceptional items) of ₹ 480.91 crore in FY 17, there has been a decline in profitability to ₹ 241.23 crore in the current year. The decline is due to significant and rapid decline in sugar prices from ₹ 33/Kg as at the end of the third quarter to about ₹ 28/Kg. as on 31st March 2018, which together with estimated export losses under the scheme of Minimum Indicative Export Quota (MIEQ) of the Central Government necessitated significant write-down of inventory. While the country's production for the season 2017-18 was initially estimated at 25 million tonnes but the estimates had to be progressively revised upwards in view of unanticipated higher yields, especially in Maharashtra, and the present final estimate of around 32.4 million tonne is substantially higher than the initial estimates. The surplus sugar availability over consumption led to collapse of sugar prices and these have crashed to levels much below the cost of production causing significant losses.

The Government has comprehended the magnitude of the sugar production and resultant surplus and has taken series of actions to arrest the decline in sugar price, such as, increasing import duty on sugar to 100%, abolition of export duty, stipulating reverse stock limits for February and March, 2018 and a scheme to export 2 MT of sugar by allocating export quota to all sugar mills. The government is aware that without an increase in sugar prices, there would be acute financial hardship to the sugar mills which may render them unable to liquidate cane dues. The action so far taken by the Government had limited impact on the sugar prices and the Government is required to take some more effective steps to resurrect sugar prices by limiting supply in the short term and encouraging exports all through the next sugar season to correct adverse demand-supply position. With the state of UP and Maharashtra showing a higher trend of production on a sustainable basis, there has been a structural change and the increase in the overall production in the country may not be a temporary phenomenon and may exist on a sustainable basis. Unless the surplus production is not effectively checked, a situation of glut will depress the sugar prices causing total mismatch between the input and the output prices. The Government has done well to declare a new Bio-fuel Policy permitting sugarcane juice and B-heavy molasses to be used in the production of Ethanol. The proper implementation of the policy along with realistic pricing will be the key in promoting ethanol production, which in turn has the potential to regulate sugar production. The entire process may take few years till additional distillation capacities are set up but the process may be accelerated if some incentive is provided to the industry to set up such capacities within a prescribed timeframe. Last but not the least, much awaited reform of linking sugarcane prices with sugar prices is the only way forward to ensure viability and self-sufficiency of the industry.

We take pride in highlighting that the company's operating performance has significantly improved over the last two sugar seasons and the Company is now one of top performers in the State. In a span of two years, sugar production has almost doubled from 48.8 lac quintals in 2015-16 to 95.2 lac quintals in sugar season 2017-18 without incurring any capital expenditure. Further, the Company has judiciously used its cash flows to substantially pare debts and accordingly, the finance cost has reduced significantly.

During the year, the Company has also implemented a project of producing 150 tonne/day pharma quality sugar in order to improve the overall sugar realization price and to make the Company resilient to meet normal cyclicality in the sugar business.

Engineering Business:

The engineering business of the Company is comprised of the Gears business and the Water business. On a consolidated basis, the turnover and profitability has remained stable.

There has been significant improvement in the performance of Gear business in terms of turnover, profitability and order bookings. While the turnover and the profitability (PBIT) have increased by 21% and 74% respectively, the increase in order booking has been 84%. The performance of the Gears business is commendable, especially, in the present sluggish capital goods market. The business is evaluating potential business opportunities in the Defence Sector based on its technological skills and inherent strength and is endeavouring to target orders which may lead to sizable business in future. The traction under strategic supply agreement with GE Lufkin has been slower due to tough global market conditions and it is hoped that with the normalisation of business conditions and restoration of demand, there could be significant uptrend in the business. The Company has been able to forge alliances with other international players to develop / manufacture products to meet their specific requirements and supply on a regular basis.

Water business was adversely impacted in view of delay in project execution due to reasons attributable to customers and delayed finalization of orders by prospective customers, resulting in increase in project costs and provisioning and sub-optimal turnover. Lately, there has been a distinct momentum in tendering and awarding contracts, including under National Mission for Clean Ganga. The Company has bid for various EPC jobs and it expects favourable outcome leading to better and steady order inflow during the financial year 2018-19 which will result in normalisation of the operations of the business.

DIVIDEND

An interim dividend of ₹ 0.25 per equity share of ₹ 1/- each (25%) was declared and paid by the Company during the financial year ended on March 31, 2018. In view of adverse business conditions being faced by the sugar industry, the Board has refrained from recommending any final dividend for the financial year 2017-18. Accordingly, the interim dividend declared by the Board of Directors is being proposed to be confirmed as final dividend for the financial year 2017-18 at the ensuing Annual General Meeting.

DIVIDEND DISTRIBUTION POLICY

As per the provision of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the top 500 listed companies, based on market capitalization shall formulate a Dividend Distribution Policy. Accordingly, policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to the shareholders of the Company and to retain profits earned by the Company. The Policy is available on the website of the Company at http://www.trivenigroup.com/investor/corporate-governance/policies.html.

SUBSIDIARY AND ASSOCIATE COMPANIES PERFORMANCE

Associate Companies

Triveni Turbine Ltd. (TTL)

TTL is engaged in the manufacture and design of steam turbines up to 100 MW and delivers robust, reliable and efficient end-to-end solutions. The larger of the range – above 30 MW to 100MW – is addressed through GE Triveni Limited, a majority held exclusive Joint Venture with BHGE.

The Company holds 21.82% stake in the equity shareholding of TTL. On a consolidated basis, TTL has achieved Net Turnover and Profit after Tax (PAT) of ₹ 751 crore and ₹ 96 crore respectively, registering an increase of about 1 % in turnover and decline of 22% in PAT. The decline in profitability is due to lower foreign exchange gains as well as due to costs associated with extensive international marketing and setting up of new manufacturing facilities, which will help the Company to secure and service future growth in orders. It is commendable that despite challenging business conditions, order booking during the year has increased by about 17% and export orders constitute about 51% of the total order booking. Consequently, orders book at the year-end is about 12% higher than the previous year.

The company has been successfully operating globally and is assisted by its international subsidiaries and overseas offices.

Aqwise-Wise Water Technologies Ltd. (Aqwise)

The Company holds 25.04% stake in the equity capital of Aqwise. Aqwise recorded its highest order booking in calendar 2017 at USD 40 million which is a growth of 78% over the previous year at USD 22.5 million. The order in-take represents a healthy mix of projects and technology sales, with main growth in turnkey projects, without civil work in most cases. It has been able to make an entry into some large global clients, having projects currently running in various geographies and it will help the Company to broad base its presence. During 2017, the Company won the largest single order valued at USD 10 million, which once executed will enable the company to pre-qualify for even larger projects. Due to lower carry forward order booking from the previous year and also due to the finalisation of orders towards the later part of 2017, the turnover for 2017 was flat at USD 20 million with a consolidated loss of USD 0.5 million in comparison to a consolidated net profit of USD 1.3 million in calendar year 2016.With a strong order booking and carry forward order-book, the company is poised to achieve good growth in future.

Subsidiary Companies

The Company has five wholly owned subsidiaries namely Triveni Industries Ltd., Triveni Engineering Ltd., Triveni Entertainment Ltd. Triveni Energy Systems Ltd. and Svastida Projects Ltd and one subsidiary Triveni Sugar Ltd. in which the Company holds 99.99% equity stake. These companies are relatively much smaller and there has not been any material business activities in these companies.

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

MATERIAL SUBSIDIARIES

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

DIRECTORS RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed and there are no material departures;

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

c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors have prepared the annual accounts on a going concern basis;

e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

CORPORATE GOVERNANCE

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

RELATED PARTY CONTRACTS / TRANSACTIONS

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

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

RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROL

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As per the provisions of the Companies Act, 2013 (Act), Mr Tarun Sawhney, Vice Chairman and Managing Director will retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, seeks re-appointment. The Board has recommended his re-appointment.

The Company has received declarations of Independence in terms of Section 149 of the Act and also under the Listing Regulations from all the Independent Directors.

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

EMPLOYEES STOCK OPTION

There are no outstanding stock options and no stock options were either issued or allotted during the year.

AUDITORS

Statutory Audit

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

Cost Audit

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 duly amended, Cost Audit is applicable to the Sugar and Gears businesses of the Company for the FY 2018-19. Mr Rishi Mohan Bansal and Mr. T.L. Sangameswaran, Cost Accountants have been appointed as Cost Auditors to conduct the cost audit of the Sugar businesses (including cogeneration and distillery) and Gears business respectively of the Company for the FY 2018-19, subject to ratification of their remuneration by the shareholders at the ensuing Annual General Meeting. The Board recommends the ratification of the remuneration of the Cost Auditors for the FY 19.

COMMENTS ON THE AUDITOR'S REPORT

Statutory Audit

The Auditors report for FY 18 does not contain any qualification, reservation or adverse remark. Further pursuant to section 143(12) of the Act, the Statutory auditors of the Company has not reported any instances of fraud committed in the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

In para i (c) of Annexure -A to the Auditors Report, the auditor has reported that in 38 cases having book value of 394.60 lakh, the title deeds are not held in the name of the Company. The total area of land and cost thereof involved in these cases are not material. The transfer of land in the name of the Company in few cases could not be completed on account of certain technicalities/documentary deficiencies, which the Company is trying to resolve to the extent feasible. In certain other cases, the transfer process has not been completed in view of the decision of the Company to dispose of certain parcels of land, which are no longer part of its business requirements. However, all such land continues to remain in the possession of the Company.

Secretarial Audit

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

DISCLOSURES

Corporate Social Responsibility (CSR)

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

The composition of the CSR Committee is provided in the Corporate Governance Report that forms part of this Annual Report. In view of earlier losses, no formal CSR activity has been initiated during the period under review and therefore, no annual report on CSR activity is provided with this report. However, the Company continues to remain engaged in meaningful charitable work, primarily around its area of operations.

AUDIT COMMITTEE

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

VIGIL MECHANISM

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

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

The Company has an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. No compliant was received by the Internal Complaint Committee.

BOARD MEETINGS

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

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

Note 6 of the standalone financial statements of the Company contained in the Annual report, provides the particulars of the investments made by the Company in the securities of other bodies corporate and Notes 8 and 48 provide details of loans advanced. The Company has not given any guarantee or provided any security in connection with a loan to any other body corporate or person.

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

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

PARTICULARS OF EMPLOYEES

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

BUSINESS RESPONSIBILITY REPORT

The Listing Regulations mandate top 500 listed entities based on the market capitalization as on March 31, 2017, the inclusion of the Business Responsibility Report as part of the Directors' Report of the Company. The report in the prescribed form is annexed as **Annexure-H** to the Board Report.

SECRETARIAL STANDARDS

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

DEPOSITS

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

DEBENTURES

No debentures were issued during the period under review.

EXTRACTS OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extracts of the annual return in the prescribed form is annexed as **Annexure-I** to the Board's Report.

SIGNIFICANT AND MATERIAL ORDERS

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

HUMAN RESOURCES

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

BOARD EVALUATION MECHANISM

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

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

APPRECIATION

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

We look forward to their continued support and encouragement.

For and on behalf of the Board of Directors
Dhruv M. Sawhney
Chairman and Managing Director
DIN: 00102999

Place: Noida (U.P.)
Date : May 24, 2018

Annexure-A

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT-VENTURES

Part A : Subsidiaires

(₹ in Lakhs)

Name of the subsidiary	Triveni Energy Systems Ltd. (TESL) Wholly Owned Subsidiary	Triveni Engineering Ltd. (TEL) Wholly Owned Subsidiary	Triveni Entertainment Ltd. (TENL) Wholly Owned Subsidiary	Triveni Sugar Ltd. (TSL) Subsidiary	Svastida Projects Ltd. (SPL) Wholly Owned Subsidiary	Triveni Industries Limited (TIL) Wholly Owned Subsidiary
Date of becoming subsidiary/acquisition	**15.02.2008**	**27.06.2006**	**20.03.2014**	**19.03.2014**	**19.03.2014**	**22.07.2015**
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA
3. Share capital	385.00	265.00	417.00	5.00	215	0.50
4. Reserves & surplus	-9.65	-23.51	-19.70	-4.00	-9.01	-3.38
5. Total assets	375.50	441.79	397.45	1.14	206.17	0.60
6. Total Liabilities	0.15	200.30	0.15	0.14	0.18	3.48
7. Investments	369.28	435.94	383.37	-	200.00	-
8. Turnover	-	-	-	-	-	-
9. Profit before taxation	-1.23	-1.38	1.76	-0.82	-1.19	-1.09
10. Provision for taxation	-	-	0.64	0.02	-	-
11. Profit after taxation	-1.23	-1.38	1.12	-0.84	-1.19	-1.09
12. Proposed Dividend	-	-	-	-	-	-
13. Extent of shareholding (in %age)	100.00%	100.00%	100.00%	99.99%	100.00%	100.00%

Note: All the above subsidiaries are relatively much smaller and no material business activities are being carried out in these companies.

Part "B": Associates and Joint Ventures

Name of Associates or Joint Ventures	Triveni Turbine Ltd.	Aqwise-Wise Water Technologies Ltd.
1. Latest audited Balance Sheet Date	31-Mar-18	31-Dec-17
2. Date on which the Associate or Joint Venture was acquired	01.10.2010	30.07.2012
3. Shares of Associate or Joint Ventures held by the company on the year end		
- No of shares	72000000	13008
- Amount of Investment in Associates/Joint Venture (₹ Lakhs)	720.07	3006.19
- Extent of Holding %	21.82	25.04

Name of Associates or Joint Ventures	Triveni Turbine Ltd.	Aqwise-Wise Water Technologies Ltd.
4. Description of how there is significant influence	Due to equity stake being more than 20%	Due to equity stake being more than 20%
5. Reason why the associate/joint venture is not consolidated	Being consolidated	Being consolidated
6. Networth attributable to Shareholding as per latest audited Balance Sheet (₹ Lakhs)	9865.51	826.00
7. Profit or Loss for the year (after tax) (₹ Lakhs) – as per consolidated financial statements	9596.95	347.08*
i. Considered in Consolidation (₹ Lakhs)**	1735.10	86.91
ii. Not Considered in Consolidation	--	--

* Based on unaudited consolidated results for the period 1.4.2017 to 31.3.2018.
** Net of tax on undistributed profits.

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

Dhruv M. Sawhney
Chairman and Managing Director

Homai A. Daruwalla
Director & Chairperson Audit Committee

Suresh Taneja
Group CFO

Geeta Bhalla
Group Vice President & Company Secretary

Place: Noida (U.P.)
Date : May 24, 2018

Annexure-B
CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

THE HIGHLIGHT OF THE CORPORATE GOVERNANCE SYSTEM INCLUDES:

1. The Board of Directors of the Company is well represented with Executive, Non-Executive and Independent Non-Executive Directors with the Executive Chairman and Managing Director. As on the date of this report, the Independent & Non-Executive Directors form about 67% of the Board of Directors.

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

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

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

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

BOARD OF DIRECTORS

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

As on the date of this report, the Board comprises of nine (9) Directors - 6 (six) Non-Executive and Independent Directors including one Women Director, 1(one) Non Executive Non-Independent Director and 2 (two) Executive Directors. All the members of the Board are eminent persons with professional expertise and valuable experience in their respective areas of specialisation and bring a wide range of skills and experience to the Board.

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

Meetings of the Board

The Board of Directors met four times during the FY 18 ended on March 31, 2018. The interval between any two successive meetings did not exceed one hundred and twenty days. Board Meetings were held on May 20, 2017, August 10, 2017, November 8, 2017 and February 12, 2018.

Independent Directors

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

Board of Directors

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

Senior Management

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

COMPOSITION OF THE BOARD

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

Name of the Director	Category	No. of Board Meetings		Attendance at last AGM held on 22-Sep-17	No. of other Directorships*2	No. of Committees positions held in other companies*3	
		Held	Attended			Chairman	Member
Mr. Dhruv M. Sawhney*1 Chairman and Managing Director DIN-00102999	Promoter & Executive Director	4	4	No	2	1	None
Mr. Tarun Sawhney*1 Vice Chairman and Managing Director DIN-00382878	Promoter & Executive Director	4	4	Yes	3	None	1
Mr. Nikhil Sawhney*1 DIN-00029028	Promoter & Non-Executive Director	4	4	Yes	3	None	2
Dr. F.C. Kohli DIN-00102878	Independent Non-Executive Director	4	1	No	1	None	None
Lt. Gen. K.K. Hazari (Retd.) DIN-00090909	Independent Non-Executive Director	4	3	No	2	2	None
Mr. Shekhar Datta DIN- 00045591	Independent Non-Executive Director	4	4	No	3	2	1
Ms. Homai A. Daruwalla DIN-00365880	Independent Non-Executive Director	4	4	Yes	8	2	3

Name of the Director	Category	No. of Board Meetings		Attendance at last AGM held on 22-Sep-17	No. of other Directorships*2	No. of Committees positions held in other companies*3	
		Held	Attended			Chairman	Member
Dr. Santosh Pande DIN-01070414	Independent Non-Executive Director	4	4	No	2	None	2
Mr. Sudipto Sarkar DIN-00048279	Independent Non-Executive Director	4	4	No	4	None	5

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

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

*3 The committees considered for the purpose are those prescribed under Regulation 26(1) of Listing Regulations i.e. Audit Committee and Stakeholders' Relationship Committee of public limited companies, whether listed or not.

BOARD FUNCTIONING AND PROCEDURE

Board Meeting Frequency and circulation of Agenda papers

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

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

Presentation by the Management

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

Access to Employees

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

Availability of Information to Board Member includes:

- Performance of each line of business, business strategy going forward, new initiatives being taken / proposed to be taken and business plans of the Company.
- Annual operating plans and budgets including capital expenditure budgets and any updates.
- Quarterly results of the Company including results of the business segments.
- Minutes of the meetings of Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in the financial obligations to and by the Company, or substantial non-payment for goods sold / services provided by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.

- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.

- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders servicing issues, such as non-payment of dividend, delay in share transfer etc.

- Statutory compliance report of all laws applicable to the Company.

- Details of the transactions with the related parties.

- General notices of interest of directors.

- Appointment, remuneration and resignation of Directors.

Post Meeting follow up Mechanism

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

Re-appointment of Director

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

BOARD COMMITTEES

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

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

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

(I) Audit Committee

Composition, Meetings & Attendance

The Committee is headed by an Independent Director and consists of the members as stated below. The Audit Committee met four times during the FY 18 ended on March 31, 2018 i.e. on May 19, 2017, August 10, 2017, November 7, 2017 and February 12, 2018. The composition and attendance of each Audit Committee Member is as under:-

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

The Chairperson of the Audit Committee attended the last AGM held on September 22, 2017 to answer the shareholders' queries.

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

(i) Reviewing the Company's financial reporting process and its financial statements.

(ii) Reviewing the accounting and financial policies and practices and compliance with applicable accounting standards.

(iii) Reviewing the efficacy of the internal control mechanism, monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.

(iv) Reviewing reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.

(v) Examining accountancy and disclosure aspects of all significant transactions.

(vi) Reviewing with management the quarterly, half yearly & annual financial statements including review of qualifications, if any, in the audit report before submission to the Board for approval.

(vii) Recommending appointment of external and internal auditors and fixation of audit fees.

(viii) Seeking legal or professional advice, if required.

(ix) Approval or any subsequent modifications of transactions of the Company with related parties.

(x) Scrutiny of Inter-Corporate loans and investments.

(xi) Valuation of undertakings or assets of the Company, wherever required.

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

(II) Nomination and Remuneration Committee (NRC)

Composition, Meetings & Attendance

The NRC is headed by an Independent Director and consists of the members as stated below. The NRC didn't meet during the FY18 ended on March 31, 2018. The composition of Committee is as under:-

Name of the Member	Category
Lt. Gen. K.K. Hazari (Retd.) - Chairman	Independent Non-Executive Director
Mr Shekhar Datta	Independent Non-Executive Director
Mr Nikhil Sawhney	Promoter & Non-Executive Director
Dr Santosh Pande	Independent Non-Executive Director

The broad terms of reference of the NRC include:

- To identify persons who are qualified to become Directors (Executive, Non-Executive and Independent Directors) and who may be appointed in senior management in accordance with the criteria laid down,

- To recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors (Executive, Non-Executive and Independent Directors), key managerial personnel and other employees.

- Plan for succession of Board members and Key Managerial Personnel;

- Devising a policy on Board diversity;

- To formulate, administer and supervise the Company's Employee Stock Option Schemes (ESOP Schemes) including grant of stock options under the ESOP Schemes to the permanent employees of the Company from time to time in accordance with SEBI Guidelines/Regulations; and

- To review the adequacy of aforesaid terms of reference and recommend any proposed change to the Board for its approval.

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

Remuneration Policy

In terms of the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors of the Company has adopted Nomination and Remuneration Policy for nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management, which forms part of this Annual Report. The Nomination and Remuneration Committee inter-alia recommends the remuneration of Executive Directors, which is approved by the Board of Directors, subject to approval of the shareholders, wherever necessary. The Chairman and Managing Director and Vice Chairman and Managing Director evaluates the Senior Management Personnel, including KMPs considering the competencies/indicators provided in the Remuneration Policy.

Performance Evaluation Criteria for Independent Directors

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

Remuneration to Executive Directors

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

During the FY 18 ended on March 31, 2018, the Company had two Executive Directors viz. Mr. Dhruv M Sawhney, Chairman and Managing Director (CMD) and Mr. Tarun Sawhney, Vice Chairman and Managing Director (VCMD).

The details of remuneration paid/payable to CMD and VCMD during the FY 18 ended on March 31, 2018 are as under:

(₹ in Lakhs)

Name of the Executive Director	Mr. Dhruv M. Sawhney CMD	Mr. Tarun Sawhney VCMD
No. of Equity Shares held	38391756	14695375
Service Period	31.03.2015 to 30.03.2020	01.10.2013 to 30.09.2018
Salary (in ₹)	Nil	182.70
Contribution to PF & other funds	Nil	29.16*
Other Perquisites	Nil	27.87
Total	**Nil**	**239.73**

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

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

Remuneration to Non-Executive Directors (NEDs)

The Company pays sitting fee to its NEDs for attending the meetings of the Board and its Committees within the limits prescribed under the provisions of the Companies Act, 2013. In addition to the sitting fees, the NEDs are entitled to profit based commission within the limits approved by the shareholders of the Company. During the FY18 ended March 31, 2018, the performance of the Company has considerably improved and there has been substantial profits. However, there has not been adequate profits for payment of commission to NEDs after setting off accumulated losses pertaining to earlier years. In view of this, no provision for commission to NEDs has been made.

The details of the remuneration paid/provided during the FY 18 ended on March 31, 2018 to NEDs are as follows:-

(₹ in Lakhs)

Name of the Non-Executive Director	Sitting Fees	Commission	No. of Equity Shares held
Dr. F. C. Kohli	1.25	Nil	Nil
Lt. Gen. K. K. Hazari (Retd.)	5.50	Nil	Nil
Mr. Shekhar Datta	6.00	Nil	10000
Mr. Nikhil Sawhney	3.70	Nil	15277653
Ms. Homai A. Daruwalla	6.00	Nil	Nil
Dr. Santosh Pande	4.00	Nil	Nil
Mr. Sudipto Sarkar	4.00	Nil	Nil

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

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

(III) Stakeholders' Relationship Committee

Composition, Meetings & Attendance

The Committee is headed by an Independent Director and consists of the members as stated below. The Committee met four times during the FY 18 ended on March 31, 2018 i.e. on May 20, 2017, August 10, 2017, November 7, 2017 and February 12, 2018. The composition and attendance of each Committee Member is as under:-

Name of the Member	Category	No. of Meetings Held	Attended
Lt. Gen. K.K. Hazari (Retd.) - Chairman	Independent Non-Executive Director	4	3
Mr Tarun Sawhney	Promoter & Executive Director	4	4
Mr Nikhil Sawhney	Promoter & Non-Executive Director	4	4

Function and term of reference

The Committee has the mandate to look into and review the actions for redressal of security holders grievances, such as non-receipt of transferred / transmitted share certificates /annual report / declared dividend etc. as also to review the reports submitted by the Company Secretary relating to approval / confirmation of requests for share transfer/ transmission / transposition/ consolidation/ issue of duplicate share certificates/ sub-division, remat, demat of shares etc. from time to time.

The constitution and term of reference of the Stakeholders' Relationship Committee meet the requirements of Regulation 20 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013. Ms. Geeta Bhalla, Group Vice President & Company Secretary has been designated as the Compliance Officer of the Company.

Details of investor complaints

During the FY 18 ended on March 31, 2018, the Company received complaints from various shareholders / investors directly and/or through the Stock Exchanges / SEBI relating to non-receipt of dividend / redemption money, annual report/notice of general meeting, new share certificates etc. All of them were resolved / replied suitably by furnishing the requisite information /documents. Details of investor complaints received and resolved during the FY 18 are as follows:

Opening Balance	Received	Resolved	Pending
Nil	13	13	Nil

Further there were no pending share transfers and requests for dematerialisation as on March 31, 2018.

(IV) Corporate Social Responsibility Committee (CSR Committee)

The Committee is headed by an Independent Director and consists of four members, viz. Ms. Homai A. Daruwalla – Chairperson, Dr. Santosh Pande, Mr Tarun Sawhney and Mr Nikhil Sawhney. During the FY 18 ended on March 31, 2018, the CSR Committee didn't meet as the Company was not required to initiate any CSR activity due to past years' losses.

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

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

Other Committees

Executive Sub-Committee

Apart from the above statutory committees, the Board of Directors have constituted an Executive Sub-Committee comprising of four (4) Directors to oversee routine matters that are in the normal course of the business. The Board of Directors have delegated certain powers to this Committee to facilitate the working of the Company. The Committee met six times during the FY18 ended on March 31, 2018.

GENERAL BODY MEETINGS

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

Year	Date & Day	Location	Time	Special Resolution
2016-17	September 22, 2017 Friday	Company's Guest House at Deoband Sugar Unit Complex Deoband, District Saharanpur, U.P.	12:30 p.m.	None
2015-16	September 14, 2016 Wednesday	Company's Guest House at Deoband Sugar Unit Complex Deoband, District Saharanpur, U.P.	12:00 Noon	1. Payment of remuneration by way of commission to the Non-Executive Directors of the Company

Year	Date & Day	Location	Time	Special Resolution
2014-15	September 23, 2015 Wednesday	Company's Guest House at Deoband Sugar Unit Complex Deoband, District Saharanpur, U.P.	12:00 Noon	None

POSTAL BALLOT

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

During the FY 18 ended on March 31, 2018, the Company has not sought approval from its shareholders for passing of any special resolution through Postal Ballot.

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

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

(c) **Procedure for Postal Ballot:**

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

MEANS OF COMMUNICATION

(a) **Quarterly Results:** The Unaudited quarterly / half yearly financial results and the annual audited financial results of the Company were published in National English and Hindi newspapers and displayed on the website of the Company at www.trivenigroup.com and the same were also sent to all the Stock Exchanges where the equity shares of the Company are listed. The Investor's brief were also sent to Stock Exchanges. The half-yearly unaudited results were also sent through email to those shareholders, who had registered their email IDs with the Company/Depositories.

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

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

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

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

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

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

GENERAL SHAREHOLDER INFORMATION

(a) **Annual General Meeting**

Date	:	September 28, 2018
Time	:	12.30 p.m.
Venue	:	Company's Guest House at Deoband Sugar Unit Complex, Deoband, Distt. Saharanpur, Uttar Pradesh-247 554.

(b) **Financial Year :** April to March

Financial calendar for the financial year 2018-19 (tentative)

Financial Reporting for the quarter ending June 30, 2018	:	By mid of August 2018
Financial Reporting for the quarter / half year ending September 30, 2018	:	By mid of November 2018
Financial Reporting for the quarter / nine months ending December 31, 2018	:	By mid of February 2019

Financial Reporting for the annual audited accounts for the financial year ending March, 31, 2019	:	By the end of May 2019

(c) Listing on Stock Exchanges

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

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

The Company has paid the listing fees for the Financial Year 2018-2019 to both the aforesaid Stock Exchanges.

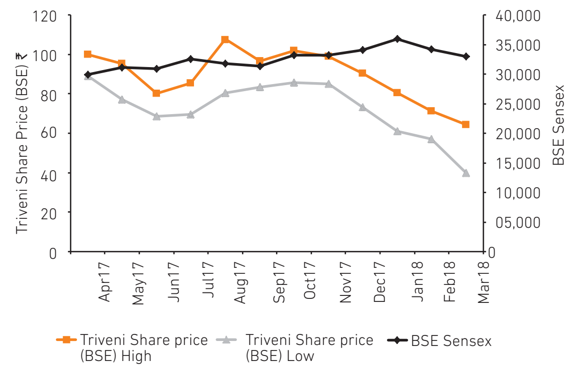
(d) Market Price Data/Stock Performance: FY 18 ended on March 31, 2018

During the year under report, the trading in Company's equity shares was from April 1, 2017 to March 31, 2018. The high low price during this period on the BSE and NSE was as under:-

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2017	100.00	89.00	99.90	89.00
May, 2017	95.20	77.00	95.25	76.80
June, 2017	80.20	68.45	80.40	68.05
July, 2017	85.40	69.50	85.40	69.50
August, 2017	107.90	80.30	108.00	80.00
September, 2017	96.50	83.40	96.30	83.10
October, 2017	101.90	85.80	101.70	85.55
November, 2017	99.00	85.00	98.55	84.60
December, 2017	90.50	73.20	89.90	73.15
January, 2018	80.40	60.95	80.30	60.70
February, 2018	71.35	57.00	71.50	57.00
March, 2018	64.35	39.95	64.70	39.80

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

Stock Performance Graph



(f) Registrar & Share Transfer Agent

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

(g) Share Transfer System

The Company's share transfer authority has been delegated to the Company Secretary / Registrar and Transfer Agent M/s Karvy Computershare Private Ltd., which generally approves and confirms the request for share transfer / transmission / transposition / consolidation / issue of duplicate share certificates / sub-division, consolidation, remat, demat and perform other related activities in accordance with the Listing Regulations and SEBI (Depositories and Participants) Regulations, 1996 and submit a report in this regard to Stakeholders' Relationship Committee.

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

(h) Distribution of Equity Shareholding as on March 31, 2018

Group of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to total shares
From 1-500	41128	81.74	5636979	2.18
501-1000	4144	8.24	3396381	1.32
1001-2000	2192	4.36	3395554	1.32
2001-3000	866	1.72	2240350	0.87
3001-4000	375	0.74	1355517	0.52
4001-5000	382	0.76	1824107	0.71
5001-10000	539	1.07	4040776	1.57
10001 & higher	691	1.37	236055446	91.51
Total	**50317**	**100.000**	**257945110**	**100.00**

(i) Shareholding Pattern of Equity Shares as on March 31, 2018

Category	Number of Shareholders	% to total shareholders
Promoters	175957229	68.21
Mutual Funds	4138970	1.60
Banks/Financial Institutions/Insurance Cos.	549357	0.21
Foreign Portfolio Investors	10402817	4.03
Bodies Corporate/NBF	14684302	5.70
Indian Public(*)	49826690	19.32
NRIs / Foreign Nationals	1599972	0.62
Others – Clearing Members/Trust/IEPF	785773	0.31
Total	**257945110**	**100.00**

(*) Includes 11,000 equity shares held by some directors and / or their relatives.

(j) Dematerialisation of Shares & Liquidity

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

The system for getting the shares dematerialised is as under:

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

As on March 31, 2018, 99.90% of total equity share capital of the Company was held in dematerialised form (including 100% of the promoter holding). The ISIN allotted by NSDL / CDSL is INE256C01024. Confirmation in respect of the requests for dematerialisation of shares is sent to NSDL and CDSL within the stipulated period.

(k) Outstanding GDR / ADR or Warrants

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

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

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

(m) Reconciliation of Share Capital Audit

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

(n) Unclaimed Dividend

All unclaimed dividends upto the financial year 2009-10 (Final & Special Dividend) have been transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government.

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

Financial Year/ Period	Whether Interim/ Final	Date of declaration of Dividend	Due date for transfer to IEPF
2010-2011	Final Dividend	10.02.2012	09.02.2019
2011-2012	Final Dividend	19.02.2013	18.02.2020
2017-18	Interim Dividend	10.08.2017	09.08.2024

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

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

In compliance with the requirements laid down in Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred equity shares of all such shareholders whose dividends had remained unpaid or unclaimed for seven consecutive years or more, to the Demand Account of IEPF. However, the shareholders are entitled to claim their equity shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in prescribed Form IEPF-5 and sending a physical copy of the said Form duly signed by all the joint shareholders, if any, as per the specimen signatures recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's Registrar & Transfer Agent, M/s Karvy Computershare Pvt. Ltd., Hyderabad. The Rules and Form IEPF-5 for claiming back the equity shares are available on the website of IEPF www.iepf.gov.in. It may please be noted that no claim shall lie against the Company in respect of equity shares transferred to IEPF pursuant to the said Rules. The details of the shareholders whose equity shares had been transferred to the Demat Account of the IEPF is available on the website of the Company at www.trivenigroup.com/investor/shareholders-information/transfer-of-shares-to-the-iepf.html

p) Locations

Registered Office

Triveni Engineering & Industries Limited
Deoband, Distt. Saharanpur
Uttar Pradesh - 247 554
Tel. :- 01336-222185, 222866
Fax :- 01336-222220

Share Department

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

Plant Locations

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

Address for correspondence

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

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

OTHER DISCLOSURES

- **Related Party Transactions**

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

- **Disclosures of Accounting Treatment**

  In the financial statements for the year ended March 31, 2018, the Company has followed the treatment as prescribed in the applicable Accounting Standards.

- **Details of Non-Compliance by the Company, penalties, stricture imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets.**

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

- **Whistle Blower Policy and Affirmation that no personnel has been denied access to the Audit Committee**

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

- **Code for prevention of Insider Trading**

  The Company has formulated comprehensive Code of Conduct to regulate, monitor and report trading by Insiders in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down the guidelines which advise on procedures to be followed and disclosures to be made, while dealing in shares of the Company and the consequences of non-compliances.

- **Code of conduct for Directors and Senior Executives**

  The Company has laid down a Code of Conduct for all Board Members and the Senior Executives of the Company. The Code of conduct is available on the Company's website www.trivenigroup.com. They have affirmed their compliance with the said code of conduct for the financial year ended March 31, 2018. A declaration to this effect duly signed by the Chairman and Managing Director is given below:

  To the Shareholders of Triveni Engineering & Industries Ltd.

  Sub.: Compliance with Code of Conduct

  I hereby declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors and applicable to them for the financial year ended March 31, 2018.

  Date: May 24, 2018 — **Dhruv M. Sawhney**
  Place: Noida (U.P.) — Chairman and Managing Director

- **CEO / CFO Certification**

  A prescribed certificate as stipulated in Regulation 17 (8) of the Listing Regulations duly signed by the Chairman and Managing Director and Group CFO was placed before the Board alongwith the financial statements for the FY 18 ended on March 31, 2018. The said certificate is provided elsewhere in this Annual Report.

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

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

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

Modified opinion(s) in audit report

The opinion expressed by the Auditor in the audit report on the financial statements for the year ended March 31, 2018 is unmodified.

- **Subsidiary Companies**

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

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

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

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

The certificate dated May 24, 2018 from Statutory Auditors of the Company (M/s SS Kothari Mehta & Co.) confirming compliance with the Corporate Governance requirements as stipulated under the Listing Regulations is annexed hereto.

The above report has been adopted by the Board of Directors of the Company at their meeting held on May 24, 2018.

For and on behalf of the Board of Directors
Dhruv M. Sawhney
Chairman and Managing Director
DIN: 00102999

Place: Noida (U.P.)
Date : May 24, 2018

Annexure-C

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Triveni Engineering & Industries Limited

We have examined the compliance of conditions of Corporate Governance by **Triveni Engineering & Industries Limited** ("the Company") for the year ended 31st March, 2018, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2018.

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

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

OPINION

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C , D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2018.

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

RESTRICTION ON USE

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

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

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida
Date : May 24, 2018

CEO/CFO CERTIFICATION

To
Board of Directors
Triveni Engineering & Industries Ltd.

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

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

(a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2018 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

Suresh Taneja
Group CFO

Dhruv M. Sawhney
Chairman and Managing Director
DIN: 00102999

Place : Noida (U.P.)
Date : May 24, 2018

Annexure-D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2018

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

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

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

WE REPORT THAT-

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

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

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998**;** and

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

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

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

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

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

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

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

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

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

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

We further report that during the audit period the Company has not undertaken any event/action which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines, etc.

For **Suresh Gupta & Associates**
Company Secretaries

Suresh Gupta
Proprietor
FCS No.:5660
CP No.:5204

Date : May 24, 2018
Place: Delhi

Annexure-E

A) CONSERVATION OF ENERGY

a) The steps taken or impact on conservation of energy

1. Quality of insulation is improved at Khatauli Co-generation unit resulting in reduction of un-accounted losses, including radiation heat.

2. Installed VFDs at centrifugal machines, clear juice pump and at defecater juice pumps resulting in saving of power at Khatauli unit.

3. Installation of 62 number LED Flood light of 80W and 150W all over the plant at sugar unit Khatauli in place of HPSV lights.

4. Provision of 2nd condensate flash for soda boiling in Evaporators in place of exhaust steam and installation of 4 Nos flow meters to measure and control process water resulted in steam saving at Rani Nangal unit.

5. Installed capacitor banks at different panels to increase power factor at Rani Nangal unit.

6. 20 HPSV lights of 250 watts replaced by 30 watt LED lights to save 220 watts of power per light at Rani Nangal unit.

7. Using state of the art AC VFD drive at centrifugal machine at pharma sugar section in place of thyristor controlled DC drive. This has resulted in around 40 % saving in net power demand at Sabitgarh unit.

8. Colour coated roof sheets replaced by transparent sheets at identified locations preventing use of lighting during day time at Sabitgarh.

9. Energy efficiency measures were taken in boiling house to cut down the net steam requirement. This includes addition of direct contact molasses conditioners, Plate heat exchangers to recover the heat from condensate, altering the vapour bleeding system to utilize later effect vapours & using variable frequency drive at defecated juice pumping at Sabitgarh unit.

10. Extensive use of energy saving high end LED lights to cut down energy consumption at Sabitgarh.

11. Installed LT capacitors at Milak Narayanpur to improve power factor and consequently to reduce power losses.

12. Installed VFD at Boiler feed water pump resulting in power saving at Milak Narayanpur.

13. Replaced 4 Flap pumps with progressive cavity pumps on B and C magma resulting in saving of power at Milak Narayanpur.

14. Installation of steam traps on exhaust lines and lagging on steam lines resulted in steam saving and lower radiation losses at Milak Narayanpur.

15. Replacement of GUFR with TUFR on 1st and 4th mill resulting in improved extraction and power saving at Milak Narayanpur.

16. Replaced gear and pinion type high power consuming drives at Crystallizers with planetary drives and installed VFD at raw juice pumping station to save power at Ramkola unit.

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

- At Gear Business, power is being sourced through India Energy Exchange which facilitates trading in alternate sources of power.

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

  Apart from above, in all sugar units of the Company, majority of power is generated through bagasse, which is a renewable source of energy. At Distillery, bio-gas is generated from the effluent and is used as a fuel in the boiler for generation of steam and power.

c) The capital investment on energy conservation equipment

The Company has incurred capital expenditure of ₹ 227.35 lakh towards energy conservation equipment during the year.

B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption;

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

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

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

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

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

*The Gear Business has a License Agreement with an overseas party under which limited information by way of drawings is provided to undertake manufacture of the product and as such, the underlying technology is not passed. However, the exposure and interaction with the Licensor helps the Gear Business to increase its learning and use the learning for development of other products.

C) FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings in foreign exchange	₹ 1642.98 lakh*
Foreign exchange outgo	₹ 2833.16 lakh*

*does not include inflow of ₹ 25790.42 lakh and outgo of ₹ 14362.92 lakh in respect of borrowings in foreign currency during the year.

For and on behalf of the Board of Directors

Dhruv M. Sawhney

Chairman and Managing Director

DIN: 00102999

Place: Noida (U.P.)

Date : May 24, 2018

Annexure-F

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 ('ACT') READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The percentage increase in remuneration of each Director, CFO and CS during the FY 18, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 18

Name of Director/KMP and Designation	Ratio of remuneration to Median remuneration	% increase of remuneration in FY 18
Mr. Dhruv M. Sawhney ** Chairman and Managing Director (CMD)	N.A.	NIL
Mr. Tarun Sawhney* Vice Chairman and Managing Director (VCMD)	68	17.62%
Mr. Nikhil Sawhney Non-Executive Director	1.06	NIL
Dr. F.C. Kohli Non-Executive Independent Director	0.36	NIL
Lt. Gen. K.K. Hazari (Retd.) Non-Executive Independent Director	1.57	NIL
Mr. Shekhar Datta Non-Executive Independent Director	1.71	NIL
Ms. Homai A. Daruwalla Non-Executive Independent Director	1.71	NIL
Dr. Santosh Pande Non-Executive Independent Director	1.14	NIL
Mr. Sudipto Sarkar Non-Executive Independent Director	1.14	NIL
Mr. Suresh Taneja* Group Chief Financial Officer	55	7.95%
Ms. Geeta Bhalla* Group Vice President & Company Secretary	20	13.33%

* Gratuity is provided based on actuarial valuation and hence, remuneration does not include gratuity.

** No salary is being drawn by the CMD.

Note: The remuneration of the non-executive & independent directors includes sitting fees only for attending Board or Committee meetings and there was no change in the sitting fee during the year. Further no commission was paid during FY 18 in view of losses incurred during the earlier years.

(ii) In the Financial year 2017 – 18, there was an increase of 6.29 % in the median remuneration of the employees (The salaries of seasonal employees in sugar units have not been considered herein as they are deployed only for the duration of the Sugar season and not for the entire year).

(iii) There were 3906 permanent employees (752 officers, 3154 workmen including 1754 seasonal employees) on the rolls of the Company as on March 31, 2018.

(iv) The average percentile salary increase of employees other than managerial personnel was 7.33% against 13.09% in the managerial remuneration. The increase in remuneration is in line with considerable management efforts to plan, implement and achieve improvement in operational efficiencies of the Sugar Business which will help the Company to better withstand cyclicality in the sugar industry.

(v) It is hereby affirmed that the remuneration paid during the financial ended March 31, 2018 is as per the Nomination and Remuneration policy of the Company.

For and on behalf of the Board of Directors

Dhruv M. Sawhney

Chairman and Managing Director

DIN:00102999

Date : May 24, 2018

Place : Noida (U.P)

Annexure-H

BUSINESS RESPONSIBILITY REPORT – 2017-18

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L15421UP1932PLC022174	
2	Name of the Company	Triveni Engineering & Industries Limited	
3	Registered Address	Deoband, District Saharanpur, Uttar Pradesh- 247554	
4	Website	www.trivenigroup.com	
5	E-mail ID	shares@trivenigroup.com	
6	Financial Year reported	2017-18	
7	Sector(s) that the Company engaged in (industrial activity code-wise)	**NIC Code**	**Product Description**
		1072	Sugar
		35106	Co-generation (Power)
		1101	Industrial Alcohol
		281	Industrial Gears
		360	Water & Waste Water Treatment
8	List three key products/services that the Company manufactures/ provides	Sugar and By-products	
		Industrial Gears (High speed Gears)	
		Solutions relating to Waste Water, Sewage and Effluents	
9	Total number of location where business activity is undertaken by the Company	**(a) Number of International Locations (Provide details of major 5)** Not Applicable - the Company is majorly operating in domestic market **(b) Number of National Locations:** **Uttar Pradesh (U.P.)** • 03 Sugar manufacturing plants in West U.P., 03 in Central U.P. and 01 in East U.P.; • 03 Cogeneration plants in two sugar units situated in West U.P.; • Distillery situated in District: Muzaffarnagar, West U.P.; • Water Business at Noida, with projects being executed all over India; and • Corporate and Registered Offices at Noida and Deoband respectively. **Karnataka** • Manufacturing facilities of High Speed Gears at Mysore	
10	Markets served by the Company: Local/State /National/ International	Local	Yes
		State	Yes
		National	Yes
		International	Yes*

* To the extent of exports by the Gears Business

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Section B: Financial Details of the Company

Triveni Engineering and Industries Limited (₹ in lakhs)

		FY 18 Standalone	FY 18 Consolidated
1.	Paid-up Capital	**2579.47**	**2579.47**
2.	Total Turnover	**343646.70**	**342782.40**
	(a) Revenue from operations (gross)	**341238.37**	**341238.37**
	(b) Other income	**2408.33**	**1544.03**
3.	Profit for the year (after taxes and minority interest)	**10974.38**	**11914.01**
4.	Total Comprehensive Income	**11096.10**	**12034.58**
5.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit before tax	There was no CSR obligation on the Company during the year under the Companies Act in view of losses in previous years. However, the Company engages actively in operating and managing schools in rural areas for the benefit of people residing in the vicinity of its Sugar Units and engages with farmers to improve agricultural practices and productivity for overall improvement of the productivity of the land.	
6.	List of activities in which expenditure in 5 above has been incurred	Nil	

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes, the Company has six subsidiaries as on March 31, 2018.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

   The Subsidiary Companies are in the nascent stages of setting up their respective businesses and hence, these do not have any active participation in the BR initiatives.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?**

   While the suppliers or distributors are not directly involved in the BR initiatives pursued by the Company, the Company makes arrangements with third parties to provide their expertise, products and services for the benefit of the farmers who are the supply chain partners to the Company.

   If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%].

   Not Applicable

Section D: BR Information

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

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

   DIN No: 00382878

   Name: Mr. Tarun Sawhney

   Designation: Vice Chairman and Managing Director

   b) Details of the BR head*

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

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

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

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

a. Details of compliance:

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

b. If answer to the question at Sl.No. 1 against any principle, is "No" please explain why: (Tick up to 2 options):

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3	The Company does not have financial or manpower resources available for the task.					NOT APPLICABLE				
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason (please specify)									

3. **Governance related to BR**

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to access the BR performance of the Company. Within 3 months. 3-6 months, Annually, More than 1 year.**

  This is the first Business Responsibility Report for the financial year 2017-18. The Board of Directors have adopted BR Policy in Feb 2018 and BR Performance of the Company will be reviewed by VCMD/BR Heads on a half yearly basis.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  This is the first Business Responsibility Report which forms part of the Company's annual report for the financial year 2017-18. The annual report containing this Business Responsibility Report will be put up on the web site of the Company at www.trivenigroup.com.

Section E: Principle-wise performance

Principle 1: Ethics, Transparency and Accountability

The Company's commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, the senior management and all employees of the Company. The Corporate Governance philosophy of the Company is anchored on the values of integrity, transparency, building efficient and sustainable environment, system and practices to ensure accountability, transparency, fairness in all the transactions in the widest sense to meet stakeholders and societal expectations. The Code of Conduct and other policies adopted by the Company apply to the employees of the Company. In addition, the Company has a Whistle Blower Policy through which the Company seeks to provide a mechanism to the employees and directors to disclose any unethical and/or improper practice(s) suspected to be taking place in the Company for appropriate action and reporting. Further, no employee is denied access to the Audit Committee and all disclosures are reported to the Chairman of the Audit Committee. The Code of Conduct and Whistle Blower Policy are uploaded on the Company's website- www.trivenigroup.com

1. **Does the Policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / Joint Ventures / Suppliers/ Contractors / NGOs/ Others?**

   The policies, philosophy and thinking in respect of the above issues are practiced by the Company in the normal conduct of the business and it also encourages its suppliers and contractors to adopt such practices. While the business activities in subsidiaries are miniscule, associate companies in India do practice their own well-structured policies on the same lines.

2. **How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.**

Stakeholder	Complaints received during 2017-18	Complaints resolved during 2017-18	%age resolved
Investors' Complaints	13	13	100%
Customers' Complaints	94	87	93%
Total	**107**	**100**	**93%**

Principle 2: Sustainability of Products & Services across Life –Cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities

Most of the products manufactured or dealt with by the Company are environmental friendly:

- Through its cogeneration plants or incidental cogeneration facilities set up in the Sugar manufacturing units, the Company produces power mostly from captive generation of bagasse (a by-product produced during manufacture of sugar from sugarcane), which is a renewable source of energy. Two of the Cogeneration plants were registered with UNFCCC as CDM projects and were entitled for carbon credits. Further, some of the Cogeneration plants or incidental cogeneration facilities are eligible to Renewable Energy certificates.

- The distillery of the Company uses captive generated molasses (a by-product produced during manufacture of sugar from sugarcane) to manufacture environment friendly Ethanol (in substitution of fossil fuels) which is used by the Oil Marketing Companies to blend with petrol as per the mandate of the Government. Further, during the manufacture of Ethanol, electricity requirement of the plant is largely met through bio methanation – utilization of waste products. The company uses effective systems and equipment to reduce effluents.

- The Water business of the Company is engaged in offering solution to the industries and municipalities in the area of waste water, sewage and effluents treatment which has the impact of preserving much precious water and reduce pollution and contamination.

- High speed gears manufactured by the Company inter-alia are used to operate steam turbines based on various renewable energy sources, such as, biomass, agricultural waste, waste heat recovery etc.

2. For each such product provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (Optional).

a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

- The Company is continually engaged in energy conservation (please refer to Annexure -E of the Director's Report) with a view to optimize the resource use.

- In respect of Sugar operations, each of the by-product produced during the manufacture of sugar is majorly captively used to generate power, produce Ethanol or used as organic manure for the benefit of farmers. The conversion of by-products into environmentally beneficial products is made through the advanced energy efficient equipment.

- The Company has been focusing on enhancing raw material productivity in sugar operations by propagating appropriate sugarcane varieties which provide higher yield to the farmers and thus augmenting their income and higher sugar recoveries which help the Company to lower its raw material costs per unit of the output produced. During the Financial year 2017-18, the Company has achieved recovery of 11.29% as against 11.01% in the previous year and due to better yields, it has been able to increase the supply of sugar cane by 22%.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Yes. The Company deploys procurement practices and procedures for sustainable sourcing based on the requirements of different businesses pursued by the Company.

- The sugarcane required for the manufacture of sugar is sourced from the farmers. About 55% of the total requirement of sugarcane is supplied by the farmers at the sugar mill's gate and the balance about 45% is supplied at the cane centers which are up to 100 km from the sugar mills. There are about 576 cane centers operated by our seven sugar mills. To avoid staling of cane, the Company employs an extensive and efficient transport arrangements so that the off-take from the cane centers is regular and timely and, in a cost effective manner.

- Cogenerations plants are set up at the sugar mills and they seamlessly get supply of bagasse, which is produced during manufacture of sugar, through conveyer belts.

- In respect of Distillery, the main raw material (molasses) is sourced from the sugar mills and is transported through tankers. The reliability of transport arrangement is ensured for uninterrupted operation of the distillery.

- Water Business is engaged in project execution at the customer's site. Most of the supplies are engineered-to-order and are outsourced to approved vendors who are entrusted to transport the material directly to the project site. There is a structured mechanism to develop vendors and to maintain a list of approved vendors for various machineries / components required in project execution. In some cases, recommended list of vendors is provided by customers.

- The Gear Business has an active supply chain for various items required to be procured. Based on the criticality and vendor ratings, orders are placed on various vendors. The selection of vendor is based on their past performance, reliability, adherence to delivery timelines, cost competitiveness, compliance to laws, including the standards set up by the Company towards EHS, quality of products / services and willingness to reduce costs / wastages and increase productivity as a supply chain partner.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   The Company procures sugarcane from about 2,50,000 farmers for its seven sugar mills in the state of Uttar Pradesh. As a part of the cane development programme, the Company partners with the famers on an ongoing basis to improve sowing, cultivation and harvesting techniques in a mutually beneficial manner.

   The Company also encourages SMEs, especially in the vicinity of the manufacturing plants, to supply their products and services to the Company and imparts training to them to improve their technical skills.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   In respect of the Sugar Business, the Company has an effective system to treat the industrial effluents and it regularly monitors the efficacy of ETP. Further, it has installed well engineered ESPs/Wet Scrubbers in its boilers to limit air pollution. All the by-products generated during manufacture of sugar are used to produce environment friendly products of commercial value. Water requirements of sugar mills are significant and the Company has an effective system to recycle the water to conserve its utilization.

   Additionally, other waste products include used lubricants, machinery oil and manufacturing scrap which are disposed of to be recycled for further use.

Principle 3: Employee Well-being

Sl. No.	Category		Response	
1.	Total number of employees		6620 as on March 31, 2018 (includes permanent, temporary, trainee and contractual employees)	
2.	Total numbers of employees hired on temporary / contractual / casual basis		2714 as on March 31, 2018	
3.	Total number of permanent women employees		26 as on March 31, 2018	
4.	Total number of permanent employees with disabilities		NIL	
5.	Do you have employee association that is recognized by management?		Yes	
6.	What percentages of your permanent employees are members of this recognized employee association?		Around 38%	
7.	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:		Nil	
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?			
	Category		**Safety (%)**	**Skill Up-gradation (%)**
	a.	Permanent employees	85%	56%
	b.	Permanent Women employees	75%	72%
	c.	Casual / Temporary / Contractual employees	80%	20%
	d.	Employees with disabilities	Nil	Nil

Principle 4: Stake Holder Engagement

1. **Has the Company mapped its internal and external stakeholders?**

   Yes, the key stakeholders of the Company are employees, customers, government authorities, suppliers and shareholders.

2. **Out of the above has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   The company treats all the stakeholders important and endeavours to remedy hardships, if any, caused by any action attributable to it. Further, the Company realizes that its sugar mills are situated in rural areas and it has responsibility to generate employment and entrepreneurship amongst the locals residing in the vicinity. It operates and manages schools for the betterment of the local people.

3. **Are there any special initiative taken by the Company to engage with the disadvantage, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company realizes that its sugar mills are situated in rural areas and it has responsibility to generate employment and entrepreneurship amongst the locals residing in the vicinity. It operates and manages schools for the betterment of the local people.

Principle 5: Human Rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?**

   While the Company or its subsidiaries do not have a stated policy on human rights, it has been practicing to respect human rights as a responsible corporate citizen, without any gender discrimination and exploitation. It believes in providing equal opportunity and to remunerate them in a fair manner commensurate with their skills and competence. The Company ensures conformance to fundamental labour principles including prohibition of child labour, forced labour, freedom of association and protection from discrimination in all its operation.

2. **How many stakeholders' complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   During FY 2017-18, the Company has not received any complaints from any stakeholder pertaining to the human rights.

Principle 6: Protection & Restoration of the Environment

1. **Does the Policy related to Principle 6 cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/Others.**

   The Company's Policy on Safety, Health & Environment extend to all its offices, manufacturing locations, its employees and its surrounding places and habitat which could be impacted by its operations. The Company encourages its vendors, suppliers, and contractors to follow the Principle envisaged in the Policy. The company does not have any subsidiary with significant business activities.

2. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc.? (Y/N) If yes, please give hyperlink for webpage etc.**

   Yes, as a responsible corporate, the Company considers environment issues very seriously. In fact, most of the products manufactured by the Company are either agri-based products or contribute to betterment of environment - promotion of renewable energy sources in producing green power, producing Ethanol in substitution of fossil fuel and active presence in Waste water / sewage / effluent treatment segment. The company has associated with Confederation of Indian Industry (CII) and formed a center of excellence "CII Triveni Water Institute" which does extensive research and advise wide ranging interventions to improve the quality of water and restore adequate water tables. Two of the Cogeneration Plants are registered with UNFCCC under Clean Development Mechanism.

   Under various "Green initiatives", the Gear and Sugar Businesses of the Company have planted number of trees.

3. **Does the Company identify and assess potential environmental risks? (Y/N)**

   Yes, the Company is cognizant of the environment risks and continually evaluates the impact of its manufacturing operations on the environment and endeavours to improve its benchmarks for stringent compliance. Further, all decisions relating to development of new products duly incorporate implications, if any, to the environment.

4. **Does the Company have any Project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed.**

   Two of the Cogeneration Plants of the Company at Deoband and Khatauli (Phase I) are registered with UNFCCC under Clean Development Mechanism. Additionally, some of its cogeneration / incidental cogeneration facilities are also eligible for Renewable Energy Certificate.

5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.**

The company generates green power from renewable energy sources and also manufactures green fuel for blending with petrol, Additionally, the Company is also engaged in all segments relating to waste water, sewage and effluent treatment. Apart from the environment products manufactured by the Company, the Company is conscious of its responsibility to conduct its operations in a manner to conserve energy and to achieve zero effluent discharge.

6. **Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?**

Yes, the emissions / waste generated by the Company are within the permissible limits prescribed by Central Pollution Control Board ("CPCB") / UP State Pollution Control Board / Karnataka State Pollution Control Board ("SPCB").

7. **Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

No such notice from CPCB/SPCB is pending at the end of the financial year.

Principle 7: Responsible Advocacy

1. **Is your Company a member of any trade and chamber or association? If yes, name only the ones that your business deals with:**

The Company is a member of various trade and chamber associations. The major ones are:

a. Confederation of Indian Industries (CII)

b. Federation of Indian Chambers of Commerce and Industry (FICCI)

c. The Sugar Technologists' Association of India (STAI)

d. Indian Sugar Mills Association (ISMA)

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas.**

The Company is continuously in touch with various organization, namely, CII, FICCI, ISMA for improvement of various economic and social policies for sustainable growth in the Sugar and Water Industry. The company has also associated with CII and formed a center of excellence "CII Triveni Water Institute" which does extensive research and advise wide ranging interventions to improve the quality of water and restore adequate water tables.

Principle 8: Supporting inclusive Growth & Equitable Development

1. **Does the Company have specified programs / initiatives/ projects in pursuit of the Policy related to Principle 8? If yes, details thereof.**

- The Company deals with around 2,50,000 farmers across all its seven sugar mills relating to the procurement of sugarcane for the manufacture of sugar. The Company engages in meaningful cane development programme which aims to develop improved sowing, cultivation and harvesting techniques and to improve crop and land productivity resulting in enhanced income in the hands of farmers. During the FY 2017-18, the Company has purchased cane worth ₹ 2337.81 crore from its farmers.

- All the payments to the farmers are made through banking channels as a result of which they become entitled for crop related banking assistance.

- The Company encourages employment of local people and promotes entrepreneurship amongst them to supply goods or render services to the sugar mills. The technical training and skill upgradation is provided by the Company, if required.

- The Company operates and manages schools in the vicinity of the sugar mills to provide education to the children residing in the vicinity.

2. **Are the Programs/ Projects undertaken through in house team / own foundation/ external NGO/ Government structures / any other organisation?**

Most of the programmes are undertaken by the In-house team. The specialized services, wherever required, are procured from expert third parties, including through various tie-ups.

3. **Have you done any impact assessment of your initiatives?**

While it is difficult to quantify, the results are visible through better income accruing in the hands of farmers and improved operational performance of the Company in terms of better sugar recovery and increased supply of sugarcane. The mutual cooperation with its farmers will help the Company to meet its social and commercial objectives.

4. **What is your Company's direct contribution to community development projects – amount in INR and the details of the project undertaken?**

The Company has incurred ₹ 2.81 crore in the cane development activities. The time spent in counselling, educating farmers, managing schools and providing other services are administrative and time extensive, and are difficult to be quantified.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the Community?**

   Yes, the Company believes that if the activities are carried out in a structured manner as per well laid out plan with proper identification of the target class of the community, it is bound to be received well and adopted by the community. The Company stringently follows this line of thinking and continually monitors community development initiatives through various parameters such as health indicators, literacy levels, sustainable livelihood processes, population data and state of infrastructure among others.

Principle 9: Providing value to Customers and Consumers

1. **What percentage of customer complaints / consumer cases are pending as on the end of the financial year.**

   The Company considers customer satisfaction as an important objective and has a well-structured policy on customer complaints resolution. The Company endeavours to resolve all complaints in an expeditious manner. As on 31.03.2018, there were 7% complaints pending for resolution.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   The Company displays applicable product information as mandated by Bureau of Indian Standards/FSSAI. The Company complies with all the applicable regulations as provided in Legal Metrology Act, Bureau of Indian Standards Specifications, Food Safety and Standards Act and the relevant rules prescribed therein.

3. **Is there any case filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   The Company has never indulged in any unfair trade practices, irresponsible advertising or anti-competitive behavior.

   However, based on a complaint for anti-competitive behavior in the tender floated by Oil Marketing Companies (OMCs) in 2012-13 for procurement of Ethanol under the Ethanol Blending with Petrol Programme of the Government of India, the Competition Commission of India (CCI) had ordered an investigation against the OMCs, ISMA and various Sugar Mills (including the Company). On the directions of CCI, Director General has carried out the investigation and submitted his report alleging cartelization, which has been challenged by the distilleries in U.P. including the Company. The matter is being adjudicated by CCI.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   The Company considers customer satisfaction as one of its foremost objectives and endeavors to take feedback from customers through practical means. In the Engineering Businesses, wherein the number of customers are not very large, the Company takes feedback directly from the customers, including through electronic means. In the Sugar business, such feedback, essentially on quality, is received through sugar agents as it not possible to deal with innumerable final customers.

Annexure-I

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018
of Triveni Engineering & Industries Limited
[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L15421UP1932PLC022174
ii)	Registration Date	27th July, 1932
iii)	Name of the Company	Triveni Engineering & Industries Limited
iv)	Category/sub-Category of the Company	Public Company limited by shares / Indian Non-Government Company
v)	Address of the Registered Office and contact details	Deoband, District Saharanpur, Uttar Pradesh-247 554; Ph: (01336) 222185
vi)	Whether listed company (Yes/No)	Yes
vii)	Name, Address and Contract details of Registrar and Transfer Agent, if any	M/s Karvy Computershare Pvt. Ltd. Karvy Selenium Tower-B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032 Ph: 040 6716 2222 Email : einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	MANUFACTURE OF SUGAR	1072	82%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. NO.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Triveni Engineering Limited 8th Floor, Express Trade Towers, 15-16, Sector-16A, Noida-201 301 (U.P.)	U29119UP2006PLC032060	Subsidiary	100%	2(87)
2.	Triveni Energy Systems Limited 8th Floor, Express Trade Towers, 15-16, Sector-16A, Noida-201 301 (U.P.).	U40102UP2008PLC034648	Subsidiary	100%	2(87)
3.	Triveni Entertainment Limited Grand Plaza, 104, 1st Floor, 99 Old Rajinder Nagar Market, New Delhi-110 060.	U52110DL1986PLC024603	Subsidiary	100%	2(87)
4.	Triveni Sugar Limited (formerly Bhudeva Projects Limited) A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	U45201UP2014PLC063454	Subsidiary	99.99%	2(87)

Sl. NO.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5.	Svastida Projects Limited A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	U45201UP2014PLC063455	Subsidiary	100%	2(87)
6.	Triveni Industries Limited Sugar Unit, Deoband-247 554, Uttar Pradesh	U15122UP2015PLC072202	Subsidiary	100%	2(87)
7.	Triveni Turbine Limited A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	L29110UP1995PLC041834	Associate	21.82	2(6)
8.	Aqwise-Wise Water Technologies Ltd., Israel	Foreign Company	Associate	25.04	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

	Category of shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Promoter**									
(1)	**Indian**	34511253	0	34511253	13.379	34511253	0	34511253	13.379	0.000
(a)	Individuals/ HUF									
(b)	Central Government									
(c)	State Government(s)									
(d)	Bodies Corporate	82696056	0	82696056	32.060	82696056	0	82696056	32.060	0.000
(e)	Bank /FI									
(f)	Any Other									
	Sub-Total (A)(1)	**117207309**	**0**	**117207309**	**45.439**	**117207309**	**0**	**117207309**	**45.439**	**0.000**
(2)	**Foreign**									
(a)	NRI - Individuals	58749920	0	58749920	22.776	58749920	0	58749920	22.776	0.000
(b)	Other - Individuals									
(c)	Bodies Corporate									
(d)	Bank /FI									
(e)	Any Other									
	Sub-Total (A)(2)	**58749920**	**0**	**58749920**	**22.776**	**58749920**	**0**	**58749920**	**22.776**	**0.000**
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**175957229**	**0**	**175957229**	**68.215**	**175957229**	**0**	**175957229**	**68.215**	**0.000**
(B)	**Public shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds/UTI	13982418	0	13982418	5.421	4138970	0	4138970	1.605	-3.816
(b)	Bank / FI	383433	0	383433	0.149	549357	0	549357	0.213	0.064
(c)	Central Government									
(d)	State Government(s)									
(e)	Venture Capital Funds									
(f)	Insurance Companies									
(g)	FIIs	0	0	0	0.000	0	0	0	0.000	0.000
(h)	Foreign Venture Capital Investors									
(i)	Any Other (specify)									

Category of shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(j)	Foreign Portfolio Investor (Corporate)	7985443	0	7985443	3.096	10402817	0	10402817	4.033	0.937
	Sub-Total (B)(1)	**22351294**	**0**	**22351294**	**8.665**	**15091144**	**0**	**15091144**	**5.851**	**-2.815**
(2)	**Non-institutions**									
(a)	Bodies Corporate									
i)	Indian	15289544	1	15289545	5.927	14684301	1	14684302	5.693	-0.235
ii)	Overseas									
(b)	Individuals -									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.*	22698639	254336	22952975	8.898	30038717	250026	30288743	11.742	2.844
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	16830492	0	16830492	6.525	17385032	0	17385032	6.740	0.215
(c)	Any Other (specify)									
	[i] NRI	1624767	0	1624767	0.630	1599854	0	1599854	0.620	-0.010
	[ii] HUF	2432319	0	2432319	0.943	2152915	0	2152915	0.835	-0.108
	[iii] Clearing Member	502689	0	502689	0.195	740574	0	740574	0.287	0.092
	[iv] Trust	3800	0	3800	0.001	13700	0	13700	0.005	0.004
	[v] Foreign National	0	0	0	0.000	118	0	118	0.000	0.000
	[vi] IEPF	0	0	0	0.000	31499	0	31499	0.012	0.012
	Sub-Total (B)(2)	**59382250**	**254337**	**59636587**	**23.120**	**66646710**	**250027**	**66896737**	**25.935**	**2.815**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**81733544**	**254337**	**81987881**	**31.785**	**81737854**	**250027**	**81987881**	**31.785**	**0.000**
(C)	**Shares held by Custodians for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**257690773**	**254337**	**257945110**	**100**	**257695083**	**250027**	**257945110**	**100**	**0.000**

(ii) Shareholding of Promoters

Sr. No.	Shareholders's Name	Shareholding at the beginning of the year			Shares holding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered of total shares	No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered of total shares	
(a) Individual/Hindu Undivided Family / NRI								
1	Mr. Dhruv M. Sawhney	38391756	14.883	0	38391756	14.883	0	0.000
2	Mrs. Rati Sawhney	20358164	7.892	0	20358164	7.892	0	0.000
3	Mr. Tarun Sawhney	14695375	5.697	0	14695375	5.697	0	0.000
4	Mr. Nikhil Sawhney	15277653	5.923	0	15277653	5.923	0	0.000
5	Manmohan Sawhney (HUF)	4513225	1.750	0	4513225	1.750	0	0.000
6	Mrs. Tarana Sawhney	25000	0.010	0	25000	0.010	0	0.000
	Total (a)	**93261173**	**36.155**	**0**	**93261173**	**36.155**	**0**	**0.000**

Sr. No.	Shareholders's Name	Shareholding at the beginning of the year			Shares holding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered of total shares	No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered of total shares	
(b) Bodies Corporate								
1	Subhadra Trade & Finance Limited	82696056	32.060	0	0	0.000	0	-32.060
2	STFL Trading & Finance Private Limited	0	0.000	0	82696056	32.060	0	32.060
3	Tarun Sawhney Trust	0	0.000	0	0	0.000	0	0.000
4	Nikhil Sawhney Trust	0	0.000	0	0	0.000	0	0.000
Total (b)		**82696056**	**32.060**	**0**	**82696056**	**32.060**	**0**	**0.000**
TOTAL (a+b)		**175957229**	**68.215**	**0**	**175957229**	**68.215**	**0**	**0.000**

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Subhadra Trade & Finance Limited	82696056	32.060	26-12-2017	-82696056		0	-32.060
2	STFL Trading & Finance Private Limited	0	0.000	29-12-2017	82696056		82696056	32.060

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1*	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE FUND	8009053	3.105	21-Jul-17	-2984773	Transfer	5024280	1.948
				28-Jul-17	-1282447	Transfer	3741833	1.451
				04-Aug-17	-1211747	Transfer	2530086	0.981
				11-Aug-17	-2530086	Transfer	0	0
2	Government Pension Fund Global	5700000	2.21	07-Apr-17	-300000	Transfer	5400000	2.093
				04-Aug-17	-200000	Transfer	5200000	2.016
				11-Aug-17	-100000	Transfer	5100000	1.977
3	INDIANIVESH CAPITALS LIMITED	4300631	1.667	07-Apr-17	-635336	Transfer	3665295	1.421
				21-Apr-17	60000	Transfer	3725295	1.444
				28-Apr-17	-50000	Transfer	3675295	1.425
				02-Jun-17	100000	Transfer	3775295	1.464
				28-Jul-17	-5600	Transfer	3769695	1.461
				11-Aug-17	202072	Transfer	3971767	1.54
				08-Sep-17	232978	Transfer	4204745	1.63
				06-Oct-17	-500000	Transfer	3704745	1.436
				13-Oct-17	-500	Transfer	3704245	1.436
				20-Oct-17	5000	Transfer	3709245	1.438
				27-Oct-17	10000	Transfer	3719245	1.442
				03-Nov-17	-1000	Transfer	3718245	1.441
				24-Nov-17	250	Transfer	3718495	1.442
				01-Dec-17	-250	Transfer	3718245	1.441

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				08-Dec-17	-32436	Transfer	3685809	1.429
				15-Dec-17	500	Transfer	3686309	1.429
				12-Jan-18	27200	Transfer	3713509	1.44
				19-Jan-18	119962	Transfer	3833471	1.486
				25-Jan-18	15000	Transfer	3848471	1.492
				09-Feb-18	29141	Transfer	3877612	1.503
				16-Feb-18	-10000	Transfer	3867612	1.499
				23-Feb-18	400000	Transfer	4267612	1.654
				09-Mar-18	344504	Transfer	4612116	1.788
				16-Mar-18	12669	Transfer	4624785	1.793
				23-Mar-18	196105	Transfer	4820890	1.869
				31-Mar-18	712291	Transfer	5533181	2.145
4*	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA SPECIAL SITUATIONS FUND	2976977	1.154	07-Apr-17	-385058	Transfer	2591919	1.005
				28-Apr-17	-332624	Transfer	2259295	0.876
				05-May-17	-602379	Transfer	1656916	0.642
				12-May-17	-485244	Transfer	1171672	0.454
				19-May-17	-85672	Transfer	1086000	0.421
				02-Jun-17	-141368	Transfer	944632	0.366
				09-Jun-17	-150280	Transfer	794352	0.308
				16-Jun-17	-251987	Transfer	542365	0.21
				23-Jun-17	-13850	Transfer	528515	0.205
				30-Jun-17	-171011	Transfer	357504	0.139
				07-Jul-17	-357504	Transfer	0	0
5*	FAMOUS DEVELOPERS PRIVATE LIMITED	1701000	0.659	28-Apr-17	13138	Transfer	1714138	0.665
				05-May-17	21862	Transfer	1736000	0.673
				09-Jun-17	-10000	Transfer	1726000	0.669
				16-Jun-17	-70000	Transfer	1656000	0.642
				23-Jun-17	-160000	Transfer	1496000	0.58
				07-Jul-17	-50000	Transfer	1446000	0.561
				14-Jul-17	-40000	Transfer	1406000	0.545
				28-Jul-17	-50000	Transfer	1356000	0.526
				13-Oct-17	-15000	Transfer	1341000	0.52
				17-Nov-17	-70000	Transfer	1271000	0.493
				24-Nov-17	-47000	Transfer	1224000	0.475
				15-Dec-17	-25000	Transfer	1199000	0.465
				22-Dec-17	-20000	Transfer	1179000	0.457
				29-Dec-17	-75000	Transfer	1104000	0.428
				05-Jan-18	-25000	Transfer	1079000	0.418
				12-Jan-18	-14000	Transfer	1065000	0.413
				19-Jan-18	-35000	Transfer	1030000	0.399
				25-Jan-18	-35000	Transfer	995000	0.386
				16-Feb-18	-35000	Transfer	960000	0.372
				23-Feb-18	-16000	Transfer	944000	0.366
				02-Mar-18	-10000	Transfer	934000	0.362
				09-Mar-18	-374000	Transfer	560000	0.217
				16-Mar-18	-190000	Transfer	370000	0.143
				23-Mar-18	-190000	Transfer	180000	0.07
				31-Mar-18	-30000	Transfer	150000	0.058

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
6*	AJAY SHIVNARAIN UPADHYAYA	1500000	0.582	01-Dec-17	-200000	Transfer	1300000	0.504
				08-Dec-17	-450000	Transfer	850000	0.33
				15-Dec-17	-262604	Transfer	587396	0.228
				22-Dec-17	-87396	Transfer	500000	0.194
				12-Jan-18	-95000	Transfer	405000	0.157
				19-Jan-18	-155000	Transfer	250000	0.097
				25-Jan-18	-100000	Transfer	150000	0.058
				02-Feb-18	-150000	Transfer	0	0
7*	L AND T MUTUAL FUND TRUSTEE LTD-L AND T MID CAP FUND	1377188	0.534	07-Apr-17	-76900	Transfer	1300288	0.504
				05-May-17	-300000	Transfer	1000288	0.388
				26-May-17	-212688	Transfer	787600	0.305
				02-Jun-17	-70982	Transfer	716618	0.278
				14-Jul-17	-100000	Transfer	616618	0.239
				21-Jul-17	-616618	Transfer	0	0
8*	UNIVERSAL CINE TRADES	1049000	0.407	07-Apr-17	110000	Transfer	1159000	0.449
				28-Apr-17	65000	Transfer	1224000	0.475
				26-May-17	11100	Transfer	1235100	0.479
				02-Jun-17	53900	Transfer	1289000	0.5
				18-Aug-17	25000	Transfer	1314000	0.509
				29-Dec-17	-60000	Transfer	1254000	0.486
				12-Jan-18	-14000	Transfer	1240000	0.481
				19-Jan-18	-240000	Transfer	1000000	0.388
				25-Jan-18	-40000	Transfer	960000	0.372
				02-Feb-18	-310000	Transfer	650000	0.252
				09-Feb-18	-95000	Transfer	555000	0.215
				16-Feb-18	-275000	Transfer	280000	0.109
				02-Mar-18	-65000	Transfer	215000	0.083
				09-Mar-18	-215000	Transfer	0	0
9	SHRADHA GUPTA	1015000	0.393	12-May-17	5000		1020000	0.395
10*	PRINCIPAL TRUSTEE CO. PVT LTD. - PRINCIPAL MUTUAL FUND - PRINCIPAL EMERGING BLUECHIP FUND	1008000	0.391	28-Apr-17	72000	Transfer	1080000	0.419
				23-Jun-17	108000	Transfer	1188000	0.461
				14-Jul-17	-36107	Transfer	1151893	0.447
				21-Jul-17	-1151893	Transfer	0	0
11**	Anil Kumar Goel	522000	0.202	14-Apr-17	108000	Transfer	630000	0.244
				21-Apr-17	91084	Transfer	721084	0.28
				12-May-17	699926	Transfer	1421010	0.551
				19-May-17	292	Transfer	1421302	0.551
				26-May-17	-1121302	Transfer	300000	0.116
				16-Jun-17	-300000	Transfer	0	0
				30-Jun-17	21000	Transfer	21000	0.008
				21-Jul-17	2124000	Transfer	2145000	0.832
				04-Aug-17	20000	Transfer	2165000	0.839
				11-Aug-17	635000	Transfer	2800000	1.086
				18-Aug-17	20000	Transfer	2820000	1.093
				23-Aug-17	60750	Transfer	2880750	1.117
				25-Aug-17	30250	Transfer	2911000	1.129
				01-Sep-17	10000	Transfer	2921000	1.132

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				08-Sep-17	164000	Transfer	3085000	1.196
				15-Sep-17	135000	Transfer	3220000	1.248
				22-Sep-17	32000	Transfer	3252000	1.261
				29-Sep-17	702000	Transfer	3954000	1.533
				06-Oct-17	196000	Transfer	4150000	1.609
				10-Nov-17	561531	Transfer	4711531	1.827
				17-Nov-17	128469	Transfer	4840000	1.876
				24-Nov-17	120000	Transfer	4960000	1.923
				01-Dec-17	20000	Transfer	4980000	1.931
				08-Dec-17	120000	Transfer	5100000	1.977
				22-Dec-17	20000	Transfer	5120000	1.985
				19-Jan-18	10000	Transfer	5130000	1.989
				25-Jan-18	30000	Transfer	5160000	2
				02-Feb-18	30000	Transfer	5190000	2.012
				09-Feb-18	25000	Transfer	5215000	2.022
				09-Mar-18	3453	Transfer	5218453	2.023
				16-Mar-18	6547	Transfer	5225000	2.026
				23-Mar-18	5000	Transfer	5230000	2.028
				30-Mar-18	15000	Transfer	5240000	2.031
12**	DSP BLACKROCK SMALL CAP FUND	0	0	11-Aug-17	1975000	Transfer	1975000	0.766
				18-Aug-17	61136	Transfer	2036136	0.789
				25-Aug-17	102500	Transfer	2138636	0.829
				01-Sep-17	52006	Transfer	2190642	0.849
				08-Sep-17	185768	Transfer	2376410	0.921
				05-Jan-18	182463	Transfer	2558873	0.992
				12-Jan-18	78400	Transfer	2637273	1.022
				19-Jan-18	479559	Transfer	3116832	1.208
				25-Jan-18	164287	Transfer	3281119	1.272
				02-Feb-18	433272	Transfer	3714391	1.44
13**	Anil Kumar Goel	0	0	26-May-17	1200000	Transfer	1200000	0.465
				16-Jun-17	300000	Transfer	1500000	0.582
14**	Seema Goel	0	0	11-Aug-17	300000	Transfer	300000	0.116
				15-Sep-17	25500	Transfer	325500	0.126
				22-Sep-17	264500	Transfer	590000	0.229
				29-Sep-17	130000	Transfer	720000	0.279
				20-Oct-17	50000	Transfer	770000	0.299
				27-Oct-17	40559	Transfer	810559	0.314
				03-Nov-17	39441	Transfer	850000	0.33
				10-Nov-17	230000	Transfer	1080000	0.419
				24-Nov-17	36000	Transfer	1116000	0.433
				01-Dec-17	15636	Transfer	1131636	0.439
				08-Dec-17	38364	Transfer	1170000	0.454
				22-Dec-17	90000	Transfer	1260000	0.488
				09-Feb-18	-11000	Transfer	1249000	0.484
				16-Feb-18	-19000	Transfer	1230000	0.477

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
15**	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG)	532491	0.206	07-Apr-17	28659	Transfer	561150	0.218
				14-Apr-17	81200	Transfer	642350	0.249
				21-Apr-17	68720	Transfer	711070	0.276
				28-Apr-17	160589	Transfer	871659	0.338
				12-May-17	20295	Transfer	891954	0.346
				19-May-17	9243	Transfer	901197	0.349
				26-May-17	27005	Transfer	928202	0.36
				22-Sep-17	7441	Transfer	935643	0.363
				29-Sep-17	15132	Transfer	950775	0.369
				13-Oct-17	10336	Transfer	961111	0.373
				27-Oct-17	19283	Transfer	980394	0.38
				10-Nov-17	20144	Transfer	1000538	0.388
				24-Nov-17	29307	Transfer	1029845	0.399
				15-Dec-17	12849	Transfer	1042694	0.404
				22-Dec-17	39481	Transfer	1082175	0.42
16**	UNIVERSAL GOLDEN FUND	0	0	25-Jan-18	400000	Transfer	400000	0.155
				09 Feb-18	226700	Transfer	626700	0.243
				02-Mar-18	112600	Transfer	739300	0.287
				16-Mar-18	278000	Transfer	1017300	0.394
17**	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE OF BLACKROCK INDIA EQUITY FUND	0	0	08-Sep-17	461976	Transfer	461976	0.179
				13-Oct-17	458228	Transfer	920204	0.357
				20-Oct-17	113367	Transfer	1033571	0.401
				10-Nov-17	-44040	Transfer	989531	0.384
				02-Feb-18	-23955	Transfer	965576	0.374
				02-Mar-18	-12925	Transfer	952651	0.369

*Ceased to be in the list of top 10 shareholders as on 31.3.2018. However, the same has been reflected above since the shareholder was one of the top 10 shareholders as on 01.04.2017.

**Not in the list of top 10 shareholders as on 01.04.2017. However, the same has been reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2018.

(v). Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
A.	**DIRECTORS**							
1	Mr Dhruv M Sawhney	38391756	14.883	-	0		38391756	14.883
2	Mr Tarun Sawhney	14695375	5.697	-	0	-	14695375	5.697
3	Mr Nikhil Sawhney	15277653	5.923	-	0	-	15277653	5.923
4	Dr. F.C. Kohli	0	0	-	0	-	0	0
5	Lt. Gen. K.K. Hazari (Retd.)	0	0	-	0	-	0	0
6	Mr. Shekhar Datta	10000	0.004	-	0	-	10000	0.004
7	Ms. Homai A. Daruwalla	0	0	-	0	-	0	0
8	Dr. Santosh Pande	0	0				0	0
9	Mr. Sudipto Sarkar	0	0				0	0
B.	**KEY MANAGERIAL PERSONNEL**							
10	Mr Suresh Taneja	14000	0.005	-	0	-	14000	0.005
11	Mrs Geeta Bhalla	0	0	-	0	-	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding Deposits*	Unsecured Loans	Unclaimed Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
i) Principal Amount	171541.60	1666.03	--	173207.63
ii) Interest due but not paid	--	--	0.21	0.21
iii) Interest accrued but not due	218.57	--	--	218.57
Total (i+ii+iii)	**171760.17**	**1666.03**	**0.21**	**173426.40**
Change in Indebtedness during the financial year				
• Addition	159.64	2090.00	--	2249.64
• Reduction	49694.98	1666.03	0.21	51361.22
Net Change	**-49535.34**	**423.97**	**-0.21**	**-49111.58**
Indebtedness at the end of the year				
i) Principal Amount	122128.82	2090.00	--	124218.82
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	96.00	--	--	96.00
Total (i+ii+iii)	**122224.82**	**2090.00**	**--**	**124314.82**

*Includes short term borrowings(cash credit) from banks

Note :- Term Loans have been considered at undiscounted value

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr Dhruv M. Sawhney CMD	Mr Tarun Sawhney VCMD	
1	Gross salary			
.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	182.70	182.70
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	27.87	27.87
	(c) Profits in lieu of salary under17(3) Income-tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, please specify	--	--	--
5.	Others (Retiral Benefits)	--	29.16*	29.16*
	Total (A)	**--**	**239.73**	**239.73**
	Ceiling as per the Act	In view of inadequate profits, the above remuneration was paid as 'minimum remuneration' in accordance with the applicable provisions of the Companies Act, 2013.		

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

B. Remuneration to other directors:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1.	**Independent Directors**				
	Dr F.C. Kohli	1.25	--	--	1.25
	Lt. Gen. K.K. Hazari (Retd.)	5.50	--	--	5.50
	Mr Shekhar Datta	6.00	--	--	6.00
	Ms. Homai A. Daruwalla	6.00	--	--	6.00
	Dr Santosh Pande	4.00	--		4.00
	Mr Sudipto Sarkar	4.00	--		4.00
	Total (1)	**26.75**	**--**	**--**	**26.75**
2.	**Other Non-Executive Directors**				
	Mr Nikhil Sawhney	3.70	--	--	3.70
	Total (2)	**3.70**	**--**	**--**	**3.70**
	Total (B) = (1+2)	**30.45**	**--**		**30.45**
	Total Remuneration (A+B)				**270.18**
	Overall ceiling as per the Act	In view of inadequate profits, the above remuneration was paid in accordance with the applicable provisions of the Companies Act, 2013.			

C. Remuneration to Key Managerial Personnel other than MD / MANAGER/WTD

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**CFO**	**CS**	**Total**
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	183.69	65.33	249.02
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	NA	0.75	0.34	1.09
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	Nil	Nil	Nil
2	Stock Option	NA	Nil	Nil	Nil
3	Sweat Equity	NA	Nil	Nil	Nil
4	Commission	NA	Nil	Nil	Nil
	- as % of profit				
	- others, specify...				
5	Others (Retiral benefits)*	NA	7.95	2.94	10.89
	Total	**NA**	**192.39**	**68.61**	**261.00**

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT /COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			**None**		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			**None**		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			**None**		
Compounding					

Independent Auditors' Report

To
The Members
Triveni Engineering & Industries Limited

REPORT ON THE STANDALONE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of **TRIVENI ENGINEERING & INDUSTRIES LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2018, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

OTHER MATTER

The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 20, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

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

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

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

      i. The Company has disclosed the impact of pending litigations as at March 31, 2018 on its financial position in its Standalone Ind AS financial statements – Refer Note 46 to the Standalone Ind AS financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including long term derivative contracts.

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

      iv. The reporting on the disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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

Yogesh K. Gupta
Partner
Membership No. 093214

Place: Noida
Dated: May 24, 2018

"Annexure A" to the Independent Auditors' Report

The Annexure **as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements** of our Independent Auditors' Report to the members of **TRIVENI ENGINEERING & INDUSTRIES LIMITED** on the standalone Ind AS financial statements for the year ended March 31, 2018, we report that:

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

(b) The Company has a regular program of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this program, all major items of fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.

(c) According to the information and explanation given to us and on the basis of examination of title deeds / sale deed / transfer deed / conveyance deed / possession letter / allotment letter and other relevant records evidencing title/ possession provided and legal opinion obtained by the Company, we report that the title deeds of the immovable properties are held in the name of the Company as at the balance sheet date except for 3 cases having gross book value of Rs. 13.13 lakhs in respect of freehold land as disclosed in Note No. 3 on Property, Plant & Equipment and 35 cases having gross book value of Rs. 381.47 lakhs in respect of freehold land, disclosed in Note No. 4 on Investment Property, to standalone Ind AS financial statements, where the title deeds are not held in the name of the Company.

ii The physical verification of the inventory have been conducted at reasonable intervals by the management during the year. As far as we could ascertain and according to information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security as specified under Section 185 and 186 of the Companies Act, 2013. The Company has complied with the provisions of section 186 of the Companies Act, 2013 with regards to investments made.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales-tax, income tax, service tax, custom duty, excise duty, value added tax, goods and services tax with effect from July 1, 2017 and other material statutory dues with the appropriate authorities to the extent applicable.

(b) According to the information and explanations given to us and on the basis of examination of the records of the Company there are no undisputed aforesaid statutory dues payable as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of excise, duty of customs, or value added tax which have not been deposited on account of any dispute except as given below:

Name of Statute	Nature of Dues	Period (F.Y.) to which the amount relates	Amount Demanded (Excluding interest) (₹ in Lakhs)	Amount paid (₹ in Lakhs)	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty	1998-99 to 2004-05 and 2007-08 to 2012-13	35.12	13.82	High Court
The Central Excise Act, 1944	Penalty	1998-99 to 2004-05 and 2007-08 to 2012-13	290.60	266.00	High Court
The Central Excise Act, 1944	Excise duty	1995-96, 1996-97, 2006-07 & 2009-10 to 2015-16	145.61	26.74	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Penalty	1995-96 - 1996-97 & 2005-06 to 2015-16	127.90	0.12	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise duty	1995-96 & 2010-11 to 2016-17	274.55	25.38	Commissioner (Appeal)
The Central Excise Act, 1944	Penalty	1995-96 & 2010-11 to 2016-17	230.91	-	Commissioner (Appeal)
The Finance Act, 1994 (Service Tax)	Service Tax	2012-13 & 2013-14	23.37	23.37	Customs, Excise and Service Tax Appellate Tribunal
The Finance Act, 1994 (Service Tax)	Service Tax	2016-17	2.13	-	Commissioner (Appeal)
The Finance Act, 1994 (Service Tax)	Penalty	2016-17	2.13	-	Commissioner (Appeal)
The Central Sales Tax Act, 1944 & State VAT Act	Sales Tax	1993-94 to 1996-97 & 1999-00	52.08	51.12	High Court
The Central Sales Tax Act, 1944 & State VAT Act	Penalty	1993-94 to 1996-97 & 1999-00	0.21	-	High Court
The Central Sales Tax Act, 1944 & State VAT Act	Sales Tax	1998-99 to 2000-01, 2009-10, 2011-12 to 2013-14	484.53	61.99	Tribunal
The Central Sales Tax Act, 1944 & State VAT Act	Penalty	1998-99 to 2000-01, 2009-10, 2011-12 to 2013-14	10.78	1.82	Tribunal
The Central Sales Tax Act, 1944 & State VAT Act	Sales Tax	2013-14 & 2014-15	148.45	22.59	Addl/ Joint Commissioner
The Central Sales Tax Act, 1944 & State VAT Act	Penalty	2013-14 & 2014-15	3.89	3.30	Addl/ Joint Commissioner
The Central Sales Tax Act, 1944 & State VAT Act	Sales Tax	1986-87, 1993-94 & 1995-96 to 1996-97	58.14	42.29	Assessing authority
The Customs Act, 1962	Penalty	2004-05	19.93	6.19	Customs, Excise and Service Tax Appellate Tribunal
Prescribed remission Under UP Trade Tax (UP Sugar Promotion Policy, 2004)	Entry Tax	2009-10 & 2013-14	625.05	-	High Court
Prescribed remission Under UP Trade Tax (UP Sugar Promotion Policy, 2004)	VAT	2009-10 & 2013-14	101.14	-	High Court
The Income Tax Act, 1961	Income Tax	2002-03, 2004-05, 2005-06, 2007-08 & 2010-11	2,766	1,414	Income Tax Appellate Tribunal

viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks, financial institutions or government during the year. The Company has not issued any debentures.

ix. According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were raised.

x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees being noticed or reported during the year, nor have we been informed of such case by the Management.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, and details of such transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Companies Act, 2013.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable.

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

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable.

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

Yogesh K. Gupta
Partner
Membership No. 093214

Place: Noida
Dated: May 24, 2018

"Annexure B" to the Independent Auditors' Report

of even date on the Standalone Ind AS Financial Statements of Triveni Engineering & Industries Limited.

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT") AS REFERRED TO IN PARAGRAPH 2(F) OF 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS'

We have audited the internal financial controls over financial reporting of **TRIVENI ENGINEERING & INDUSTRIES LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Yogesh K. Gupta
Partner
Membership No. 093214

Place: Noida
Dated: May 24, 2018

Standalone Balance Sheet

as at March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	As at 31-Mar-18	As at 31-Mar-17
ASSETS			
Non-current assets			
Property plant and equipment	3	83466.00	84580.20
Capital work-in-progress	3	1004.75	211.33
Investment property	4	821.14	702.23
Intangible assets	5	35.84	82.32
Investments in subsidiaries and associates	6 (a)	5000.78	4620.78
Financial assets			
i. Investments	6 (b)	455.51	488.23
ii. Trade receivables	7	50.32	81.98
iii. Loans	8	2.98	7.12
iv. Other financial assets	9	733.25	924.84
Income tax assets (net)	22	5733.97	2919.25
Other non-current assets	10	576.48	643.53
Total non-current assets		**97881.02**	**95261.81**
Current assets			
Inventories	11	157918.64	167481.68
Financial assets			
i. Trade receivables	7	31140.07	27709.52
ii. Cash and cash equivalents	12 (a)	338.70	651.45
iii. Bank balances other than cash and cash equivalents	12 (b)	273.02	38.26
iv. Loans	8	53.55	38.69
v. Other financial assets	9	424.31	908.59
Other current assets	10	8645.08	12980.06
		198793.37	**209808.25**
Assets classified as held for sale	13	-	118.91
Total current assets		**198793.37**	**209927.16**
Total assets		**296674.39**	**305188.97**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2579.47	2579.47
Other equity	15	85507.10	75187.20
Total equity		**88086.57**	**77766.67**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16	3495.28	27536.23
ii. Other financial liabilities	17	-	30.62
Provisions	18	3969.48	3863.01
Deferred tax liabilities (net)	23	4171.76	2342.30
Other non-current liabilities	19	149.13	250.84
Total non-current liabilities		**11785.65**	**34023.00**
Current liabilities			
Financial liabilities			
i. Borrowings	20	107647.23	124209.92
ii. Trade payables	21	62805.57	25658.22
iii. Other financial liabilities	17	16425.65	24745.82
Other current liabilities	19	7991.63	17188.19
Provisions	18	1932.09	1332.40
Income tax liabilities (net)	22	-	264.75
Total current liabilities		**196802.17**	**193399.30**
Total liabilities		**208587.82**	**227422.30**
Total equity and liabilities		**296674.39**	**305188.97**

The accompanying notes 1 to 52 form an integral part of these standalone financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 24, 2018

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

Standalone Statement of Profit and Loss

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	Year ended 31-Mar-18	Year ended 31-Mar-17
Revenue from operations	24	341238.37	296686.61
Other income	25	2408.33	3037.45
Total income		**343646.70**	**299724.06**
Expenses			
Cost of materials consumed	26	258145.53	206446.07
Purchases of stock-in-trade	27	1674.24	1536.93
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(866.12)	(23950.82)
Excise duty on sale of products		4167.99	14231.95
Employee benefits expense	29	20240.34	18771.48
Finance costs	30	8533.87	12655.44
Depreciation and amortisation expense	31	5536.55	5720.99
Impairment loss on financial assets (including reversals of impairment losses)	32	(296.41)	635.83
Other expenses	33	30567.31	26857.84
Total expenses		**327703.30**	**262905.71**
Profit before exceptional items and tax		**15943.40**	**36818.35**
Exceptional items	34	-	(8546.74)
Profit before tax		**15943.40**	**28271.61**
Tax expense:			
- Current tax	35	3203.97	2335.63
- Deferred tax	35	1765.05	2579.73
Total tax expense		4969.02	4915.36
Profit for the year		10974.38	23356.25
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	38	186.13	(686.05)
		186.13	**(686.05)**
A (ii) Income tax relating to items that will not be reclassified to profit or loss	35	64.41	(237.43)
		121.72	**(448.62)**
B (i) Items that may be reclassified to profit or loss		-	-
B (ii) Income tax relating to items that may be reclassified to profit or loss	35	-	-
Other comprehensive income for the year, net of tax		**121.72**	**(448.62)**
Total comprehensive income for the year		**11096.10**	**22907.63**
Earnings per equity share (face value ₹ 1 each)			
Basic	36	4.25	9.06
Diluted	36	4.25	9.06

The accompanying notes 1 to 52 form an integral part of these standalone financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 24, 2018

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

Standalone Statement of Changes in Equity

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 1 each issued, subscribed and fully paid up (including forfeited shares)

As at 31 March 2016	2579.47
Changes during the year	-
As at 31 March 2017	**2579.47**
Changes during the year	-
As at 31 March 2018	**2579.47**

B. Other equity

	Reserves and surplus							
	Capital redemption reserve	Capital reserve	Securities premium	Amalgamation reserve	General reserve	Molasses storage fund reserve	Retained earnings	Total other equity
Balance as at 31 March 2016	**397.40**	**2855.85**	**26546.93**	**926.34**	**49212.72**	**182.39**	**(27842.06)**	**52279.57**
Profit for the year	-	-	-	-	-	-	23356.25	23356.25
Other comprehensive income, net of income tax	-	-	-	-	-	-	(448.62)	(448.62)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**22907.63**	**22907.63**
Transferred to molasses storage fund reserve	-	-	-	-	-	20.03	(20.03)	-
Balance as at 31 March 2017	**397.40**	**2855.85**	**26546.93**	**926.34**	**49212.72**	**202.42**	**(4954.46)**	**75187.20**
Profit for the year	-	-	-	-	-	-	10974.38	10974.38
Other comprehensive income, net of income tax	-	-	-	-	-	-	121.72	121.72
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**11096.10**	**11096.10**
Transferred to molasses storage fund reserve	-	-	-	-	-	32.96	(32.96)	-
Withdrawal from molasses storage fund reserve	-	-	-	-	-	(39.10)	39.10	-
Transactions with owners in their capacity as owners								
- Dividends paid	-	-	-	-	-	-	(644.91)	(644.91)
- Dividend distribution tax	-	-	-	-	-	-	(131.29)	(131.29)
Balance as at 31 March 2018	**397.40**	**2855.85**	**26546.93**	**926.34**	**49212.72**	**196.28**	**5371.58**	**85507.10**

The accompanying notes 1 to 52 form an integral part of these standalone financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 24, 2018

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

Standalone Statement of Cash Flows

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-18	Year ended 31-Mar-17
Cash flows from operating activities		
Profit before tax	15943.40	28271.61
Adjustments for		
Depreciation and amortisation expense	5536.55	5720.99
Bad debts written off - trade receivables and other financial assets carried at amortised cost	607.12	2215.18
Impairment loss allowance on trade receivables and other financial assets (net of reversals)	(903.53)	(1579.35)
Bad debts written off - Non financial assets	83.00	1009.60
Impairment loss allowance on non financial assets (net of reversals)	20.95	(1927.94)
Provision for non moving / obsolete inventory	77.24	95.30
Loss on sale /write off of inventory	33.57	24.39
Net fair value (gains)/losses on investments	(23.16)	(97.44)
Mark-to-market losses / (gains) on derivatives	(87.85)	84.88
Credit balances written back	(156.99)	(154.50)
Exceptional items	-	8546.74
Unrealised losses / (gains) from changes in foreign exchange rates	12.99	(40.35)
Loss on sale / write off / impairment of property plant and equipment	32.88	82.15
Net (profit)/loss on sale / redemption of investments	(0.60)	0.65
Interest income	(121.35)	(655.71)
Dividend income	(868.66)	(326.94)
Finance costs	8533.87	12655.44
Working capital adjustments :		
Change in inventories	9452.24	(26366.70)
Change in trade receivables	(3110.85)	(1651.08)
Change in other financial assets	531.71	94.72
Change in other assets	4322.00	2447.01
Change in trade payables	37265.07	(18912.21)
Change in other financial liabilities	(721.46)	1149.06
Change in other liabilities	(8367.97)	3383.02
Change in provisions	892.27	188.80
Cash generated from operations	**68982.44**	**14257.32**
Income tax (paid)/ refund	(6283.44)	214.94
Net cash inflow from operating activities	**62699.00**	**14472.26**
Cash flows from investing activities		
Purchase of property, plant and equipment	(5209.90)	(4196.99)
Proceeds from sale of property, plant and equipment	29.16	110.12
Refund of advance received against assets held for sale	(200.00)	-
Purchase of investments		
Subsidiary	(380.00)	-
Others	-	(198.70)
Proceeds from sale of investments (other than Subsidiary)	60.00	50.08
Decrease / (increase) in deposits with banks	(59.18)	(48.39)
Interest received	170.89	66.54
Dividend received	868.66	326.94
Net cash outflow from investing activities	**(4720.37)**	**(3890.40)**

Standalone Statement of Cash Flows (Contd.)

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-18	Year ended 31-Mar-17
Cash flows from financing activities		
Proceeds from long term borrowings	159.64	9990.75
Repayment of long term borrowings	(32447.39)	(15534.34)
Increase / (decrease) in short term borrowings	(16568.91)	8044.98
Interest paid	(8657.00)	(12616.43)
Dividend paid to Company's shareholders	(644.91)	-
Dividend distribution tax	(131.29)	-
Payment of unclaimed dividend	(1.52)	(4.27)
Redemption of unclaimed preference shares	-	(90.22)
Net cash outflow financing activities	**(58291.38)**	**(10209.53)**
Net increase / (decrease) in cash and cash equivalents	(312.75)	372.33
Cash and cash equivalents at the beginning of the year (refer note 12 (a))	651.45	279.12
Cash and cash equivalents at the end of the year (refer note 12 (a))	**338.70**	**651.45**

Reconciliation of liabilities arising from financing activites:

	Non-current borrowings (including current maturities and deferred grant related to borrowings)	Current borrowings	Interest payable on borrowings/ deposits	Unpaid dividends	Dividend paid to Company's shareholders (including DDT)
Balance as at 31 March, 2017	48865.49	124209.92	218.78	5.00	-
Cash flows	(32287.75)	(16568.91)	(8657.00)	(1.52)	(776.20)
Foreign exchange movements	-	6.22	0.35	-	-
Finance costs accruals	-	-	8533.87	-	-
Dividend distributions (including DDT) accruals	-	-	-	-	776.20
Balance as at 31 March 2018	**16577.74**	**107647.23**	**96.00**	**3.48**	**-**

The accompanying notes 1 to 52 form an integral part of these standalone financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 24, 2018

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 Standalone Financial Statements

for the year ended March 31, 2018

CORPORATE INFORMATION

Triveni Engineering & Industries Limited ("the Company") is a company limited by shares, incorporated and domiciled in India. The Company's equity shares are listed at two recognised stock exchanges in India (BSE and NSE). The registered office of the Company is located at Deoband, Distt. Saharanpur, Uttar Pradesh – 247554. The Company is engaged in diversified businesses mainly categorised into two segments – Sugar & allied businesses and Engineering business. Sugar & allied businesses primarily comprise manufacture of sugar, co-generation and distillery. Engineering business primarily comprises manufacture of high speed gears, gearboxes and providing water treatment solutions.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone 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 standalone 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] and other relevant provisions of the Act.

(ii) Historical cost convention

The standalone financial statements have been prepared on an accrual basis under historical cost convention except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the respective accounting policies described in subsequent paragraphs.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 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 Company's normal operating cycle and other criteria set out in Schedule III to the Act. The operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, other similar allowances, value added taxes, service tax, goods & services tax and amounts collected on behalf of third parties, if any.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Recognising revenue from major business activities

(i) Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; and

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- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) Rendering of services

Revenue from a contract to provide services is recognised when the outcome of a transaction involving the rendering of services can be estimated reliably, by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

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

- operation & maintenance revenue is recognised by reference to the stage of completion of operations & maintenance work, determined as the proportion of the total period of services contract that has elapsed at the end of the reporting period

(iii) Construction contracts

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

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

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

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

(iv) Revenue from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (RECs)

Income from the sale of CERs and RECs is recognised on the delivery of the CERs/RECs to the customer's account as evidenced by the receipt of confirmation of execution of delivery instructions.

(v) Rental income

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

(vi) Dividend income

Dividend income from investments is recognised when the Company's right to receive payment has been established.

(vii) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(c) Government grants

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

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 income or net of related costs.

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Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a systematic and rational basis over the expected useful lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a loan at a below market rate of interest or loan with interest subvention is treated as a government grant, measured as a difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

See note 43 for disclosures and treatment of government grants in standalone financial statements.

(d) Leases

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.

(i) As a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 1(g) below).

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case lease expenses are charged to profit or loss on the basis of actual payments to the lessors.

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases where such increases are recognised in the year in which such benefits accrue. 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 standalone balance sheet based on their nature.

(e) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss in the period in which they arise except for foreign exchange differences on foreign currency borrowings relating to assets under construction for future productive use, 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 differences regarded as an adjustment to borrowing costs are presented in the standalone statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the standalone statement of profit and loss on a net basis within other income.

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for the year ended March 31, 2018

(f) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered 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 standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are

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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 for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price after deducting trade discounts/rebates, 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 management and costs of dismantling/removing the item and restoring the site on which it was located under an obligation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

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

The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives as stated in Schedule II along with residual values of 5% except for the following:

- On the basis of technical assessment and past experience:
    - 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 ₹ 5000/- or more are depreciated over two years.
    - patterns, tools, Jigs, fixtures etc. are depreciated over three years.
    - machinery spares are depreciated over a life ranging from five to ten years.
- Assets costing less than ₹ 5000/- are fully depreciated in the year of purchase.

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Estimated useful lives considered are as follows:

Assets	Estimated useful life
Buildings	3 - 60 years
Roads	3 - 10 years
Plant & equipment	3 - 25 years
Furniture & fixtures	10 years
Vehicles	8 - 10 years
Office equipment	2 - 5 years
Computers	3 - 6 years
Laboratory equipment	10 years
Electrical installations and equipment	10 years

Fixture and fittings and improvements to leasehold buildings not owned by the Company are amortised over the unexpired lease period or estimated useful life of such fixture, fittings and improvements, whichever is lower.

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

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

(j) 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, including duties and taxes, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling/removing the item and restoring the site on which it was located under an obligation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment property being building is depreciated using the straight-line method over their estimated useful lives as stated in Schedule II at 30 years along with residual values of 5%.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(k) Intangible assets

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

Estimated useful lives considered are as follows:

Assets	Estimated useful life
Computer software	3 years
Technical know-how	6 years

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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 Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(l) Inventories

(i) Finished goods and work-in-progress are valued at lower of cost and net realisable value. The cost of finished goods and work-in-progress is computed on weighted average basis and includes raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. Finished goods and work-in-progress are written down if their net realisable value declines below the carrying amount of the inventories and such write downs to inventories are recognised in profit or loss. When reasons for such write downs ceases to exist, such write downs are reversed through profit or loss.

(ii) Inventories of raw materials & components, stores & spares and stock-in-trade are valued at lower of cost and net realisable value. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Write down of such inventories are recognised in profit or loss and when reasons for such write downs ceases to exist, such write downs are reversed through profit or loss. Cost of such inventories comprises of purchase price and other directly attributable costs that have been incurred in bringing the inventories to their present location and condition. By-products used as raw material are valued at transfer price linked with net realisable value. Cost for the purpose of valuation of raw materials & components, stores & spares and stock-in-trade is considered on the following basis :

Raw materials & Components

Business Units	Basis
Sugar	First in first out
Co-generation & Distillery	Weighted Average
Water Business Group	Specific Cost
Gears Business Group	Weighted Average and Specific Cost

Stores & Spares

Business Units	Basis
Water Business Group	Specific Cost
Other units	Weighted Average

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.

(iv) Unsold certified emission reductions (CERs) and renewable energy certificates (RECs) are recognised as inventory in accordance with the Guidance Note on Accounting for Self-generated Certified Emission Reductions, issued by the Institute of Chartered Accountants of India. Inventory of CERs and RECs is valued at lower of cost and net realisable value. The cost incurred on verification/certification of CERs/RECs is considered as the cost of inventories of CERs/RECs.

(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.

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for the year ended March 31, 2018

(n) Provisions, contingent liabilities and contingent assets

(i) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is measured at the present value of cash flows estimated to settle the present obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(ii) A contingent liability is not recognised in the standalone 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 standalone 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 standalone 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 standalone 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 standalone balance sheet.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plan towards payment of gratuity; and
- defined contribution plans towards employees' provident fund & employee pension scheme, employees' state insurance, superannuation scheme, national pension scheme and employees' provident fund (set-up by the Company and administered through trust).

Defined benefit plan

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

Notes to the Standalone Financial Statements

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the standalone statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the standalone statement of changes in equity and in the standalone balance sheet.

Defined contribution plans

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

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

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

- **Employee State Insurance**

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

- **Superannuation Scheme**

  The Company contributes towards a fund established 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 Company makes contributions to the National Pension Scheme fund in respect of certain employees of the Company.

- **Provident fund (set-up by the Company and administered through trust)**

  The Company makes contribution towards provident fund, in substance a defined contribution plan, which was set-up by the Company and administered through trust for the benefit of certain employees. The interest rate payable by the trust to the beneficiaries is regulated by statutory authorities which requires that if the Board of Trustees are unable to pay interest at the rate declared by the Central Government under para 60 of the Employees' Provident Fund Scheme, 1952, for the reason that the return of investments is less or for any other reason, then the deficiency shall be made good by the Company.

(p) Dividends

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

(q) Financial assets

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

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

(ii) Measurement

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

Debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the standalone statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value, except for equity investments in subsidiaries and associates where the Company has the option to either measure it at cost or fair value. The Company has opted to measure equity investments in subsidiaries and associates at cost hence investments in subsidiaries and associates are carried at cost less impairment, if any. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

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

Notes to the Standalone Financial Statements

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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 11 Construction Contracts and Ind AS 18 Revenue, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-months ECL.

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

ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. Note 41(i) details how the Company determines expected credit loss.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset; or

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

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

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing 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

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

(r) Financial liabilities and equity instruments

(i) Classification

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

Equity instruments

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

Financial liabilities

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

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

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

(ii) Measurement

Equity instruments

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

Financial liabilities

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

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

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

(iii) Derecognition

Equity instruments

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

Financial liabilities

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

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an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iv) Effective interest method

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

(v) Foreign exchange gains and losses

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

(s) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

(t) Offsetting financial instruments

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

(u) Fair value of financial instruments

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(v) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing of financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(w) Cash and cash equivalents

Cash and cash equivalents in the standalone 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 cash flow statement, 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 standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

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

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

(a) Critical accounting judgments

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

(i) Land under finance lease

The office premises and the workshop of water business group of the Company is constructed upon land acquired from a third party which was initially acquired by that third party under a lease term of ninety years allotted by the Noida Authority. The said land was acquired by paying a consideration which reflected the prevalent market price and upfront payment of all future lease rentals. There are no further lease rental obligations upon the Company to be paid to the Authority. There are no restrictions on usage or transfer of the land to any party by the Company. In view of aforesaid facts and circumstances, the Company has classified this land as a finance lease. Another property at New Delhi was acquired under a perpetual lease. There are no restriction on usage and transfer of the property. Accordingly, this property has also been classified under finance lease.

(ii) Interest on delayed payment of cane price

The State Government of Uttar Pradesh ("State Government") had, based on the financial hardships of sugar mills arising due to mismatch of cane price and sugar price, waived interest on delayed payments of cane price for the seasons 2012-13, 2013-14 and 2014-15 in accordance with the provisions of Section 17(3) of UP Sugar Cane (Regulations of Supply and Purchase) Act, 1953. In a Public Interest Litigation, the Hon'ble Allahabad High Court has passed an order on 9 March 2017 directing the Cane Commissioner to decide the issue afresh taking into consideration certain factors. Against the order of High Court, the State Government had preferred an appeal before the Supreme Court which has been dismissed. In the absence of any order passed by the Commissioner and based on discussions with legal experts and industry association, it is felt that the interest may not be imposed by the State Government on sugar mills in view of acute financial hardships experienced by the sugar mills during the aforesaid relevant years. Accordingly, no provision to this effect has been considered necessary.

(iii) 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 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 notifications dated 5 February 2016, to provide relief to the Sugar Industry in view of disparity in the cane price and the market outlook of the sugar prices. In the writ petitions filed by certain cane societies against such reduction in commission rates, the Hon'ble Allahabad High Court has held that these notifications cannot have retrospective applicability. The reduction in the rate of commission payable being part of the relief package announced by the State Government, the Company believes that the State Government is not likely to pass the cost burden upon the sugar industry and instead, may explore other ways to meet the outcome of the order of the Court. Accordingly, no provision to this effect has been considered necessary.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation

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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) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. When the fair values of these assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques by engaging third party qualified external valuers or internal valuation team to perform the valuation. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 4, 6, 9 and 42 for further disclosures.

(ii) 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. Future salary increases are based on expected future inflation rates and expected salary trends in the industry. Attrition rates are considered based on past observable data of employees leaving the services of the Company. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. See note 38 for further disclosures.

(iii) Impairment of trade receivables

The Company has a stringent policy of ascertaining impairment, if any, as result of detailed scrutiny of major cases and through determining expected credit losses. Despite best estimates and periodic credit appraisals of customers, the Company's receivables are exposed to delinquency risks due to material adverse changes in business, financial or economic conditions that are expected to cause a significant change to the party's ability to meet its obligations. All such parameters relating to impairment or potential impairment are reviewed at each reporting date. See note 41(i) for further disclosures.

(iv) 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.

(v) Provision for warranty claims

The Company, in the usual course of sale of its products, gives warranties on certain products and services, undertaking to repair

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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.

(vi) 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.

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

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

(viii) Recognition of deferred tax assets for unused tax credit

Deferred tax assets are recognised for unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax optimisation strategies.

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(All amounts in ₹ lakhs, unless otherwise stated)

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

	Property, plant and equipment									
	Freehold Land	Leasehold Land	Buildings & Roads	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total	Capital work-in-progress
Year ended 31 March 2017										
Gross carrying amount										
Opening gross carrying amount	3567.74	760.24	18919.25	67329.18	239.51	598.09	241.90	192.65	91848.56	990.00
Additions	-	-	315.83	3702.89	31.09	185.37	51.09	96.32	4382.59	1885.71
Disposals	-	-	(50.57)	(125.83)	(1.28)	(16.14)	(12.87)	(2.93)	(209.62)	-
Transfers *	-	-	-	-	-	-	-	-	-	(2608.07)
Other adjustments	-	-	(46.11)	38.53	0.20	-	0.53	1.06	(5.79)	-
Closing gross carrying amount	**3567.74**	**760.24**	**19138.40**	**70944.77**	**269.52**	**767.32**	**280.65**	**287.10**	**96015.74**	**267.64**
Accumulated depreciation and impairment										
Opening accumulated depreciation and impairment	-	4.64	671.77	4879.97	50.67	93.55	59.49	46.36	5806.45	56.31
Depreciation charge during the year	-	4.64	697.86	4697.50	48.44	102.09	41.30	60.59	5652.42	-
Disposals	-	-	(1.86)	(8.30)	(0.57)	(2.31)	(8.88)	(0.11)	(22.03)	-
Other adjustments	-	-	(4.49)	3.40	0.20	-	(1.47)	1.06	(1.30)	-
Closing accumulated depreciation and impairment	**-**	**9.28**	**1363.28**	**9572.57**	**98.74**	**193.33**	**90.44**	**107.90**	**11435.54**	**56.31**
Net carrying amount	**3567.74**	**750.96**	**17775.12**	**61372.20**	**170.78**	**573.99**	**190.21**	**179.20**	**84580.20**	**211.33**
Year ended 31 March 2018										
Gross carrying amount										
Opening gross carrying amount	3567.74	760.24	19138.40	70944.77	269.52	767.32	280.65	287.10	96015.74	267.64
Additions	-	-	989.99	2966.52	12.24	235.84	60.51	168.35	4433.45	2037.24
Disposals	-	-	(21.37)	(64.52)	(5.50)	(28.54)	(6.77)	(5.74)	(132.44)	-
Transfers *	-	-	-	-	-	-	-	-	-	(1243.82)
Closing gross carrying amount	**3567.74**	**760.24**	**20107.02**	**73846.77**	**276.26**	**974.62**	**334.39**	**449.71**	**100316.75**	**1061.06**
Accumulated depreciation and impairment										
Opening accumulated depreciation and impairment	-	9.28	1363.28	9572.57	98.74	193.33	90.44	107.90	11435.54	56.31
Depreciation charge during the year	-	4.64	710.47	4483.21	43.15	120.09	35.91	88.18	5485.65	-
Disposals	-	-	(13.72)	(35.21)	(3.98)	(12.09)	(4.82)	(0.62)	(70.44)	-
Closing accumulated depreciation and impairment	**-**	**13.92**	**2060.03**	**14020.57**	**137.91**	**301.33**	**121.53**	**195.46**	**16850.75**	**56.31**
Net carrying amount	**3567.74**	**746.32**	**18046.99**	**59826.20**	**138.35**	**673.29**	**212.86**	**254.25**	**83466.00**	**1004.75**

* Represents amount capitalised during the year under property, plant and equipment out of capital work-in-progress.

Notes:

(i) **Leasehold land:** The original lease term in respect of a parcel of land acquired under finance lease was ninety years whereas another land at Delhi is for a perpetual lease term. These leases of lands have been classified as finance lease in terms of criteria specified in Ind AS 17 Leases, including the facts that the market value of the land (as on the date of transaction) had been paid to the lessor at the inception of the lease and the Company has transfer rights in respect of such lands.

(ii) **Restrictions on Property, plant and equipment:** Refer note 16(i) & 20(i) for information on charges created on property, plant and equipment. Further, freehold land includes land having carrying amount of ₹ 13.13 lakhs for which transfer of titles in the name of the Company is pending.

(iii) **Contractual commitments:** Refer note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) **Capital work-in-progress:** Capital work-in-progress mainly comprises of plant & equipment (viz. Multi-effect evaporator, Cordinate measuring machine etc.) under the process of installation pertaining to Distillery & Gear business of the Company.

(v) **Impairment loss:** The impairment loss in Capital work-in-progress relates to expenditure incurred on construction of residential buildings at certain factories, which were under progress till financial year 2011-12. However, the said project was subsequently discontinued and the entire expenditure incurred was recognised as an impairment loss in the standalone statement of profit & loss considering no possible future economic benefits flowing from the project.

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 4: INVESTMENT PROPERTY

	Year ended 31-Mar-18	Year ended 31-Mar-17
Gross carrying amount		
Opening gross carrying amount	702.23	702.23
Additions/deletions (refer note 13)	118.91	-
Closing gross carrying amount	**821.14**	**702.23**
Accumulated depreciation and impairment		
Opening accumulated depreciation	-	-
Depreciation charge/impairment losses	-	-
Closing accumulated depreciation and impairment	**-**	**-**
Net carrying amount	**821.14**	**702.23**

(i) Description about investment properties

Investment properties consist of :

(a) various parcels of freehold land located in the states of Uttar Pradesh and Gujarat.

(b) an office flat owned by the Company having carrying amount of ₹ 0.12 lakhs, constructed by a Society on a leasehold land at Mumbai.

(ii) Amount recognised in standalone statement of profit & loss

	Year ended 31-Mar-18	Year ended 31-Mar-17
Rental income from office flat at Mumbai	14.16	10.92
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	(9.56)	(9.79)
Profit from investment properties before depreciation	**4.60**	**1.13**
Depreciation	-	-
Profit from investment properties	**4.60**	**1.13**

(iii) Restrictions on realisability and contractual obligations

Though the transfer of titles in the name of the Company is pending in respect of freehold land having carrying amount of ₹ 381.47 lakhs, the Company has no restrictions on the realisability of any of its investment properties and it is under no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iv) Fair value

	As at 31-Mar-18	As at 31-Mar-17
Investment properties		
- Land at Digrauli, Distt. Saharanpur (Uttar Pradesh)	*	*
- Land at Bhopura, District Baghpat (Uttar Pradesh)	*	*
- Land at Dibai, District Bulandshahar (Uttar Pradesh)	*	*
- Land at Kharar, District Shamli (Uttar Pradesh)	*	*
- Land at Dhanot, District Gandhinagar Gujarat	*	*
- Office flat at Mumbai	503.88	503.88

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(All amounts in ₹ lakhs, unless otherwise stated)

* The majority of parcels of land owned by the Company are situated in the sugar belts of Uttar Pradesh. In view of slowdown in real estate and industrial activities, the circle rates may not be fully reflective of the fair value in the absence of transactions of similar properties (including size) in the vicinity of the subject properties. The land at Vill. Dhanot Dist. Gandhinagar Gujarat is a small plot of uncultivated land, situated at a remote location and hence there is a difficulty in carrying out realistic fair value thereof.

Estimation of fair value of office flat at Mumbai

The valuation of the office flat situated at Mumbai has been carried by a registered approved valuer, conversant with and having knowledge of real estate activities in the concerned area, based on prevalent rates and other observable market inputs (Level 2 fair value).

NOTE 5: INTANGIBLE ASSETS

	Computer software
Year ended 31 March 2017	
Gross carrying amount	
Opening gross carrying amount	224.45
Additions	6.79
Disposals	(0.01)
Closing gross carrying amount	**231.23**
Accumulated amortisation	
Opening accumulated amortisation	71.74
Amortisation charge for the year	77.17
Disposals	-
Closing accumulated amortisation	**148.91**
Closing net carrying amount	**82.32**
Year ended 31 March 2018	
Gross carrying amount	
Opening gross carrying amount	231.23
Additions	9.56
Disposals	(0.60)
Closing gross carrying amount	**240.19**
Accumulated amortisation	
Opening accumulated amortisation	148.91
Amortisation charge for the year	56.00
Disposals	(0.56)
Closing accumulated amortisation	**204.35**
Closing net carrying amount	**35.84**

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 6: INVESTMENTS

(a) Investments in subsidiaries and associates

	As at 31-Mar-18	As at 31-Mar-17
At Cost		
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Associate		
7,20,00,000 (31 March 2017: 7,20,00,000) Equity shares of ₹ 1/- each of Triveni Turbine Limited	720.07	720.07
Total aggregate quoted investments	**720.07**	**720.07**
Unquoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Subsidiaries		
2,65,00,000 (31 March 2017: 2,05,00,000) Equity shares of ₹ 1/- each of Triveni Engineering Ltd.	265.00	205.00
3,85,00,000 (31 March 2017: 2,05,00,000) Equity shares of ₹ 1/- each of Triveni Energy Systems Ltd.	385.00	205.00
4,99,950 (31 March 2017: 4,99,950) Equity shares of ₹ 1/- each of Triveni Sugar Limited	5.00	5.00
2,15,00,000 (31 March 2017: 2,05,00,000) Equity shares of ₹ 1/- each of Svastida Projects Limited	215.00	205.00
41,70,000 (31 March 2017: 28,70,000) Equity shares of ₹ 10/- each of Triveni Entertainment Limited	404.02	274.02
50,000 (31 March 2017: 50,000) Equity shares of ₹ 1/- each of Triveni Industries Limited	0.50	0.50
- of Associate		
13,008 (31 March 2017: 13,008) Equity shares of New Israeli Shekel 0.10 each of Aqwise-Wise Water Technologies Ltd.(Israel)	3006.19	3006.19
Total aggregate unquoted investments	**4280.71**	**3900.71**
Total investments in subsidiaries and associates	**5000.78**	**4620.78**
Total investments in subsidiaries and associates	5000.78	4620.78
Aggregate amount of quoted investments	720.07	720.07
Aggregate amount of market value of quoted investment	72360.00	104328.00
Aggregate amount of unquoted investments	4280.71	3900.71
Aggregate amount of impairment in the value of investments	-	-

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

Name of Subsidiaries / Associates	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
		As at 31-Mar-18	As at 31-Mar-17
Subsidiaries			
Triveni Engineering Limited	India	100%	100%
Triveni Energy Systems Limited	India	100%	100%
Svastida Projects Limited	India	100%	100%
Triveni Entertainment Limited	India	100%	100%
Triveni Industries Limited	India	100%	100%
Triveni Sugar Limited	India	99.99%	99.99%
Associates			
Triveni Turbine Limited	India	21.82%	21.82%
Aqwise-Wise Water Technologies Ltd.	Israel	25.04%	25.04%

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(All amounts in ₹ lakhs, unless otherwise stated)

(b) Non-current investments

	As at 31-Mar-18	As at 31-Mar-17
At Amortised cost		
Unquoted Investments		
Investments in Government or trust securities		
National Saving Certificates (kept as security)	0.03	0.03
Total non-current investments carried at amortised cost [A]	**0.03**	**0.03**
At Fair value through Profit or Loss (FVTPL) (refer note 42)		
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
13,500 (31 March 2017: 13,500) Equity shares of ₹ 2/- each of Housing Development Finance Corporation Ltd	246.46	202.78
2,500 (31 March 2017: 2,500) Equity shares of ₹ 2/- each of HDFC Bank Ltd.	47.15	36.06
24,175 (31 March 2017: 24,175) Equity shares of ₹ 2/- each of Punjab National Bank	23.04	36.24
76 (31 March 2017: 76) Equity shares of ₹ 10/- each of Central Bank of India	0.05	0.08
3,642 (31 March 2017: 1,821) Equity shares of ₹ 5/- each (31 March 2017 : ₹ 10/- each) of NBI Industrial Finance Co. Ltd.	49.74	67.29
Total aggregate quoted investments	**366.44**	**342.45**
Unquoted Investments (fully paid-up)		
Investments in Bonds		
2 (31 March 2017: 2) 11% bonds of ₹ 10.00 lakhs each of Power Finance Corporation Ltd.	21.37	21.09
Nil (31 March 2017: 2) 8.95% bonds of ₹ 10.00 lakhs each of Power Finance Corporation Ltd.	-	20.36
1 (31 March 2017: 1) 9.81% bonds of ₹10.00 lakhs each of Power Finance Corporation Ltd.	10.53	10.40
1 (31 March 2017: 1) 10.60% bonds of ₹ 10.00 lakhs each of Indian Railway Finance Corporation Ltd.	10.57	10.02
1 (31 March 2017: 1) 8.55% bonds of ₹ 10.00 lakhs each of Indian Railway Finance Corporation Ltd.	10.41	9.84
Nil (31 March 2017: 1) 9.80% bonds of ₹ 10.00 lakhs each of LIC Housing Finance Ltd.	-	10.11
Nil (31 March 2017: 1) 10.10% bonds of ₹ 10.00 lakhs each of State Bank of India	-	8.67
2 (31 March 2017: 2) 8.90% bonds of ₹ 10.00 lakhs each of UCO Bank	20.16	20.05
1 (31 March 2017: 1) 8.57% bonds of ₹10.00 lakhs each of Central Bank of India	10.74	9.93
5 (31 March 2017: 5) 8% bonds of ₹ 1.00 lakh each of IDBI Bank Limited	5.26	5.02
Nil (31 March 2017: 1) 8.95% bonds of ₹ 10.00 lakhs each of IDFC Bank Limited	-	10.15
Nil (31 March 2017: 1) 8.43% bonds of ₹ 10.00 lakhs each of IDFC Bank Limited	-	10.11
Total aggregate unquoted investments	**89.04**	**145.75**
Total non-current investments carried at FVTPL [B]	**455.48**	**488.20**
Total non-current investments ([A]+[B])	**455.51**	**488.23**
Total non-current investments	**455.51**	**488.23**
Aggregate amount of quoted investments	366.44	342.45
Aggregate amount of market value of quoted investment	366.44	342.45
Aggregate amount of unquoted investments	89.07	145.78
Aggregate amount of impairment in the value of investments	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 7: TRADE RECEIVABLES

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non-Current
Trade receivables (at amortised cost)				
- Unsecured, considered good	31140.07	50.32	27709.52	81.98
- Doubtful	534.33	1246.48	476.93	2191.76
Less: Allowance for bad and doubtful debts	(534.33)	(1246.48)	(476.93)	(2191.76)
Total trade receivables	**31140.07**	**50.32**	**27709.52**	**81.98**

(i) Refer note 41(i) for credit risk, impairment of trade receivables under expected credit loss model and other related disclosures.

(ii) Current trade receivable include ₹ 3906.99 lakhs (31 March 2017 : ₹ 2049.41 lakhs) expected to be received after twelve months within the operating cycle.

NOTE 8: LOANS

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non-Current
At amortised cost				
Loan to employees				
- Unsecured, considered good	53.26	2.98	38.16	7.12
Loan to others				
- Unsecured, considered good	0.29	-	0.53	-
- Doubtful	-	44.53	-	44.53
Less: Allowance for bad and doubtful loans	-	(44.53)	-	(44.53)
	0.29	-	0.53	-
Total loans	**53.55**	**2.98**	**38.69**	**7.12**

NOTE 9: OTHER FINANCIAL ASSETS

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non-Current
At amortised cost				
Advance to related parties (refer note 39 and note 48)				
- Doubtful	-	-	-	13.76
Less: Allowance for bad and doubtful debts	-	-	-	(13.76)
	-	**-**	**-**	**-**
Security deposits	41.74	455.28	43.08	401.71
Earnest money deposits	162.47	2.00	150.05	2.00
Less: Allowance for bad and doubtful debts	(1.15)	-	-	-
	161.32	**2.00**	**150.05**	**2.00**
Bank balances:				
Earmarked balances with banks:				
- Deposit against molasses storage fund (refer note 15(vi))	-	233.72	-	235.63
Balances under lien/margin/kept as security:				
- Post office savings account	-	0.19	-	0.27

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non-Current
- Fixed / margin deposits (original maturity more than one year)	-	36.66	-	211.84
Other balances:				
- Fixed deposits (original maturity more than one year)	-	4.20	-	4.20
	-	**274.77**	**-**	**451.94**
Interest accrued	32.26	1.20	32.46	69.19
Insurance claim recoverable	86.00	-	62.96	-
Amount recoverable against sale of fixed assets	-	-	588.19	-
Miscellaneous other financial assets	11.17	14.90	31.85	17.94
Less: Allowance for bad and doubtful debts	-	(14.90)	-	(17.94)
	11.17	**-**	**31.85**	**-**
Total other financial assets at amortised cost [A]	**332.49**	**733.25**	**908.59**	**924.84**
At fair value through Profit or Loss (refer note 42)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps	91.82	-	-	-
Total other financial assets at FVTPL [B]	**91.82**	**-**	**-**	**-**
Total other financial assets ([A]+[B])	**424.31**	**733.25**	**908.59**	**924.84**

NOTE 10: OTHER ASSETS

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non-Current
Capital advances	-	30.56	-	6.63
Advances to suppliers	622.24	19.89	470.10	19.89
Less: Allowance for bad and doubtful debts	(26.89)	(19.89)	(1.56)	(19.89)
	595.35	**-**	**468.54**	**-**
Advances to related parties (refer note 39)	2.13	-	34.72	-
Indirect tax and duties recoverable	1433.44	357.60	5549.25	443.96
Less: Allowance for bad and doubtful debts	(40.32)	(21.38)	(21.78)	(28.02)
	1393.12	**336.22**	**5527.47**	**415.94**
Deposit with sales tax authorities	130.35	43.55	77.62	46.66
Less: Allowance for bad and doubtful debts	-	(37.00)	-	(37.00)
	130.35	**6.55**	**77.62**	**9.66**
Bank guarantee encashments recoverable	-	200.00	-	200.00
Less: Allowance for bad and doubtful debts	-	(200.00)	-	(200.00)
	-	**-**	**-**	**-**
Export incentives receivable	43.12	-	23.67	-
Less: Allowance for bad and doubtful debts	(15.26)	-	-	-
	27.86	**-**	**23.67**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non-Current
Advances to employees	16.05	1.45	15.90	1.45
Prepaid expenses	549.16	98.81	373.70	96.74
Due from customers under construction contracts [refer (i) below]	5702.70	-	6225.28	-
Unbilled revenue	191.96	-	198.58	-
Miscellaneous other assets	36.40	131.61	34.58	173.37
Less: Allowance for bad and doubtful debts	-	(28.72)	-	(60.26)
	36.40	**102.89**	**34.58**	**113.11**
Total other assets	**8645.08**	**576.48**	**12980.06**	**643.53**

(i) Construction contracts

	As at 31-Mar-18	As at 31-Mar-17
Contracts in Progress at the end of reporting period		
Construction costs incurred plus profits recognised less losses recognised	76329.94	84306.15
Less: Progress Billings	(71661.59)	(78635.38)
	4668.35	**5670.77**
Recognised and included in standalone financial statements as amounts due:		
(i) Amounts due from customers under construction contracts	5702.70	6225.28
(ii) Amounts due to customers under construction contracts	(1034.35)	(554.51)
	4668.35	**5670.77**
Retentions held by customers	5650.93	6666.80
Advances received from customers	2605.01	2471.85

NOTE 11: INVENTORIES

	As at 31-Mar-18	As at 31-Mar-17
Raw materials and components	2698.80	3065.44
Less: Provision for obsolescence/slow moving raw materials and components	(199.22)	(182.78)
Work-in-progress	3157.30	2669.25
Finished goods	148847.59	158669.55
Stock in trade	31.47	18.06
Stores and spares [including stock in transit ₹ 14.09 lakhs as at 31 March 2018 (31 March 2017: ₹0.09 lakhs)]	3507.80	3202.71
Less: Provision for obsolescence/slow moving stores and spares	(185.13)	(124.33)
Certified emission reductions/renewable energy certificates (refer note 49)	0.77	3.16
Others - Scrap & low value patterns	59.26	160.62
Total inventories	**157918.64**	**167481.68**

(i) The cost of inventories recognised as an expense during the year was ₹279641.05 lakhs (31 March 2017: ₹ 231279.71 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).

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(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 33.

(vi) In addition to the cost of inventories recognised as expense as mentioned in note 11(i) above, there are write-downs of inventories to net realisable value amounted to ₹21970.87 lakhs (31 March 2017: ₹ Nil) which are also recognised as an expense during the year and included in 'Changes in inventories of finished goods, stock-in-trade and work-in-progress' in standalone statement of profit and loss.

NOTE 12: CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at 31-Mar-18	As at 31-Mar-17
At amortised cost		
Balances with banks	310.81	602.20
Cheques / drafts on hand	3.58	19.99
Cash on hand	24.31	29.26
Total cash and cash equivalents	**338.70**	**651.45**

(b) Bank balances other than cash and cash equivalents

	As at 31-Mar-18	As at 31-Mar-17
At amortised cost		
Earmarked balances with banks:		
- unpaid dividend and preference share redemption accounts	3.49	5.00
Balances under lien/margin/kept as security:		
- in fixed/margin deposits (original maturity upto one year)	265.35	25.89
Other balances:		
- in fixed deposits (original maturity exceeding three months but upto one year)	4.18	7.37
Total bank balances other than cash and cash equivalents	**273.02**	**38.26**

NOTE 13: ASSETS CLASSIFIED AS HELD FOR SALE

	As at 31-Mar-18	As at 31-Mar-17
Freehold land	-	118.91
Total assets classified as held for sale	**-**	**118.91**

The above represents portion of the land in the state of Uttar Pradesh which was intended to be disposed of by the Company. However, sale of such land, which was to be transferred to a subsidiary company under an agreement to sell, could not be effected on account of certain technical reasons and hence are classified as Investment Property in current year since it is now held for such purposes (refer note 4). The asset does not form part of any segment assets.

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NOTE 14: SHARE CAPITAL

	As at 31-Mar-18		As at 31-Mar-17	
	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	25,79,53,110	2579.53	25,79,53,110	2579.53
	25,79,53,110	**2579.53**	**25,79,53,110**	**2579.53**
SUBSCRIBED AND PAID UP				
Equity shares of ₹ 1 each	25,79,45,110	2579.45	25,79,45,110	2579.45
Add: Paid up value of equity shares of ₹ 1 each forfeited	8,000	0.02	8,000	0.02
	25,79,53,110	**2579.47**	**25,79,53,110**	**2579.47**

(i) Movements in equity share capital

	Number of shares	Amount
As at 31 March 2016	25,79,45,110	2579.45
Movement during the year	-	-
As at 31 March 2017	**25,79,45,110**	**2579.45**
Movement during the year	-	-
As at 31 March 2018	**25,79,45,110**	**2579.45**

(ii) Terms and rights attached to equity shares

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

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

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

	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares	% holding	Number of shares	% holding
Dhruv M. Sawhney	3,83,91,756	14.88	3,83,91,756	14.88
Rati Sawhney	2,03,58,164	7.89	2,03,58,164	7.89
Subhadra Trade & Finance Limited	-	-	8,26,96,056	32.06
STFL Trading and Finance Private Limited	8,26,96,056	32.06	-	-
Nikhil Sawhney	1,52,77,653	5.92	1,52,77,653	5.92
Tarun Sawhney	1,46,95,375	5.70	1,46,95,375	5.70

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 15: OTHER EQUITY

	As at 31-Mar-18	As at 31-Mar-17
Capital redemption reserve	397.40	397.40
Capital reserve	2855.85	2855.85
Securities premium	26546.93	26546.93
Amalgamation reserve	926.34	926.34
General reserve	49212.72	49212.72
Molasses storage fund reserve	196.28	202.42
Retained earnings	5371.58	(4954.46)
Total other equity	**85507.10**	**75187.20**

(i) Capital redemption reserve

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	397.40	397.40
Movement during the year	-	-
Closing balance	**397.40**	**397.40**

Capital redemption reserve was created consequent to redemption of preference share capital, as required under the provisions of the Companies Act, 1956. This reserve shall be utilised in accordance with the provisions of Companies Act, 2013.

(ii) Capital reserve

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	2855.85	2855.85
Movement during the year	-	-
Closing balance	**2855.85**	**2855.85**

Capital reserve majorly comprise of reserve created consequent to business combination in earlier years, in accordance with applicable accounting standard as on that date.

(iii) Securities premium

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	26546.93	26546.93
Movement during the year	-	-
Closing balance	**26546.93**	**26546.93**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Amalgamation reserve

	Year ended 31-Mar-18	Year ended 31-Mar-17
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 applicable accounting standard as on that date.

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for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(v) General reserve

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	49212.72	49212.72
Movement during the year	-	-
Closing balance	**49212.72**	**49212.72**

The general reserve represents amount kept by the Company out of its profits for future purposes. It is not earmarked for any specific purpose.

(vi) Molasses storage fund reserve

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	202.42	182.39
Amount transferred from surplus/ (deficit) in the statement of profit and loss	32.96	20.03
Amount transferred to surplus/ (deficit) in the statement of profit and loss	(39.10)	-
Closing balance	**196.28**	**202.42**

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 ₹ 233.72 lakhs (31 March 2017: ₹ 235.63 lakhs) is earmarked against molasses storage fund (refer note 9).

(vii) Retained earnings

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	(4954.46)	(27842.06)
Net profit for the year	10974.38	23356.25
Other comprehensive income arising from the remeasurement of defined benefit obligation net of income tax	121.72	(448.62)
Withdrawn from molasses storage fund reserve	39.10	-
Transfer to molasses storage fund reserve	(32.96)	(20.03)
Dividends paid	(644.91)	-
Dividend distribution tax	(131.29)	-
Closing balance	**5371.58**	**(4954.46)**

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

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

(c) Details of dividend distributions made:

	Year ended 31-Mar-18	Year ended 31-Mar-17
Cash dividends on equity shares declared and paid:		
First interim dividend for the year ended 31 March 2018: 25% (₹ 0.25 per equity share of ₹ 1/- each) [31 March 2017: ₹ Nil]	644.91	-
Dividend distribution tax on first interim dividend	131.29	-
Total cash dividends on equity shares declared and paid	**776.20**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 16: NON-CURRENT BORROWINGS

	As at 31-Mar-18		As at 31-Mar-17	
	Current maturities	Non-current	Current maturities	Non- current
Secured- at amortised cost				
Term loans				
- from banks	12607.56	3483.54	20170.53	27320.31
- from other parties	224.03	11.74	196.53	215.92
	12831.59	**3495.28**	**20367.06**	**27536.23**
Less: Amount disclosed under the head "Other financial liabilities- current" (refer note 17)	(12831.59)	-	(20367.06)	-
Total non-current borrowings	**-**	**3495.28**	**-**	**27536.23**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 16: NON-CURRENT BORROWINGS (CONTD.)

(i) Details of long term borrowings of the Company

		Amount outstanding as at		Effective interest rate	Coupon rate	Number of instalments		Terms of Repayment	Nature of Security
		31-Mar-18	31-Mar-17			31-Mar-18	31-Mar-17		
Secured- at amortised cost									
Term loans from banks (₹ loans)									
1	Canara Bank	-	3273.84			Nil	7	-	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
2	Axis Bank	-	832.72			Nil	2	-	
3	Yes Bank	468.57	2341.12			1	5	Equal quarterly installments upto June 2018.	
4	Ratnakar Bank Limited	899.23	2096.53			3	7	Quarterly installments upto December 2018.	
5	Ratnakar Bank Limited	2628.08	9934.07			5	9	Equal quarterly installments upto June 2019.	
6	Central Bank of India	2769.95	4439.32	The effective interest rate as on 31.03.2018 range between 10.25% to 12% per annum.	At base rates/ MCLR plus applicable spread. The interest rate as on 31.03.2018 range between 8.50% to 9.30% per annum.	20	32	Equated monthly installments upto December 2019.	Secured by first pari-passu charge on current assets, third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
7	Oriental Bank of Commerce	-	2142.15			Nil	31	-	Secured by third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
8	Axis Bank	989.21	1816.90			5	9	Equal quarterly installments upto May 2019.	Secured by second pari-passu charge on current assets, third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
9	Central Bank of India	873.75	1372.63			7	11	Equal quarterly installments upto December 2019.	Secured by first pari-passu charge on the fixed assets of the Company
10	Oriental Bank of Commerce	-	924.68			Nil	6	-	

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for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		Amount outstanding as at		Effective interest rate	Coupon rate	Number of instalments		Terms of Repayment	Nature of Security
		31-Mar-18	31-Mar-17			31-Mar-18	31-Mar-17		
11	Punjab National Bank (Soft Loan)	-	4490.46		At base rates/ MCLR plus applicable spread. The interest rate as on 31.03.2017 range between 11.40% to 12.25% per annum. [see note 43(i)(A)]	Nil	12	-	Secured by second charge on all fixed assets of the company except Ramkola unit (where SDF holds second exclusive charge) and third charge on fixed assets of Ramkola unit.
12	Central Bank of India (Soft Loan)	-	3896.95			Nil	12	-	
13	Oriental Bank of Commerce (Soft Loan)	-	667.80			Nil	12	-	
14	Canara Bank (Soft Loan)	-	1861.16			Nil	12	-	
15	Punjab National Bank (Excise Duty Loan)	2556.08	5043.50		Interest free loan [see note 43(i)(A)]	11	23	Equated monthly installments upto February 2019.	Secured by second charge on fixed assets of all business units except Khatauli and Ramkola units.
16	Central Bank of India (Excise Duty Loan)	1161.59	2193.60			4	8	Equal quarterly installments upto March 2019.	Secured by second charge on fixed assets of all business units except Khatauli and Ramkola units.
17	Axis Bank (Vehicle loan)	138.59	115.73	Ranging from 7.99% to 10.75% p.a.	At fixed rates ranging from 7.99% to 10.75% p.a.	4 to 62 months	4 to 74 months	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
18	ICICI Bank (Vehicle loan)	2.88	14.04						
19	PNB Bank (Vehicle loan)	28.93	33.64						
20	Yes Bank (Vehicle loan)	48.69	-						
		12565.55	**47490.84**						
Term loans from banks (US$ loans)									
1	Ratnakar Bank Limited (FCTL)	3525.55	-	8.50% p.a.	At USD 6M Libor +1.95% p.a.	6	Nil	Equal quarterly installment upto July 2019.	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
		3525.55	**-**						
Total term loans from banks		**16091.10**	**47490.84**						
Term loans from other parties (₹ loans)									
1	Daimler Financial Services Pvt. Ltd. (Vehicle loan)	19.88	-	6.86% p.a.	At fixed rate of 6.86% p.a.	28	Nil	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
2	Other Loans - Sugar Development Fund, Govt. of India	215.89	412.45	12.5% p.a.	2% below the Bank Rate at present 4% [see note 43(i)(A)]	Yearly - 1 Half yearly - Nil	Yearly - 2 Half yearly - Nil	Yearly and half yearly installments upto September 2018	Secured by exclusive second charge created over moveable/immoveable assets of Ramkola unit.
Total term loans from other parties		**235.77**	**412.45**						
Total loans		**16326.87**	**47903.29**						

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 17: OTHER FINANCIAL LIABILITIES

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non- current
At amortised cost				
Current maturities of long-term borrowings (refer note 16)	12831.59	-	20367.06	-
Interest accrued	96.00	-	187.95	30.62
Capital creditors	744.60	-	699.24	-
Employee benefits & other dues payable	2371.67	-	3044.13	-
Security deposits (see (i) below)	374.35	-	357.35	-
Unclaimed preference shares redemption (see (ii) below)	-	-	-	-
Unpaid dividends (see (ii) below)	3.48	-	5.00	-
Unclaimed matured deposits (see (ii) below)	-	-	-	-
Unclaimed interest on deposits (see (ii) below)	-	-	0.21	-
Total other financial liabilities at amortised cost [A]	**16421.69**	**-**	**24660.94**	**30.62**
At fair value through Profit or Loss (refer note 42)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps	3.96	-	84.88	-
Total other financial liabilities at FVTPL [B]	**3.96**	**-**	**84.88**	**-**
Total other financial liabilities ([A]+[B])	**16425.65**	**-**	**24745.82**	**30.62**

(i) Security deposits as at 31 March 2018 include ₹ 316 lakhs (31 March 2017 : ₹ 298 lakhs) deposits from sugar selling agents which are interest bearing subject to fullfilment of terms and conditions. These deposits are repayable on cessation of contractual arrangements. Interest payable is normally settled annually.

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

NOTE 18: PROVISIONS

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non- current
Provision for employee benefits				
Gratuity (refer note 38)	203.63	3078.47	216.79	3033.05
Compensated absences	321.49	891.01	325.57	829.96
Other Provisions				
Warranty	838.49	-	491.25	-
Cost to completion	314.29	-	20.00	-
Arbitration/Court case claims	254.19	-	278.79	-
Total provisions	**1932.09**	**3969.48**	**1332.40**	**3863.01**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Information about individual provisions and significant estimates

(a) Warranty

The company provides warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements based on best estimate considering the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The timing of the outflows is expected to be within the period of two years.

(b) Cost to completion

The provision represents costs of materials and services required for integration of water treatment package at the site (the revenue of which has been fully recognised), prior to commissioning.

(c) Arbitration / Court-case Claims

Represents the provision made towards certain claims awarded against the company in legal proceedings which have been challenged by the Company before appropriate authorities. The timing of the outflows is uncertain.

(ii) Movement in provisions

Movement in each class of provision are set out below:

	As at 31-Mar-18			As at 31-Mar-17		
	Warranty	Cost to completion	Arbitration/ Court case claims	Warranty	Cost to completion	Arbitration/ Court case claims
Balance at the beginning of the year	491.25	20.00	278.79	253.02	30.00	265.23
Additional provisions recognised	376.04	314.29	10.40	371.50	20.00	13.56
Amounts used during the year	(13.55)	-	(35.00)	(79.93)	-	-
Unused amounts reversed during the year	(15.25)	(20.00)	-	(53.34)	(30.00)	-
Balance at the end of the year	**838.49**	**314.29**	**254.19**	**491.25**	**20.00**	**278.79**

NOTE 19: OTHER LIABILITIES

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non- current
Advance from customers	3478.22	-	3812.32	-
Deferred revenue arising from government grant related to assets (refer note 43)	1.33	149.13	-	-
Deferred revenue arising from government grant related to income (refer note 43)	250.87	-	711.36	250.84
Amount due to customers under construction contracts [refer note 10(i)]	1034.35	-	554.51	-
Advance against assets classified as held for sale	-	-	200.00	-
Statutory remittances	3174.84	-	11855.84	-
Miscellaneous other payables	52.02	-	54.16	-
Total other liabilities	**7991.63**	**149.13**	**17188.19**	**250.84**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 20: CURRENT BORROWINGS

	As at 31-Mar-18	As at 31-Mar-17
Secured- at amortised cost		
Repayable on demand		
- Cash credits/working capital demand loans from banks (see (i) below)	105557.23	122543.89
Unsecured- at amortised cost		
Other loans		
- Foreign currency loans (buyers' credits) from banks (see (ii) below)	2090.00	1666.03
Total current borrowings	**107647.23**	**124209.92**

(i) Cash credit/working capital demand loans from banks 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 third charge on the properties of Sugar, Co-Generation and Distillery units of the Company on pari-passu basis. It also included working capital demand loans of ₹15000 lakhs availed during last year with outstanding balance as at 31 March 2018 ₹ Nil (31 March 2017: ₹ 15000 lakhs, which were secured by sub-servient charge on the current assets of the Company by way of hypothecation. Interest rates on cash credits and working capital demand loans availed at the year end majorly ranges between 8.5% to 9.85% (weighted average interest rate : 8.62% p.a.).

(ii) The weighted average effective interest rate on foreign currency loans (buyers' credits) from banks is 2.72% per annum.

NOTE 21: TRADE PAYABLES

	As at 31-Mar-18	As at 31-Mar-17
Trade payables (at amortised cost)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 47)	43.42	37.35
- Total outstanding dues of creditors other than micro enterprises and small enterprises	62762.15	25620.87
Total trade payables	**62805.57**	**25658.22**

NOTE 22: INCOME TAX BALANCES

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non-current
Income tax assets				
Tax refund receivable (net)	-	5733.97	-	2919.25
	-	**5733.97**	**-**	**2919.25**
Income tax liabilities				
Provision for income tax (net)	-	-	264.75	-
	-	**-**	**264.75**	**-**

NOTE 23: DEFERRED TAX BALANCES

	As at 31-Mar-18	As at 31-Mar-17
Deferred tax assets	12357.06	14144.98
Deferred tax liabilities	(16528.82)	(16487.28)
Net deferred tax assets/(liabilities)	**(4171.76)**	**(2342.30)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Movement in deferred tax balances

For the year ended 31 March 2018

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Difference in carrying values of property, plant & equipment and intangible assets	(16487.28)	(41.54)	-	(16528.82)
Difference in carrying values of investment property	216.67	48.42	-	265.09
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	1602.47	47.37	(64.41)	1585.43
- Statutory taxes and duties	961.19	(776.49)	-	184.70
- Interest payable to banks/financial institutions	32.19	(32.19)	-	-
- Other contractual provisions	272.91	164.72	-	437.63
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	1120.43	(308.66)	-	811.77
Other temporary differences	16.09	(12.93)	-	3.16
Unutilised tax losses	4057.73	(4057.73)	-	-
Unutilised tax credits	5865.30	3203.98	-	9069.28
Net deferred tax assets/(liabilities)	**(2342.30)**	**(1765.05)**	**(64.41)**	**(4171.76)**

For the year ended 31 March 2017

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Difference in carrying values of property, plant & equipment and intangible assets	(16539.21)	51.93	-	(16487.28)
Difference in carrying values of investment property	201.86	14.81	-	216.67
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	1240.25	124.79	237.43	1602.47
- Statutory taxes and duties	359.19	602.00	-	961.19
- Interest payable to banks/financial institutions	47.62	(15.43)	-	32.19
- Other contractual provisions	188.32	84.59	-	272.91
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	2202.69	(1082.26)	-	1120.43
Other temporary differences	114.91	(98.82)	-	16.09
Unutilised tax losses	12184.37	(8126.64)	-	4057.73
Unutilised tax credits	-	5865.30	-	5865.30
Net deferred tax assets/(liabilities)	**-**	**(2579.73)**	**237.43**	**(2342.30)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

	As at 31-Mar-18	As at 31-Mar-17
Tax effect on unused tax losses (long term capital loss) (see table below for expiry)	569.50	888.96
Net deferred tax assets/(liabilities)	**569.50**	**888.96**
Expiry profile of unrecognised unused tax losses		
Unused tax losses (long term capital loss) shall expire on -		
March 31, 2018	-	319.46
March 31, 2019	557.16	557.16
March 31, 2020	0.57	0.57
March 31, 2021	11.77	11.77
	569.50	**888.96**

NOTE 24 : REVENUE FROM OPERATIONS

	Year ended 31-Mar-18	Year ended 31-Mar-17
Sale of products [refer note 37(vii) and note 51(i)]		
Finished goods	321611.96	276238.01
Stock-in-trade	1627.41	1488.20
Sale of services		
Erection and commissioning	22.90	57.75
Servicing	262.65	288.20
Operation and maintenance	3927.25	3472.07
Construction contract revenue	12324.57	14012.33
Other operating revenue		
Income from sale of renewable energy certificates	1311.48	1026.93
Export incentives [refer note 43(i)(B)]	78.03	23.49
Income from scrap	72.12	79.63
Total revenue from operations	**341238.37**	**296686.61**

NOTE 25: OTHER INCOME

	Year ended 31-Mar-18	Year ended 31-Mar-17
Interest income		
Interest income from bank deposits (at amortised cost)	57.85	49.93
Interest income from customers (at amortised cost)	31.03	20.68
Interest income from financial assets carried at amortised cost	15.12	27.82
Interest income from investments carried at FVTPL	12.28	15.72
Interest income from others	5.07	541.56
	121.35	**655.71**
Dividend income		
Dividend income from equity investments	868.66	326.94
	868.66	**326.94**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-18	Year ended 31-Mar-17
Other non-operating income (net of expenses directly attributable to such income)		
Rental income (refer note 4 (ii))	52.50	24.89
Subsidy from U.P. Government [refer note 43(i)(A)]	0.99	-
Miscellaneous income	1067.50	830.73
	1120.99	**855.62**
Other gains/(losses)		
Net fair value gains/(losses) on investments	23.16	97.44
Net gains/(losses) on derivatives	19.85	(97.28)
Net foreign exchange rate fluctuation gains	-	75.06
Credit balances written back	156.99	154.50
Net profit/(loss) on sale / redemption of investments	0.60	(0.65)
Net reversal of impairment loss allowance on non financial assets (includes amounts written off 31 March 2017 : ₹ 1009.60 lakhs) (refer note 10)	-	918.34
Excess provision for cost to completion reversed (net) (refer note 18)	-	10.00
Excess provision of expenses reversed	96.73	41.77
	297.33	**1199.18**
Total other income	**2408.33**	**3037.45**

NOTE 26: COST OF MATERIALS CONSUMED

	Year ended 31-Mar-18	Year ended 31-Mar-17
Stock at the beginning of the year	3065.44	2015.42
Add: Purchases	257798.52	207518.79
Less: Amount capitalised (included in the cost of property, plant and equipment)	(19.63)	(22.70)
Less: Stock at the end of the year	(2698.80)	(3065.44)
Total cost of materials consumed (refer note 43(i)(B) and 43(ii))	**258145.53**	**206446.07**

NOTE 27: PURCHASES OF STOCK-IN-TRADE

	Year ended 31-Mar-18	Year ended 31-Mar-17
Petroleum goods	1635.88	1477.98
Consumer goods	38.36	58.95
Total purchases of stock-in-trade	**1674.24**	**1536.93**

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Inventories at the beginning of the year:		
Finished goods	158669.55	134424.77
Stock-in-trade	18.06	10.38
Work-in-progress	2669.25	1723.95
Certified emission reduction	3.16	2.95
Total inventories at the beginning of the year	**161360.02**	**136162.05**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-18	Year ended 31-Mar-17
Inventories at the end of the year:		
Finished goods	148847.59	158669.55
Stock-in-trade	31.47	18.06
Work-in-progress	3157.30	2669.25
Certified emission reduction	0.77	3.16
Total inventories at the end of the year	**152037.13**	**161360.02**
Add/(Less): Impact of excise duty on finished goods	(10189.01)	1247.15
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(866.12)**	**(23950.82)**

NOTE 29: EMPLOYEE BENEFIT EXPENSE

	Year ended 31-Mar-18	Year ended 31-Mar-17
Salaries and wages	17844.68	16709.25
Contribution to provident and other funds (refer note 38)	1874.96	1640.57
Staff welfare expenses	528.89	435.39
	20248.53	**18785.21**
Less: Amount capitalised (included in the cost of property, plant and equipment)	(8.19)	(13.73)
Total employee benefit expense	**20240.34**	**18771.48**

NOTE 30: FINANCE COSTS

	Year ended 31-Mar-18	Year ended 31-Mar-17
Interest costs		
- Interest on loans with interest subvention [refer note 43(i)(A)]	216.52	894.08
- Interest on loans with below-market rate of interest [refer note 43(i)(A)]	12.74	21.72
- Interest on other borrowings	8131.05	11586.37
- Other interest expense	88.81	139.36
Total interest expense on financial liabilities not classified as at FVTPL	**8449.12**	**12641.53**
Less : Amount capitalised (included in the cost of property, plant and equipment)	-	(0.48)
	8449.12	**12641.05**
Exchange differences regarded as an adjustment to borrowing costs	76.36	1.68
Other borrowing costs		
- Loan monitoring and administration charges	8.39	12.71
Total finance costs	**8533.87**	**12655.44**

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31-Mar-18	Year ended 31-Mar-17
Depreciation of property, plant and equipment (refer note 3)	5485.65	5652.42
Depreciation of investment property (refer note 4)	-	-
Amortisation of intangible assets (refer note 5)	56.00	77.17
	5541.65	**5729.59**
Less: Amount capitalised (included in the cost of property, plant and equipment)	(5.10)	(8.60)
Total depreciation and amortisation expense	**5536.55**	**5720.99**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Bad debts written off - trade receivables and other financial assets carried at amortised cost	607.12	2215.18
Impairment loss allowance on trade receivables (net of reversals) (refer note 7)	(887.88)	(1537.04)
Impairment loss allowance on other financial assets carried at amortised cost (net of reversals) (refer note 8 & 9)	(15.65)	(42.31)
Total impairment loss on financial assets (including reversals of impairment losses)	**(296.41)**	**635.83**

NOTE 33: OTHER EXPENSES

	Year ended 31-Mar-18	Year ended 31-Mar-17
Stores and spares consumed	2869.21	2256.11
Power and fuel	1831.37	1806.55
Design and engineering charges	122.07	90.10
Cane development expenses	280.59	326.85
Machining/fabrication expenses	79.26	94.30
Erection and commissioning expenses	426.21	600.71
Civil construction charges	4176.06	4271.28
Packing and stacking expenses	3942.22	2836.34
Repairs and maintenance		
- Machinery	4039.99	3717.80
- Building	380.32	261.02
- Others	346.49	441.58
Factory/operational expenses	1903.80	1517.18
Travelling and conveyance	1334.70	1334.77
Rent [refer note 44 (ii)]	589.77	593.40
Rates and taxes	653.88	1080.88
Insurance	269.41	244.87
Directors' fee	30.45	36.90
Legal and professional expenses	932.10	691.69
Security service expenses	1247.40	1062.92
Net impairment loss allowance on non financial assets (includes amounts written off 31 March 2018: ₹ 83.00 lakhs) (refer note 10)	103.95	-
Net foreign exchange rate fluctuation losses	231.42	-
Warranty expenses [includes provision for warranty (net) ₹ 360.79 lakhs (31 March 2017: ₹ 318.16 lakhs) (refer note 18)]	368.49	320.73
Liquidated damages charges	310.56	-
Provision for Arbitration/Court case claims (refer note 18)	10.40	13.56
Provision for cost to completion on construction contracts (net) (refer note 18)	294.29	-
Payment to Auditors (see (i) below)	70.03	122.93
Provision for non moving / obsolete inventory	77.24	95.30
Loss on sale /write off of inventory	33.57	24.39
Loss on sale / write off / impairment of property, plant and equipment	32.88	82.15
Selling commission	859.41	719.26

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-18	Year ended 31-Mar-17
Royalty	236.99	189.50
Advertisement and sales promotion	30.78	37.30
Rebate and discount	19.67	27.07
Outward freight and forwarding	638.41	488.36
Other selling expenses	302.26	61.54
Miscellaneous expenses	1512.24	1419.53
Less: Amount capitalised (included in the cost of property, plant and equipment)	(20.58)	(9.03)
Total other expenses	**30567.31**	**26857.84**

(i) Detail of payment to auditors

	Statutory Auditors		Branch Auditors		Cost Auditors	
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
Audit fee	41.00	45.54	-	6.92	3.75	3.38
Tax audit fee	-	18.89	-	3.41	-	-
Limited review fee	17.01	21.03	0.91	2.73	-	-
Other services (Certification)	0.30	9.56	0.10	1.10	0.50	0.68
Reimbursement of expenses	4.36	5.50	1.71	4.10	0.39	0.09
Total payment to auditors	**62.67**	**100.52**	**2.72**	**18.26**	**4.64**	**4.15**

NOTE 34: EXCEPTIONAL ITEMS

	Year ended 31-Mar-18	Year ended 31-Mar-17
Write off of incentives recoverable under UP Sugar Promotion Policy 2004 [refer note 43(iii)]	-	(8546.74)
Total exceptional items	**-**	**(8546.74)**

NOTE 35: INCOME TAX EXPENSE

(i) Income tax recognised in profit or loss

	Year ended 31-Mar-18	Year ended 31-Mar-17
Current tax		
In respect of the current year	3065.16	2335.63
In respect of the earlier year	138.81	-
Total current tax expense	**3203.97**	**2335.63**
Deferred tax		
In respect of current year origination and reversal of temporary differences *	1765.05	2579.73
Total deferred tax expense	**1765.05**	**2579.73**
Total income tax expense recognised in profit or loss	**4969.02**	**4915.36**

* includes MAT credit entitlement of ₹ 3203.97 lakhs (31 March 2017: ₹ 2335.63 lakhs).

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Profit before tax	15943.40	28271.61
Income tax expense calculated at 34.608% (including surcharge and education cess) (2017: 34.608%)	5517.69	9784.24
Changes in tax rate	145.75	-
Effect of income that is exempt from taxation	(311.93)	(693.62)
Effect of income that is taxable at lower rates	(3.11)	-
Effect of expenses that are non-deductible in determining taxable profit	83.92	3018.05
Effect of tax incentives and concessions	(1262.93)	-
Effect of current year losses for which no deferred tax asset is recognised	-	-
Effect of recognition of previously unrecognised tax losses now recognised as deferred tax assets	-	(3663.64)
Changes in recognised deductible temporary differences	(46.03)	-
Changes in estimates related to prior years	845.66	-
Recognition of unutilised tax credits	-	(3529.67)
Total income tax expense recognised in profit or loss	**4969.02**	**4915.36**

(ii) Income tax recognised in other comprehensive income

	Year ended 31-Mar-18	Year ended 31-Mar-17
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	64.41	(237.43)
Total income tax expense recognised in other comprehensive income	**64.41**	**(237.43)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	64.41	(237.43)
Items that may be reclassified to profit or loss	-	-
Total income tax expense recognised in other comprehensive income	**64.41**	**(237.43)**

NOTE 36: EARNINGS PER SHARE

	Year ended 31-Mar-18	Year ended 31-Mar-17
Profit for the year attributable to owners of the Company [A]	10974.38	23356.25
Weighted average number of equity shares for the purposes of basic EPS/ diluted EPS [B]	25,79,45,110	25,79,45,110
Basic earnings per share (face value of ₹ 1 per share) [A/B]	4.25	9.06
Diluted earnings per share (face value of ₹ 1 per share) [A/B]	4.25	9.06

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 37: SEGMENT INFORMATION

(i) Description of segments and principal activities

The operating segments are classified under two major businesses which the Company is engaged in, and are briefly described as under:

Sugar & Allied Business

(a) **Sugar :** The Company is a manufacturer of white crystal sugar, having seven manufacturing plants situated in the states of Uttar Pradesh. The sugar is sold to wholesalers and industrial users. The Company sells the surplus molasses and bagasse, which are produced as by-products in the manufacturing of sugar, after meeting its captive requirements. The Company also sells the surplus power incidentally produced at three of its sugar units.

(b) **Co-generation :** This segment uses captively produced bagasse, generated as a by-product in the manufacture of sugar, as a feed stock and apart from meeting the power and steam requirements of the associated sugar units, also exports power to the state grid. It has installed capacity of 68 MW spread over Khatauli and Deoband sugar mills.

(c) **Distillery :** The 160 kilo-litres per day capacity distillery located at Muzaffarnagar, Uttar Pradesh, uses captive molasses produced in manufacture of sugar as the principal raw material in production of various categories of alcohol.

Engineering Business

(a) **Gears :** This business segment is focused on all high speed and niche low speed products - supply of new equipment as well as providing replacement solutions for power sector, having its manufacturing facility located at Mysore, Karnataka.

(b) **Water/Wastewater treatment :** The business segment operates from Noida, Uttar Pradesh and provides engineered to order process equipment and comprehensive solutions in the water and wastewater management.

The 'Other Operations' mainly include trading of various packaged fast moving consumer goods under the Company's brand name (including sugar) and retailing of diesel/petrol through a Company operated fuel station. It also operate a turnkey project relating to steam turbines which was awarded to it pursuant to bids tendered prior to demerger of business of steam turbine.

The above reportable segments have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments

There are no geographical segments as the volume of exports is not significant and the major turnover of the Company takes place indigenously. There is no major reliance on a few customers or suppliers.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Segment revenue and segment profit

	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
REVENUE																				
From external customers	285303.72	240126.56	9733.01	6992.72	11534.06	16791.70	306570.79	263910.98	11112.49	9136.45	17566.96	18120.70	28679.45	27257.15	5988.13	5518.48	-	-	341238.37	296686.61
From inter-segments sales	14659.82	20951.94	11783.27	11268.55	55.12	4.28	26498.21	32224.77	64.31	79.49	-	2.20	64.31	81.69	99.41	99.38	(26661.93)	(32405.84)	-	-
Total revenue from operations	**299963.54**	**261078.50**	**21516.28**	**18261.27**	**11589.18**	**16795.98**	**333069.00**	**296135.75**	**11176.80**	**9215.94**	**17566.96**	**18122.90**	**28743.76**	**27338.84**	**6087.54**	**5617.86**	**(26661.93)**	**(32405.84)**	**341238.37**	**296686.61**
RESULT																				
Segment Profit/(loss)	11559.15	36491.16	9889.76	6942.11	2674.06	4657.17	24122.97	48090.44	3142.49	1801.98	(1394.68)	(275.01)	1747.81	1526.97	20.05	30.55	-	-	25890.83	49647.96
Unallocated expenses (Net)																			(2403.57)	(1156.82)
Finance cost																			(8533.87)	(12655.44)
Interest income																			121.35	655.71
Dividend income																			868.66	326.94
Exceptional items																			-	(8546.74)
Profit before tax																			15943.40	28271.61
Current tax																			(3203.97)	(2335.63)
Deferred tax																			(1765.05)	(2579.73)
Profit for the year																			10974.38	23356.25

- The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 1.
- Segment profit is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of Segment performance.
- 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 expenses include all expenses directly attributable to the segments and portion of the enterprise expenses that can be allocated on a reasonable basis to the segments.
- Finance income/costs and fair value gains & losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Company basis. Current taxes, deferred taxes and certain financial assets and liabilities, including borrowings are also not allocated to segments since these are also managed on a Company basis.

(iii) Segment assets and liabilities

	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
ASSETS																				
Segment assets	216827.06	225998.97	15914.66	17940.29	12356.93	17026.67	245098.65	260965.93	14340.02	12292.06	24229.55	21589.52	38569.57	33881.58	1708.98	2383.07	-	-	285377.20	297230.58
Unallocated assets																			11297.19	7958.39
Total assets	**216827.06**	**225998.97**	**15914.66**	**17940.29**	**12356.93**	**17026.67**	**245098.65**	**260965.93**	**14340.02**	**12292.06**	**24229.55**	**21589.52**	**38569.57**	**33881.58**	**1708.98**	**2383.07**	**-**	**-**	**296674.39**	**305188.97**
LIABILITIES																				
Segment liabilities	59554.66	36133.45	420.90	355.92	835.71	979.50	60811.27	37468.87	3346.40	1863.94	12921.71	10024.69	16268.11	11888.63	1358.86	1963.04	-	-	78438.24	51320.54
Unallocated liabilities																			130149.58	176101.76
Total liabilities	**59554.66**	**36133.45**	**420.90**	**355.92**	**835.71**	**979.50**	**60811.27**	**37468.87**	**3346.40**	**1863.94**	**12921.71**	**10024.69**	**16268.11**	**11888.63**	**1358.86**	**1963.04**	**-**	**-**	**208587.82**	**227422.30**

- The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 1.
- All assets are allocated to reportable segments other than investments, loans, certain financial assets and current and deferred tax assets. Segment assets include all assets directly attributable to the segments and portion of the enterprise assets that can be allocated on a reasonable basis to the segments.
- All liabilities are allocated to reportable segments other than borrowings, certain financial liabilities, current and deferred tax liabilities. Segment liabilities include all liabilities directly attributable to the segments and portion of the enterprise liabilities that can be allocated on a reasonable basis to the segments.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(iv) Other segment information

	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
Amount considered in segment results																				
Depreciation and amortisation	3231.28	3426.25	686.09	685.26	509.30	557.50	4426.67	4669.01	822.47	789.41	186.50	188.95	1008.97	978.36	6.66	6.63	-	-	5442.30	5654.00
Unallocated dereciation and amortisation																			94.25	66.99
Total depreciation and amortisation	**3231.28**	**3426.25**	**686.09**	**685.26**	**509.30**	**557.50**	**4426.67**	**4669.01**	**822.47**	**789.41**	**186.50**	**188.95**	**1008.97**	**978.36**	**6.66**	**6.63**	**-**	**-**	**5536.55**	**5720.99**
Non cash items (other than depreciation and amortisation)	24.20	3518.81	103.82	197.40	(26.09)	(831.49)	101.93	2884.72	119.59	178.33	(453.78)	240.07	(334.19)	418.40	10.43	(59.16)	-	-	(221.83)	3243.96
Unallocated non cash items (other than depreciation and amortisation)																			(127.82)	4972.91
Total non cash items (other than depreciation and amortisation)	**24.20**	**3518.81**	**103.82**	**197.40**	**(26.09)**	**(831.49)**	**101.93**	**2884.72**	**119.59**	**178.33**	**(453.78)**	**240.07**	**(334.19)**	**418.40**	**10.43**	**(59.16)**	**-**	**-**	**(349.65)**	**8216.87**
Amounts not considered in segment results																				
Interest expense	7840.43	11084.17	28.24	121.76	180.34	285.36	8049.01	11491.29	125.79	305.00	464.67	696.84	590.46	1001.84	-	-	-	-	8639.47	12493.13
Unallocated interest expense																			(105.60)	162.31
Total interest expense	**7840.43**	**11084.17**	**28.24**	**121.76**	**180.34**	**285.36**	**8049.01**	**11491.29**	**125.79**	**305.00**	**464.67**	**696.84**	**590.46**	**1001.84**	**-**	**-**	**-**	**-**	**8533.87**	**12655.44**
Interest income	47.88	33.78	3.61	3.62	1.72	2.05	53.21	39.45	4.47	9.75	20.92	34.78	25.39	44.53	-	-	-	-	78.60	83.98
Unallocated interest income																			42.75	571.73
Total interest income	**47.88**	**33.78**	**3.61**	**3.62**	**1.72**	**2.05**	**53.21**	**39.45**	**4.47**	**9.75**	**20.92**	**34.78**	**25.39**	**44.53**	**-**	**-**	**-**	**-**	**121.35**	**655.71**
Exceptional items	-	6820.08	-	1303.96	-	422.70	-	8546.74	-	-	-	-	-	-	-	-	-	-	-	8546.74
Capital expenditure	2942.52	1913.15	189.39	91.29	902.48	456.44	4034.39	2460.88	836.82	1015.50	188.83	103.29	1025.65	1118.79	1.35	2.05	-	-	5061.39	3581.72
Unallocated capital expenditure																			175.04	85.30
Total Capital expenditure	**2942.52**	**1913.15**	**189.39**	**91.29**	**902.48**	**456.44**	**4034.39**	**2460.88**	**836.82**	**1015.50**	**188.83**	**103.29**	**1025.65**	**1118.79**	**1.35**	**2.05**	**-**	**-**	**5236.43**	**3667.02**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(v) Break-up of revenue by geographical area

	Year ended 31-Mar-18	Year ended 31-Mar-17
India (country of domicile)	339925.57	295314.19
Foreign countries	1312.80	1372.42
	341238.37	**296686.61**

(vi) Non-current assets by geographical area

All non current assets of the Company are located in India except investment of ₹ 3006.19 lakhs in an Associate company located in Israel.

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Sale of products		
Finished goods		
- Sugar	279926.58	234514.36
- Molasses	2217.96	2103.55
- Bagasse	4612.53	4705.76
- Power	10783.59	7598.43
- Alcohol	11446.52	16587.71
- Mechanical equipment - Water/Waste-water	1483.67	1395.13
- Gears/Gear Boxes	9292.12	7313.33
- Bought outs and Spares	1442.30	1489.25
- Others	406.69	530.49
	321611.96	**276238.01**
Stock in trade		
- Diesel/Petrol/Lubricants	1575.22	1419.85
- Other consumer goods	52.19	68.35
	1627.41	**1488.20**
	323239.37	**277726.21**
Sale of services		
Erection and commissioning	22.90	57.75
Servicing	262.65	288.20
Operation and maintenance	3927.25	3472.07
	4212.80	**3818.02**
	-	-
Construction contract revenue		
Water, Waste-water and Sewage treatment	12098.41	13138.29
Power generation and evacuation system	226.16	874.04
	12324.57	**14012.33**

(viii) Information about major customers

There is no single customer who has contributed 10% or more to the Company's revenue for both the years ended 31 March 2018 and 31 March 2017.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 38: EMPLOYEE BENEFIT PLANS

(i) Defined contribution plans

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

Provident Fund Plan & Employee Pension Scheme: The Company makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India. The Company has also set up provident fund Trust to secure the provident fund dues in respect of certain employees of the Company. The provident fund is administered by the concerned trustees. The rules of the Company's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund Organisation, Government of India, under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company when determined. Having regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency as at the year end and accordingly, such plan has been considered by the Company in substance to be a defined contribution plan.

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

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

National Pension Scheme: The Company makes contributions to the National Pension Scheme fund in respect of certain employees of the Company.

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Employers' Contribution to Employees' Provident Fund	1068.97	969.89
Administration and other expenses relating to above	26.56	29.10
Employers' Contribution to Employees' State Insurance Scheme	16.01	8.85
Employers' Contribution to Superannuation Scheme	114.75	116.95
Employers' Contribution to National Pension Scheme	20.80	14.41

(ii) Defined benefit plans

(a) The Company operates a defined benefit retirement plan under which the Company pays certain defined benefit by way of gratuity to its employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/ termination of employment or death of an employee, based on the respective employees' salary and years of employment with the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(b) **Risk exposure**

The plan typically exposes the Company to number of actuarial risks, the most significant of which are detailed below:

Investment risk: The plan liabilities are calculated using a discount rate set with references to government bond yields as at end of reporting period; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The investments in plan assets are made in accordance with pattern of investment prescribed by central government and ensures that the funds are invested in a balanced mix of investments comprising central government securities, state government securities, other debt instruments as well as equity instruments. Most of the plan investments is in fixed income securities with high grades and in government securities. The Company has a risk management strategy which defines exposure limits and acceptable credit risk rating.

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

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

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

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

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

	Valuation as at	
	31-Mar-18	31-Mar-17
Discounting rate	7.69%	6.81%
Future salary growth rate	8.00%	7.00%
Mortality Table *	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
Attrition rate	6.00% for Permanent employees	8.00% for Permanent employees
	2.00% for Seasonal 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 2006-08 Ultimate). These assumptions translate into an average life expectancy in years at retirement age.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(d) Amounts recognised in statement of profit & loss in respect of the defined benefit plan are as follows:

	Year ended 31-Mar-18	Year ended 31-Mar-17
Current service cost	333.64	275.90
Net interest expense	220.47	145.06
Components of defined benefit costs recognised in profit or loss	**554.11**	**420.96**
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	(43.30)	(31.06)
- Actuarial gains and loss arising form changes in financial assumptions	36.60	482.43
- Actuarial gains and loss arising form experience adjustments	(179.43)	234.68
Components of defined benefit costs recognised in other comprehensive income	**(186.13)**	**686.05**
Total	**367.98**	**1107.01**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit & loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

(e) Amounts included in the balance sheet arising from the entity's obligation in respect of the defined benefit plan is as follows:

	As at 31-Mar-18	As at 31-Mar-17
Present value of defined benefit obligation as at the end of the year	4734.30	4558.14
Fair value of plan assets	1452.20	1308.30
Funded status	**(3282.10)**	**(3249.84)**
Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet	**(3282.10)**	**(3249.84)**

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Present value of defined benefit obligation at the beginning of the year	4558.14	3632.88
Expenses recognised in profit or loss		
- Current Service Cost	333.64	275.90
- Interest Expense (Income)	321.08	226.50
Remeasurement (gains)/losses recognised in other comprehensive income		
- Actuarial (gain)/loss arising from:		
i. Financial Assumptions	36.60	482.43
ii. Experience Adjustments	(179.43)	234.68
Benefit payments	(335.73)	(294.25)
Present value of defined benefit obligation at the end of the year	**4734.30**	**4558.14**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Fair value of plan assets at the beginning of the year	1308.30	1195.80
Recognised in profit or loss		
- Expected return on plan assets	100.61	81.44
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actual Return on plan assets in excess of the expected return	43.29	31.06
Contributions by employer	335.73	294.25
Benefit payments	(335.73)	(294.25)
Fair value of plan assets at the end of the year	**1452.20**	**1308.30**

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

	As at 31-Mar-18			As at 31-Mar-17		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	-	12.45	12.45	-	17.83	17.83
Debt instruments						
- Government securities	-	264.26	264.26	-	257.53	257.53
- State development loans	-	452.07	452.07	-	340.95	340.95
- Private sector bonds	-	123.24	123.24	-	104.45	104.45
- Public sector bonds	-	112.33	112.33	-	138.53	138.53
- Fixed deposits with banks	-	166.00	166.00	-	155.50	155.50
- Special Deposit Scheme balance with RBI	-	102.13	102.13	-	102.13	102.13
- Debt mutual funds	-	64.95	64.95	-	60.92	60.92
Equity instruments						
- Index mutual funds	-	10.06	10.06	-	2.43	2.43
- Arbitrage mutual funds	-	12.58	12.58	-	8.93	8.93
Accrued interest and other recoverables	-	132.13	132.13	-	119.10	119.10
Total plan assets	**-**	**1452.20**	**1452.20**	**-**	**1308.30**	**1308.30**

The investible funds of the Gratuity Plan are invested in accordance with the investment pattern and norms prescribed by the Ministry of Finance, Government of India. The investment pattern mandates that the investible funds are invested across the permitted investments in the prescribed pattern, whereby the investment risk is spread across various categories of investment comprising sovereign government securities, state development loans monitored by the Reserve Bank of India, investment grade rated debt securities issued by private and public sector companies, fixed-deposit with banks fulfilling the prescribed norms, units of debt and equity mutual funds. The investments made are generally on held-to-maturity basis. It is the endeavour of the Company to mitigate risk by investing only in high-quality debt securities and in mutual funds after undertaking due diligence.

There has been no change in the process used by the Company to manage its risks from prior periods.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(h) Sensitivity analysis

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

	Change in assumption by	Impact on defined benefit obligatio				
		Increase/ decrease	Increase in assumption		Decrease in assumption	
			31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Discounting rate	0.50%	in ₹	(177.37)	(262.01)	190.36	266.30
		in %	-3.75%	-5.75%	4.02%	5.84%
Future salary growth rate	0.50%	in ₹	187.87	246.57	(176.71)	(241.86)
		in %	3.97%	5.41%	-3.73%	-5.31%
Attrition rate	0.50%	in ₹	(46.12)	(44.17)	48.81	46.74
		in %	-0.97%	-0.97%	1.03%	1.03%
Mortality rate	10.00%	in ₹	(39.85)	(38.17)	42.54	40.74
		in %	-0.84%	-0.84%	0.90%	0.89%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practise, this is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(i) Defined benefit liability and employer contributions

The Company remains committed to fund all gratuity payments falling due and shall strive to gradually reduce the deficit in funding of its obligation in the coming years.

The Company expects to contribute ₹ 245.07 lakhs to the defined benefit plan relating to gratuity during the next financial year.

The weighted average duration of the defined gratuity obligation as at 31 March 2018 is 9.2 years (31 March 2017: 9.5 years).

The expected maturity analysis of undiscounted defined benefit obligation as at 31 March 2018 is as follows:

	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
Defined benefit obligation (Gratuity)	245.07	405.43	1460.65	8219.59	10330.74

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 39: RELATED PARTY TRANSACTIONS

(i) Related parties where control exists

Subsidiaries

- Wholly owned

Triveni Energy Systems Limited

Triveni Engineering Limited

Triveni Entertainment Limited

Svastida Projects Limited

Triveni Industries Limited

- Others

Triveni Sugar Limited

(ii) Related parties with whom transactions have taken place during the year alongwith details of such transactions and outstanding balances as at the end of the year:

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-18	Year ended 31-Mar-17
Sales and rendering services			
Triveni Sugar Limited	Subsidiary	0.70	0.69
Svastida Projects Limited	Subsidiary	0.70	0.69
Triveni Entertainment Limited	Subsidiary	0.70	0.69
Triveni Energy Systems Limited	Subsidiary	0.70	0.69
Triveni Engineering Limited	Subsidiary	0.70	0.69
Triveni Industries Limited	Subsidiary	0.70	0.75
Triveni Turbine Limited	Associate	4304.01	3229.45
Purchases and receiving services			
Triveni Turbine Limited	Associate	382.52	1079.72
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	0.47	0.99
Advance paid against order			
Triveni Turbine Limited	Associate	35.00	-
Rent paid			
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	48.76	45.50
Rati Sawhney	Relative of key managerial personnel	34.60	48.00
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	76.69	72.88

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-18	Year ended 31-Mar-17
Rent & other charges received			
Triveni Turbine Limited	Associate	20.40	16.00
Dividend received from Investment in Equity shares			
Triveni Turbine Limited	Associate	864.00	324.00
Dividend paid on Equity shares			
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	95.98	-
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	36.74	-
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	38.19	-
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.04	-
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	0.03	-
Manmohan Sawhney HUF	Relative of key managerial personnel	11.28	-
Rati Sawhney	Relative of key managerial personnel	50.90	-
Tarana Sawhney	Relative of key managerial personnel	0.06	-
Mira Hazari	Relative of key managerial personnel	-	-
Subhadra Trade & Finance Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	206.74	-
Expenses incurred by the Company on behalf of party (net of expenses incurred by party on behalf of the Company) on reimbursable basis			
Triveni Turbine Limited	Associate	(18.76)	(2.77)
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	2.22	2.28
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	-	0.06
Triveni Engineering and Industries Ltd. Officers' Pension Fund	Post employment benefit plan	-	0.01
Triveni Engineering Works Limited Employees' Provident Fund	Post employment benefit plan	-	-
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	0.03	0.05
Remuneration			
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	239.73	203.82
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	192.39	178.22
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	68.61	60.54

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for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-18	Year ended 31-Mar-17
Directors fee paid			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	3.70	5.20
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	5.50	8.45
M. K. Daga (Independent Non-Executive Director)	Key managerial personnel	-	2.25
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	1.25	2.25
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	6.00	6.50
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	6.00	6.25
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	4.00	3.75
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	4.00	2.25
Contribution to Post employment benefit plans			
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	335.73	294.25
Triveni Engineering and Industries Ltd. Officers' Pension Fund	Post employment benefit plan	114.75	115.69
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	1033.20	907.61
Deposit received against appointment of Director			
Subhadra Trade & Finance Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	-	3.00
Investment in shares			
Triveni Engineering Limited	Subsidiary	60.00	-
Triveni Energy Systems Ltd	Subsidiary	180.00	-
Triveni Entertainment Limited	Subsidiary	130.00	-
Svastida Projects Limited	Subsidiary	10.00	-

Outstanding balances

	Relationship	Year ended 31-Mar-18	Year ended 31-Mar-17
Receivable			
Triveni Entertainment Limited	Subsidiary	-	183.23
Triveni Energy Systems Limited	Subsidiary	-	169.15
Triveni Engineering Limited	Subsidiary	-	249.57
Triveni Industries Limited	Subsidiary	-	-
Triveni Turbine Limited	Associate	1082.03	460.32
Provision for doubtful debts/advances			
Triveni Engineering Limited	Subsidiary	-	13.76

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for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Relationship	Year ended 31-Mar-18	Year ended 31-Mar-17
Payable			
Svastida Projects Limited	Subsidiary	-	200.00
Triveni Turbine Limited	Associate	1310.51	1878.15
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	4.92	5.25
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	3.65	3.05
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.61	8.39
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	0.15	3.45
Subhadra Trade & Finance Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	-	2.00
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	-	0.30
Triveni Engineering and Industries Ltd. Officers' Pension Fund	Post employment benefit plan	113.29	115.69
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	90.32	82.75
Guarantees / Surety /commitment outstanding (refer note 46(b))			
Triveni Turbine Limited	Associate	-	1450.51

(iii) Remuneration of key managerial personnel:

Name of related party and nature of transactions	Year ended 31-Mar-18	Year ended 31-Mar-17
Short-term employee benefits	460.69	402.46
Post-employment benefits	40.05	40.12
Total	**500.74**	**442.58**

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 oustanding balances of KMP 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:

The 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. The outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided to or received for any related party receivable or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31 March 2018 and 31 March 2017 other than that stated above.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 40: CAPITAL MANAGEMENT

For the purpose of capital management, capital includes net debt and total equity of the Company. The primary objective of the capital management is to maximize shareholder value along with an objective to keep the leverage in check in view of cyclical capital intensive sugar business of the Company.

One of the major businesses of the Company is the sugar business, which is a seasonal industry, where the entire production is made in about five months and then sold throughout the year. Thus, it necessitates keeping high sugar inventory levels requiring high working capital funding. Sugar business being a cyclical business, it is prudent to avoid high leverage and the resultant high finance cost. It is the endeavour of the company to prune down debts to acceptable levels based on its financial position.

The Company may resort to further issue of capital when the funds are required to make the company stronger financially or to invest in projects meeting the ROI expectations of the Company.

The Company monitors capital structure through gearing ratio represented by debt-equity ratio (debt/total equity). The gearing ratios for the Company as at the end of reporting period were as follows:

	As at 31-Mar-18	As at 31-Mar-17
Non-current borrowings (note 16)	3495.28	27536.23
Current borrowings (note 20)	107647.23	124209.92
Current maturities of long-term borrowings (note 17)	12831.59	20367.06
Total debt	**123974.10**	**172113.21**
Less: Cash and cash equivalents (note 12(a))	(338.70)	(651.45)
Net debt	**123635.40**	**171461.76**
Total equity (note 14 & note 15)	**88086.57**	**77766.67**
Net debt to equity ratio	1.40	2.20
Long term debt equity ratio	0.19	0.62

In addition to the above gearing ratio, the Company also looks at operating profit to total debt ratio (EBITDA/Total Debts) which gives an indication of adequacy of earnings to service the debts. The Company carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. With a view to arrive at the desired capital structure based on the financial condition of the Company, the Company normally incorporates a clause in loan agreements for prepayment of loans without any premium.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2018 and 31 March 2017.

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

NOTE 41: FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of the financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and bank balances that derive directly from its operations. The Company also holds investments measured at fair value through profit or loss and enters into derivative transactions, which are not extensive.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Credit risk

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

(a) Credit risk management

The customer credit risk is managed by each business subject to the Company's established policy, procedure and controls relating to customer credit risk management. Various businesses require different processes and policies to be followed based on the business risks, industry practice and customer profiles.

In the case of Sugar business, majority of the sales are made either against advance payments or on very short credit period upto 7-10 days to reputed customers whereas in Cogeneration and Distillery, most of the sales are made to Government customers, such as, State Electricity Board (UPPCL) and Oil Marketing Companies (OMCs). There may be delays, generally not exceeding one year, in receiving payments from UPPCL but the risk in respect of realisation of dues is minimal. In Gear business, it is the policy of the Company to receive payment prior to delivery of the material except in the case of some well established OEMs, including group companies and public sector undertakings, where the credit up to 90 days is extended. Water business is engaged in EPC business with municipal and industrial sector where it is customary to have prescribed retentions which are payable upon completion of the project and after satisfactory performance of the plant.

In order to contain the business risk, creditworthiness of the customer is ensured through scrutiny of its financials, status of financial closure of the project, if required, market reports and reference checks. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of its diversified business profile and considering the size of the Company, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customers. In addition, a large number of receivables are grouped and assessed for impairment collectively. The calculation of impairment loss is based on historical data of losses, current conditions and forecasts and future economic conditions. The Company's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset as detailed in note 6, 7, 8 and 9.

The business wise receivable position as at the end of the year is provided here below:

	As at 31-Mar-18	As at 31-Mar-17
Sugar business	4551.36	4797.61
Cogeneration business	4427.14	5882.47
Distillery business	2060.60	1185.22
Water business	13858.94	10480.02
Gear business	4837.04	3412.10
Others	1455.31	2034.08
Total Receivables (note 7)	31190.39	27791.50
Receivables individually in excess of 10% of the business receivables	16665.33	14809.41
Percentage of above receivables to the total receivables of the Company	53.43%	53.29%

Receivables in excess of 10% of individual business receivables majorly comprises receivables from UPPCL which forms 16.85% of total receivables of the Company as on 31 March 2018 and 26 % as on 31 March 2017. It can be observed that the concentration of risk in respect of trade receivables is moderate on an overall basis. Further, its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company does not hold any collateral as security for such receivables.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Provision for expected credit losses

Basis as explained above, life time expected credit loss ("ECL") is determined on trade receivables except in cases where advance payment terms are prescribed or payment is due from Central / State Government or Government Authorities / entities where there is no track record of short receipts. ECL arising from delays in receiving payments from the Government customers pursuant to sale of goods or under construction contracts are not considered if such delays are commonly prevalent in the industry and / or the delays are not exceeding one year. All other short receipts other than arising from expense claims are duly considered in determining ECL. In view of the business model of the Company, engineered-to-order products and the profile of trade receivables, the determination of provision based on age analysis may not be a realistic and hence, the provision of expected credit loss is determined for the total trade receivables outstanding as on the reporting date. 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-18	ECL amount as at 31-Mar-17
Sugar	Nil	Nil	Nil
Co-generation	Nil	Nil	Nil
Distillery	Nil	Nil	Nil
Water	0.83%	115.99	98.55
Gear	1.17%	57.91	35.91

(c) Reconciliation of loss allowance provision

Trade receivables:

	Year ended 31-Mar-18	Year ended 31-Mar-17
Balance at beginning of the year	2668.69	4205.73
Provision for credit loss allowance made during the year	377.16	786.97
Provision reversed/utilised during the year	(1265.04)	(2324.01)
Balance at the end of the year	1780.81	2668.69

Loans and other financial assets:

	Loans		Other financial assets	
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
Balance at beginning of the year	44.53	44.53	31.70	74.01
Movement in expected credit loss allowance	-	-	(15.65)	(42.31)
Balance at the end of the year	44.53	44.53	16.05	31.70

(ii) Liquidity risk

The Company uses liquidity forecast tools to manage its liquidity. The Company operates capital intensive sugar business and has obligation to timely make cane price payments within the statutory time period. The Company is able to organise liquidity through own funds and through working capital loans. The company has good relationship with its lenders and has not defaulted at any point of time in the past, as a result of which it does not experience any difficulty in arranging funds from its lenders. However, when the sugar fundamentals are unfavourable, either due to market forces or due to excessive cane pricing by the Government, the payment of cane price gets delayed. However, it is the endeavour of the Company to make cane payment on a priority basis. It is the objective and focus of the Company to reduce debts to be able to meet the cyclicalities of the sugar business.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Apart from cyclical sugar business, the Company has alternate revenue streams in the form of cogeneration, distillery and engineering business, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Company as at the year end

	As at 31-Mar-18	As at 31-Mar-17
Total current assets	198793.37	209927.16
Total current liabilities	196802.17	193399.30
Current ratio	1.01	1.09

In view of seasonal nature of sugar business, which is a dominant business of the Company, there is a peak build-up of sugar inventories at the year end, resulting in peak working capital requirement. With the liquidation of such inventories over the year, the working capital requirement is gradually reduced. Thus, the current ratio computed at the year end is not a reflection of average and realistic ratio for the year.

(a) Maturities of financial instruments

Maturities of non-derivative financial liabilities:

The following tables detail the remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	on demand	< 1 year	1-3 years	3-5 years	> 5 years	Total	Carrying amount
As at 31 March 2018							
Borrowings	105557.23	15174.86	3453.08	32.73	0.92	124218.82	123974.10
Trade payables	-	62422.14	383.43	-	-	62805.57	62805.57
Other financial liabilities	-	3590.10	-	-	-	3590.10	3590.10
	105557.23	**81187.10**	**3836.51**	**32.73**	**0.92**	**190614.49**	**190369.77**
As at 31 March 2017							
Borrowings	122543.89	22674.11	26137.76	1845.75	6.13	173207.64	172113.21
Trade payables	-	24844.14	814.08	-	-	25658.22	25658.22
Other financial liabilities	-	4293.88	30.62	-	-	4324.50	4324.50
	122543.89	**51812.13**	**26982.46**	**1845.75**	**6.13**	**203190.36**	**202095.93**

Maturities of derivative financial instruments:

The Company enters into derivative contracts (viz. foreign exchange forward contracts, foreign currency swaps and interest rate swaps) to manage some of its foreign currency exposures and interest rate exposures that are settled on a net basis. Derivative asset (net) are of ₹ 87.86 lakhs as at 31 March 2018. All derivative assets/ liabilities shall mature within one year from the reporting date except derivative liability ₹0.96 lakhs , in respect of foreign currency swap & interest rate swap taken to hedge foreign currency borrowing, which shall be settled alongwith payment of such borrowing in six equal quarterly instalments ending on July 2019 (31 March 2017 : derivative liability (net) ₹ 84.88 lakhs shall mature within one year from reporting date).

(iii) Market risk

The Company is exposed to following key market risks:

(a) Interest rate risk on loans and borrowings

(b) Sugar price risk

(c) Other market risks

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(a) Interest rate risk

Most of the borrowings availed by the Company are subject to interest on floating rate basis linked to the Base Rate or MCLR (marginal cost of funds based lending rate) or LIBOR. In view of the fact that the total borrowings of the Company are quite substantial, the Company is exposed to interest rate risk.

The above strategy of the Company to opt for floating interest rates is helpful in maintaining market related realistic rates. Further, most of the loans and borrowings have a prepayment clause through which the loans could be prepaid without any prepayment premium. The said clause helps the Company to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held.

While declining interest rates would be beneficial to the Company, adverse interest rate fluctuations could increase the finance cost. The total impact, in respect of borrowings on floating interest rate basis, is limited as per sensitivity analysis provided here under:

	Year ended 31-Mar-18	Year ended 31-Mar-17
Total debt as at the end of the year	123974.10	172113.21
Debt at floating rate of interest as at the end of the year	116276.02	164300.25
Average annual utilisation of debts at floating rate of interest (%)	73%	71%
Average availment of borrowings at floating rate of interest	85179.94	115920.14
Impact of 1% interest rate variation	851.80	1159.20

The above sensitivity has been computed after excluding the impact of change in interest rates of the floating interest rate foreign currency borrowing of USD 53,76,344.09 @ 6 months LIBOR plus 1.95% (as at 31 March 2018 @ 4.1955% p.a.) since same has been hedged through interest rate swap @ fixed interest rate 8.5% p.a.

(b) Sugar price risk

In the Sugar business being carried out by the Company, sugar is produced during the season commencing from October/ November till March/April. Sugar so produced during the season of around 130 to 150 days, is sold throughout the year. The sugar inventories are at the highest level as at the end of the financial year and these are normally stated at cost or net realizable value, whichever is lower.

The Company is exposed to sugar price risk in respect of the inventories held at the year-end as any decline in prices below the carrying amount will inflict losses to the Company. There are no effective hedging mechanisms available in view of limited breadth in the commodity exchange market and hence the Company follows a strategy of selling sugar based upon market forecasts and holding cost of inventories, subject to minimum floor limits.

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Sugar inventory held (MT)	5,31,098.85	4,58,199.00
Impact of sugar price variation by ₹ 1000/MT	5,310.99	4,581.99

(c) Other market risks

The other market risks includes Equity price risk and Foreign currency risk.

Equity price risk in respect of listed and non listed equity securities which are susceptible to market price risk arising from uncertainties about future value of the investment securities. In view of nominal value of investments being held by the Company, other than in the subsidiaries and associates which are measured at cost, the magnitude of risk is only nominal.

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The Company is exposed to foreign currency risk mainly on account of foreign currency borrowings, foreign exchange trades being minimal. The foreign currency borrowing is for a period of more than a year and the Company is exposed to foreign exchange fluctuation risks during this period. As per policy, the foreign currency borrowings are hedged through foreign exchange forward contracts / foreign currency swap contracts to capture the interest arbitrage over domestic interest rates.

Foreign currency risk exposure

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

		US$	EURO	GBP
As at 31 March 2018				
Financial assets				
- Trade receivables	in foreign currency lakhs	3.80	2.53	-
	in equivalent ₹ lakhs	244.35	199.29	-
Derivatives (in respect of underlying financial assets)		-	-	-
Net exposure to foreign currency risk (assets)	in foreign currency lakhs	**3.80**	**2.53**	**-**
	in equivalent ₹ lakhs	**244.35**	**199.29**	**-**
Financial liabilities				
- Trade payables	in foreign currency lakhs	1.32	0.77	0.55
	in equivalent ₹ lakhs	86.53	62.21	50.89
- Borrowings (including interest)	in foreign currency lakhs	203.68	-	-
	in equivalent ₹ lakhs	13402.02	-	-
Derivatives (in respect of underlying financial liabilities)				
- Foreign exchange forward contracts/Swaps	in foreign currency lakhs	203.47	-	-
buy foreign currency	in equivalent ₹ lakhs	13388.40	-	-
Net exposure to foreign currency risk (liabilities)	in foreign currency lakhs	**1.53**	**0.77**	**0.55**
	in equivalent ₹ lakhs	**100.15**	**62.21**	**50.89**

		US$	EURO	GBP
As at 31 March 2017				
Financial assets				
- Trade receivables	in foreign currency lakhs	3.00	1.23	-
	in equivalent ₹ lakhs	192.36	83.58	-
Derivatives (in respect of underlying financial assets)				
- Foreign exchange forward contracts	in foreign currency lakhs	1.24	-	-
sell foreign currency	in equivalent ₹ lakhs	79.48	-	-
Net exposure to foreign currency risk (assets)	in foreign currency lakhs	**1.76**	**1.23**	**-**
	in equivalent ₹ lakhs	**112.88**	**83.58**	**-**
Financial liabilities				
- Trade payables	in foreign currency lakhs	1.07	0.69	0.02
	in equivalent ₹ lakhs	69.96	48.92	1.50
- Borrowings (including interest)	in foreign currency lakhs	25.54	-	-
	in equivalent ₹ lakhs	1,675.69	-	-
Derivatives (in respect of underlying financial liabilities)				
- Foreign exchange forward contracts	in foreign currency lakhs	25.40	0.28	0.02
buy foreign currency	in equivalent ₹ lakhs	1,666.03	19.44	1.50
Net exposure to foreign currency risk (liabilities)	in foreign currency lakhs	**1.21**	**0.41**	**-**
	in equivalent ₹ lakhs	**79.62**	**29.48**	**-**

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for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

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

		US$	EURO	GBP
As at 31 March 2018				
Foreign exchange forward contracts to sell foreign currency	in foreign currency lakhs	2.00	1.35	-
	in equivalent ₹ lakhs	128.48	106.34	-
Foreign exchange forward contracts/Swaps to buy foreign currency	in foreign currency lakhs	205.18	3.80	-
	in equivalent ₹ lakhs	13500.83	308.71	-
As at 31 March 2017				
Foreign exchange forward contracts to sell foreign currency	in foreign currency lakhs	1.24	-	-
	in equivalent ₹ lakhs	79.48	-	-
Foreign exchange forward contracts to buy foreign currency	in foreign currency lakhs	11.72	1.02	1.24
	in equivalent ₹ lakhs	768.96	72.34	101.84

All the above contracts are maturing within one year except for foreign currency swap, taken to hedge foreign currency borrowing, which shall be settled alongwith payment of such borrowing in six equal quarterly instalments ending on July 2019.

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-18	31-Mar-17	31-Mar-18	31-Mar-17
US$ sensitivity	5%	7.21	1.66	(7.21)	(1.66)
EURO sensitivity	5%	6.85	2.71	(6.85)	(2.71)
GBP sensitivity	5%	(2.54)	-	2.54	-

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

Further, the impact of change in foreign currency rates (assuming forward premium to remain unchanged) on the fair valuation of derivatives (excluding derivatives which have hedged the foreign currency denominated receivables and payables) as at the end of the year, is demonstrated in the table below. However, apart from the impact on the profit or loss due to fair value changes of the derivatives, the derivatives will help the Company in capturing the hedged rates including forward premium and the budgeted profitability will remain unaffected.

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
US$ sensitivity	0.05	(0.80)	(44.85)	0.80	44.85
EURO sensitivity	0.05	10.12	2.65	(10.12)	(2.65)
GBP sensitivity	0.05	-	5.02	-	(5.02)

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 42: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	As at 31-Mar-18		As at 31-Mar-17	
	FVTPL *	Amortised cost	FVTPL *	Amortised cost
Financial assets				
Investments				
- Equity instruments	366.44	-	342.45	-
- Bonds	89.04	-	145.75	-
- National Saving Certificates	-	0.03	-	0.03
Trade receivables	-	31190.39	-	27791.50
Loans	-	56.53	-	45.81
Cash and bank balances	-	919.95	-	1243.30
Security deposits	-	497.02	-	444.79
Earnest money deposits	-	163.32	-	152.05
Derivative financial assets	91.82	-	-	-
Other receivables	-	97.17	-	683.00
Total financial assets	**547.30**	**32924.41**	**488.20**	**30360.48**
Financial liabilities				
Borrowings	-	123974.10	-	172113.21
Trade payables	-	62805.57	-	25658.22
Capital creditors	-	744.60	-	699.24
Security deposits	-	374.35	-	357.35
Derivative financial liabilities	3.96	-	84.88	-
Other payables	-	2471.15	-	3267.91
Total financial liabilities	**3.96**	**190369.77**	**84.88**	**202095.93**

*Mandatorily required to be measured at FVTPL. There is no financial instrument which is designated as FVTPL.

(ii) Fair value hierarchy

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

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

	Note No.	Level 1	Level 2	Level 3	Total
As at 31 March 2018					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	366.44	-	-	**366.44**
- Investments in bonds at FVTPL	6	-	89.04	-	**89.04**
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	9	-	91.82	-	**91.82**
		366.44	**180.86**	**-**	**547.30**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	Level 1	Level 2	Level 3	Total
Financial liabilities					
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	17	-	3.96	-	**3.96**
		-	**3.96**	**-**	**3.96**
As at 31 March 2017					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	342.45	-	-	**342.45**
- Investments in bonds at FVTPL	6	-	145.75	-	**145.75**
		342.45	**145.75**	**-**	**488.20**
Financial liabilities					
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	17	-	84.88	-	**84.88**
		-	**84.88**	**-**	**84.88**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted unadjusted market prices in active markets for identical assets or liabilities. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of derivatives (viz. foreign exchange forward contracts, foreign currency swaps and interest rate swaps) is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.

- the fair value of bonds, 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-18		As at 31-Mar-17	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Trade receivables	31190.39	30495.00	27791.50	27495.92
	31190.39	**30495.00**	**27791.50**	**27495.92**
Financial liabilities				
Trade payables	62805.57	62753.23	25658.22	25540.91
	62805.57	**62753.23**	**25658.22**	**25540.91**

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
As at 31 March 2018				
Financial assets				
Trade receivables	-	-	30495.00	30495.00
	-	**-**	**30495.00**	**30495.00**
Financial liabilities				
Trade payables	-	-	62753.23	62753.23
			62753.23	**62753.23**
As at 31 March 2017				
Financial assets				
Trade receivables	-	-	27495.92	27495.92
	-	**-**	**27495.92**	**27495.92**
Financial liabilities				
Trade payables	-	-	25540.91	25540.91
	-	**-**	**25540.91**	**25540.91**

(a) The fair values for trade receivables and trade payables which are expected to be settled after twelve months (including those which are within the operating cycle) are computed based on discounted cash flows. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The carrying amounts of the remaining trade receivables and trade payables are considered to be the same as their fair values, due to their short-term nature.

NOTE 43: GOVERNMENT GRANTS

(i) Government grants recognised in the standalone financial statements

		Grants recognised in profit or loss			Grant recoverable	
		Year ended 31-Mar-18	Year ended 31-Mar-17	Treatment in financial statements	As at 31-Mar-18	As at 31-Mar-17
A	**Deferred government grants**					
a)	Interest subvention @ 12% per annum on loans aggregating to ₹12626.00 lakhs availed during financial year 2012-13 under the "Scheme of Extending Financial Assistance to Sugar Undertakings, 2013" notified by the Government of India.	683.45	1075.07	Reduced from finance cost (note 30)	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		Grants recognised in profit or loss			Grant recoverable	
		Year ended 31-Mar-18	Year ended 31-Mar-17	Treatment in financial statements	**As at 31-Mar-18**	As at 31-Mar-17
b)	Loans at below market interest rate from Sugar Development Fund, Government of India	27.88	45.14	Reduced from finance cost (note 30)	-	-
c)	Interest subvention @10% per annum granted by the Government of India for one year from the date of disbursement on loans aggregating to ₹ 11450.50 lakhs availed in financial year 2015-16 under the 'Scheme of extending Soft Loans to Sugar Mills'.	-	552.81	Reduced from finance cost (note 30)	-	-
d)	Grant of ₹ 10.00 lakhs in respect of Moist Hot Air Treatment Plants (MHAT) received from the State Government of Uttar Pradesh under Rashtriya Krishi Vikas Yojna during current year.	0.99	-	Presented under "Other income" (note 25)	-	-
e)	Grant of ₹ 141.45 lakhs in the form of duties saved upon import of machinery under Export Promotion Capital Goods (EPCG) scheme during current year.	-	-	Presented under "Other income" (note 25)	-	-
	Total deferred government grants	**712.32**	**1673.02**		**-**	**-**
B	**Other revenue grants**					
a)	Reversal of grant, related to cane production subsidy of ₹ 4.50 per quintal of cane pertaining to season 2015-16, (net of grant of ₹ 39.80 lakhs accrued during the year) necessitated due to different computation adopted by the Government.	-	(44.18)	Other expenses (note 33)	-	-
b)	Reversal of grant, related to reimbursement of cane commission on cane purchased for season 2015-16, based on the final decision of the state government of UP on cane price package for Season 2015-16	-	(1330.73)	Raw material consumed (note 26)	-	-
c)	Export incentives under Duty Draw back Scheme, Incremental Export Incentive Scheme and Merchandise Export Incentive Scheme	78.03	23.49	Presented under "Other operating revenue" (note 24)	-	-
	Total other revenue grants	**78.03**	**(1351.42)**		**-**	**-**
	Total grants	**790.35**	**321.60**		**-**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Government grants in the form of remissions of taxes and duties availed and recognised in the standalone financial statements:

	Year ended 31-Mar-18	Year ended 31-Mar-17
a) Remission of Purchase tax @ ₹ 2 per quintal on purchase of cane		
- for the sugar season 2015-16.	-	17.21
- for the sugar season 2012-13.	-	137.70
	-	**154.91**
b) Remissions availed as per the interim order of the High Court in respect of UP Sugar Industry Promotion Policy, 2004 [see note 43 (i) (a) & (b) above)	-	526.87

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
As at the beginning of the year	962.20	8090.94
Recognised during the year	151.45	-
Released to the standalone statement of profit and loss	(712.32)	(1673.02)
Written back [see note below]	-	(5455.72)
As at the end of the year	**401.33**	**962.20**
Current (refer note 19)	252.20	711.36
Non-current (refer note 19)	149.13	250.84
Total	**401.33**	**962.20**

Note :

* The Company had availed the remissions in respect of certain taxes and duties under UP Sugar Industry Promotion Policy, 2004 ("the Policy") issued by the state Government of Uttar Pradesh. The Policy was pre-maturely terminated on 4 June 2007 and the Company challanged such termination and non-grant of prescribed incentives under the Policy before the Lucknow bench of Allahabad High Court. Pending final adjudication in the matter, the High Court vide its interim order dated 9 May 2008 permitted limited protection of remissions which were being enjoyed on the date when the Policy was revoked. Apart from these remissions, the Company was also eligible for reimbursement of certain expenses and a capital subsidy equivalent to 10% of the amount of investment made in establishment and expansion of sugar and allied industry.

As the prescribed incentive period of 10 years under the Policy had expired and it was taking considerable time for final adjudication of the matter in the courts, the Company had written-off ₹14002.46 lakh during FY 2016-17 appearing as recoverable from the state Government of UP on account of aforesaid reimbursement of expenses and capital subsidy earlier accounted by it under the Policy. Accordingly, deferred government grant of ₹ 5455.72 lakhs as on 31 March 2016, pertaining to the capital subsidy, was also written back. Consequently, there was a net impact of ₹ 8546.74 lakhs which had been classified under exceptional items in FY 2016-17.

NOTE 44: LEASES

(i) Obligations under finance leases

The Company has acquired certain lands under lease, classified as finance leases. Original lease term in respect of one of the land is ninety years whereas another land is on perpetual lease basis. The Company had paid one time payment of lease charges in respect of these leases and there are no further future lease maintenance payments under the lease agreement. There is no contingent rent or restriction imposed in the lease agreement.

(ii) Operating lease arrangements

As Lessee

The Company has taken various residential, office and godown premises under operating lease. These are generally not non-cancellable leases (except for few premises) having unexpired period upto eight years. The leases are renewable by mutual consent and on mutually agreeable terms. The Company has given refundable interest free security deposits under certain lease agreements. There is no contingent rent, sublease payments or restriction imposed in the lease agreement.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Payments recognised as expense

	Year ended 31-Mar-18	Year ended 31-Mar-17
Lease payments (refer note 33)	589.77	593.40
	589.77	**593.40**

Non-cancellable operating lease commitments

	As at 31-Mar-18	As at 31-Mar-17
Not later than one year	259.55	259.55
Later than one year and not later than five years	21.63	281.18
Later than five years		-
	281.18	**540.73**

As Lessor

The Company has given certain portion of its office / factory premises under operating leases (including lease for investment properties (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 standalone 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). Rental income earned by the Company from its investment properties and direct operating expenses arising on the investment properties for the year is set out in note 4.

NOTE 45: COMMITMENTS

	As at 31-Mar-18	As at 31-Mar-17
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (after adjusting advances aggregating to ₹ 28.27 lakhs (31 March 2017: ₹ 3.70 lakhs))	50.30	256.51
(ii) For commitments relating to non-cancellable operating leases, refer Note 44		

NOTE 46: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

	As at 31-Mar-18	As at 31-Mar-17
(a) Claims against the Company not acknowledged as debts:		
(i) Claims which are being contested by the Company and in respect of which the Company has paid amounts aggregating to ₹ 414.94 lakhs (31 March 2017: ₹ 474.41 lakhs), excluding interest, under protest pending final adjudication of the cases:	1732.64	2068.50

Sl. No.	Particulars	Amount of contingent liability 31-Mar-18	Amount of contingent liability 31-Mar-17	Amount paid 31-Mar-18	Amount paid 31-Mar-17
1	Sales tax	245.59	321.68	86.38	106.63
2	Excise duty	773.95	1034.80	294.55	334.34
3	GST	0.57	-	0.57	-
4	Others	712.53	712.02	33.44	33.44

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-18	As at 31-Mar-17
(ii) The Company is contingently liable in respect of short provision against disputed income tax liabilities (excluding determination of final interest payable thereon) of ₹ 3169.86 lakhs (31 March 2017: ₹ 3798.73 lakhs) against which ₹ 2844.62 lakhs (31 March 2017: ₹ 2739.06 lakhs) stands paid. The disputed income tax liability mainly arises on the issue of taxability of unrealised incentives, majority of which have been held to be non-taxable in the first appeal filed by the Company.	3169.86	3798.73
(iii) Statutory levies against which remission has been availed under U.P. Sugar Industry Promotion Policy 2004 issued by the state government of Uttar Pradesh (refer note 43)	4158.38	4158.38
(iv) Liability arising from claims / counter claims/ Interest in arbitration/ court cases, claims of certain employees/ex-employees and in respect of service tax, if any, on certain activities of the Company which are being contested by the Company.	Indeterminate	Indeterminate
The amount shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties, possible payments and reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants, as the case may be, and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal position against such disputes.		
(b) Guarantees/sureties excluding financial guarantees		
Guarantees/surety given on behalf of companies ₹ Nil (31 March 2017: ₹ 1490.51 lakhs), including a corporate guarantee of ₹ Nil (31 March 2017: ₹ 1450.51 lakhs) equivalent to GBP Nil (31 March 2017: GBP 17.62 lakhs) given on behalf of an associate company as a surety for due performance of its obligations under a contract awarded by an overseas customer and in respect of which, the associate company has fully indemnified the Company against any claims, damages or expenses, including legal costs. The guarantees have been given in the normal course of operations of these companies and are not expected to result in any loss to the Company on the basis of such companies fulfilling their ordinary commercial obligations.	-	1490.51

Contingent assets

Based on management analysis, there are no material contingent assets as at 31 March 2018 (31 March 2017: ₹ Nil).

NOTE 47: DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

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

	31-Mar-18	31-Mar-17
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	43.42	37.35
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	31-Mar-18	31-Mar-17
The amount of interest due and payable for the year on delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

NOTE 48: DISCLOSURE AS PER REGULATION 34(3) OF THE LISTING AGREEMENTS WITH THE STOCK EXCHANGES

	Financial year	Outstanding balance	Maximum amount due during the year
Loans & advances to subsidiaries (see note (i) below)			
- Triveni Engineering Limited	31-Mar-18	-	13.76
	31-Mar-17	13.76	13.76
Loans & advances to associates	31-Mar-18	-	-
	31-Mar-17	-	-
Loans & advances to firms/companies in which directors are interested	31-Mar-18	-	-
	31-Mar-17	-	-
Investment by the loanee in the shares of Triveni Engineering & Industries Ltd. and its subsidiaries	31-Mar-18	-	-
	31-Mar-17	-	-

(i) Represents amount incurred/ advanced by the Company to support initial expenses of the Subsidiary, repayable on demand.

NOTE 49: DISCLOSURE FOR CERTIFIED EMISSION REDUCTIONS AND RENEWABLE ENERGY CERTIFICATES

(i) In accordance with the Guidance Note on Accounting for self-generated Certified Emission Reductions (CERs), issued by the Institute of Chartered Accountants of India, the Company has recognised the CERs held by it as inventories in its financial statements. Disclosures as required under the Guidance Note are as under:

(a) 86,562 (31 March 2017: 86,562) CERs (net of fee for UNFCCC adaptation fund) have been held as inventory by the Company as at the end of the year.

(b) There are no CERs under certification as on the date of the financial statements;

(c) The Company's Deoband and Khatauli Phase-I projects are registered as Clean Development Mechanism (CDM) projects with United Nations Framework Convention on Climate Change (UNFCCC) and it is not feasible to identify specific items of machinery/equipment as an "emission reduction equipment". Accordingly, details of depreciation and operation & maintenance costs, pertaining to emission reducing equipment have not been provided.

(ii) During the year, the National Load Despatch Centre (NLDC) has issued 8,420 (31 March 2017: 58,525) Renewable Energy Certificates (RECs) to the Company under the Central Electricity Regulatory Commission Regulation on RECs. At the close of the year Nil (31 March 2017: 1,22,728) RECs remained unsold and are held as inventories in the financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 50: STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) vide notification dated 28 March 2018 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 which has come up with omission of Ind AS 11 *Construction Contracts* & Ind AS 18 *Revenue* with the introduction of Ind AS 115 *Revenue from Contracts with Customers* and amendments in various other Ind ASs. These amendments are effective for accounting periods beginning on or after 1 April 2018 and the Company intends to adopt these amendments when they become effective. The new Ind AS that are issued, but not yet effective, upto the date of issuance of the Company's standalone financial statements are disclosed below:

Ind AS 115 Revenue from Contracts with Customers : Ind AS 115 establishes a five-step model to account for reveue arising from contracts with customers. Under Ind AS 115 revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer (i.e. when (or as) the customer obtains control of that asset) at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for accounting periods commencing on or after 1 April 2018. The Company is in process of evaluating the requirements of the said standard and its impact on its standalone financial statements.

NOTE 51: COMPARATIVES

(i) Goods and Services Tax ("GST") has been implemented with effect from July 1, 2017 and therefore, revenue from operations for the period from July 1, 2017 to March 31, 2018 are net of GST. Revenue from operations and expenses for the year ended March 31, 2017 being inclusive of excise duty are not comparable with corresponding figures for the year ended March 31, 2018.

(ii) The Company has reclassified certain items of financials of comparative year to confirm this year's classification, however, impact of these reclassification are not material.

NOTE 52: APPROVAL OF STANDALONE FINANCIAL STATEMENTS

The standalone financial statements were approved for issue by the Board of Directors on 24 May 2018 subject to approval of shareholders.

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 24, 2018

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

Independent Auditor's Report

To
The Members
Triveni Engineering & Industries Limited

REPORT ON THE CONSOLIDATED INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS 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, comprising of the Consolidated Balance Sheet as at March 31, 2018, 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 a summary of the significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us, the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below other than unaudited financial statement as certified by the management referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the

Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group and its associates as at March 31, 2018, their consolidated profit (financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in the equity for the year ended on that date.

OTHER MATTERS

(a) We did not audit the financial statements of six subsidiaries, whose financial statement reflect total assets of Rs. 1423 Lakhs and total net assets of Rs. 1418 Lakhs as at March 31, 2018, total revenue of Rs. 4.54 Lakhs, net cash out flow Rs. 22.16 Lakhs, total comprehensive income / (loss) (comprising of profit and other comprehensive income) of Rs. (-) 4.62 Lakhs, as considered in the consolidated Ind AS financial statements. The Statement also includes the Group's share of net profit (before other comprehensive income) of Rs. 1735.10 Lakhs and other comprehensive income of Rs. 7.08 Lakhs for the year ended March 31, 2018, in respect of one associate. These Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid 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 subsidiaries and one associate, is based solely on the report of other auditors.

(b) The consolidated Ind AS financial statements include the group's share of net profit (before other comprehensive income) of Rs. 86.91 Lakhs and other comprehensive income of Rs. (-) 8.23 Lakhs for the year ended March 31, 2018, in respect of one associate, whose financial statements have not been audited by us. This financial statements and other financial information is unaudited and has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate is based solely on the unaudited financial statements and other financial information certified by the management.

(c) Our opinion on the consolidated Ind AS 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 financial statements certified by the management.

(d) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 20, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

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 one associate referred to in sub-paragraph (a) of the Other Matters paragraph and unaudited financial statements as certified by the management as referred to in sub-paragraph (b) of the 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 Ind AS financial statements.

(b) In our opinion, proper books of account as required by law has been maintained by the Holding Company, its subsidiaries included in the Group and associate companies, including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements, so far as it appears from our examination of those books and records of the Holding Company, reports of the other auditors and certificate received from the management as referred in sub-paragraph (b) of the 'Other Matters' paragraph.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies including its associate company incorporated in India, none of the directors of the Group Companies and its associate company incorporated in India is disqualified as on March 31, 2018 from being appointed as a Director of that company in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies 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 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 sub-paragraph (a) of the Other Matters paragraph and unaudited financial statements as certified by the management referred to in sub-paragraph (b) of the Other Matters paragraph :

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note No 48 to the consolidated Ind AS financial statements.

ii. The Group and its associates have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including long term derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associates.

iv. The reporting on the disclosure relating to Specified Bank Notes is not applicable to the Group and its associates for the year ended March 31, 2018.

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

Yogesh K. Gupta
Partner
Membership No. 093214

Place: Noida
Dated: May 24, 2018

Annexure A to the Independent Auditor's Report of even date to the members of TRIVENI ENGINEERING & INDUSTRIES LIMITED (Holding Company) on its Consolidated Ind AS Financial Statements

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 Ind AS financial statements of the Company as of and for the year ended March 31, 2018, 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 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 (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 Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 Companies Act, 2013, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the six subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

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

Yogesh K. Gupta
Partner
Membership No. 093214

Place: Noida
Dated: May 24, 2018

Consolidated Balance Sheet

as at March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	As at 31-Mar-18	As at 31-Mar-17
ASSETS			
Non-current assets			
Property plant and equipment	3	83466.00	84580.20
Capital work-in-progress	3	1004.75	211.33
Investment property	4	1170.12	1170.12
Intangible assets	5	35.84	82.32
Investments accounted for using the equity method	6 (a)	11170.81	10375.48
Financial assets			
i. Investments	6 (b)	455.51	488.23
ii. Trade receivables	7	50.32	81.98
iii. Loans	8	2.98	7.12
iv. Other financial assets	9	733.25	924.84
Income tax assets (net)	22	5735.12	2920.15
Other non-current assets	10	576.48	643.53
Total non-current assets		**104401.18**	**101485.30**
Current assets			
Inventories	11	157918.64	167481.68
Financial assets			
i. Trade receivables	7	31140.07	27709.52
ii. Cash and cash equivalents	12 (a)	366.51	657.10
iii. Bank balances other than cash and cash equivalents	12 (b)	274.66	84.73
iv. Loans	8	53.55	38.69
v. Other financial assets	9	424.38	324.34
Other current assets	10	8645.08	12980.06
Total current assets		**198822.89**	**209276.12**
Total assets		**303224.07**	**310761.42**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2579.47	2579.47
Other equity	14	92055.74	80958.90
Equity attributable to owners of the Company		**94635.21**	**83538.37**
Non-controlling interests	15	0.00	0.00
Total equity		**94635.21**	**83538.37**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16	3495.28	27536.23
ii. Other financial liabilities	17	0.10	30.62
Provisions	18	3969.48	3863.01
Deferred tax liabilities (net)	23	4171.76	2342.30
Other non-current liabilities	19	149.13	250.84
Total non-current liabilities		**11785.75**	**34023.00**
Current liabilities			
Financial liabilities			
i. Borrowings	20	107647.23	124209.92
ii. Trade payables	21	62806.45	25658.94
iii. Other financial liabilities	17	16425.65	24745.82
Other current liabilities	19	7991.69	16988.19
Provisions	18	1932.09	1332.40
Income tax liabilities (net)	22	-	264.78
Total current liabilities		**196803.11**	**193200.05**
Total liabilities		**208588.86**	**227223.05**
Total equity and liabilities		**303224.07**	**310761.42**

The accompanying notes 1 to 53 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 24, 2018

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 Profit and Loss

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	Year ended 31-Mar-18	Year ended 31-Mar-17
Revenue from operations	24	341238.37	296686.61
Other income	25	1544.03	2713.70
Total income		**342782.40**	**299400.31**
Expenses			
Cost of materials consumed	26	258145.53	206446.07
Purchases of stock-in-trade	27	1674.24	1536.93
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(866.12)	(23950.82)
Excise duty on sale of products		4167.99	14231.95
Employee benefits expense	29	20240.34	18771.48
Finance costs	30	8533.97	12655.44
Depreciation and amortisation expense	31	5536.55	5720.99
Impairment loss on financial assets (including reversals of impairment losses)	32	(282.65)	635.83
Other expenses	33	30570.87	26861.04
Total expenses		**327720.72**	**262908.91**
Profit before share of net profits of investments accounted for using equity method and tax		**15061.68**	**36491.40**
Share of net profit of associates accounted for using the equity method	44	1822.01	2267.76
Profit before exceptional items and tax		**16883.69**	**38759.16**
Exceptional items	34	-	(8546.74)
Profit before tax		**16883.69**	**30212.42**
Tax expense:			
- Current tax	35	3204.63	2336.57
- Deferred tax	35	1765.05	2579.73
Total tax expense		**4969.68**	**4916.30**
Profit for the year		**11914.01**	**25296.12**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	38	186.13	(686.05)
- Share of other comprehensive income of associates accounted for using the equity method	44	7.03	(28.43)
		193.16	**(714.48)**
A (ii) Income tax relating to items that will not be reclassified to profit or loss	35	64.41	(237.43)
		128.75	**(477.05)**
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)	44	(8.18)	(2.84)
		(8.18)	**(2.84)**
B (ii) Income tax relating to items that may be reclassified to profit or loss	35	-	-
		(8.18)	**(2.84)**
Other comprehensive income for the year, net of tax		**120.57**	**(479.89)**
Total comprehensive income for the year		**12034.58**	**24816.23**
Profit/(loss) attributable to:			
Owners of the Company		11914.01	25296.12
Non-controlling interests		(0.00)	(0.00)
		11914.01	**25296.12**
Other comprehensive income attributable to:			
Owners of the Company		120.57	(479.89)
Non-controlling interests		-	-
		120.57	**(479.89)**
Total comprehensive income attributable to:			
Owners of the Company		12034.58	24816.23
Non-controlling interests		(0.00)	(0.00)
		12034.58	**24816.23**
Earnings per equity share (face value ₹ 1 each)			
Basic	36	4.62	9.81
Diluted	36	4.62	9.81

The accompanying notes 1 to 53 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 24, 2018

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, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 1 each issued, subscribed and fully paid up (including forfeited shares)

As at 31 March 2016	2579.47
Changes during the year	-
As at 31 March 2017	**2579.47**
Changes during the year	-
As at 31 March 2018	**2579.47**

B. Other equity

	Attributable to owners of the Company									Non-controlling interests	Total
	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			
Balance as at 31 March 2016	**458.50**	**2868.83**	**26574.54**	**926.34**	**51440.90**	**182.39**	**(26297.49)**	**(24.74)**	**56129.27**	**0.00**	**56129.27**
Profit/(loss) for the year	-	-	-	-	-	-	25296.12	-	25296.12	(0.00)	25296.12
Other comprehensive income, net of income tax	-	-	-	-	-	-	(448.62)	-	(448.62)	-	(448.62)
Share of other comprehensive income of associates	-	-	-	-	-	-	(28.43)	(2.84)	(31.27)	-	(31.27)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**24819.07**	**(2.84)**	**24816.23**	**(0.00)**	**24816.23**
Share of associates	-	-	13.40	-	-	-	-	-	13.40	-	13.40
Transferred to molasses storage fund reserve	-	-	-	-	-	20.03	(20.03)	-	-	-	-
Balance as at 31 March 2017	**458.50**	**2868.83**	**26587.94**	**926.34**	**51440.90**	**202.42**	**(1498.45)**	**(27.58)**	**80958.90**	**0.00**	**80958.90**
Profit/(loss) for the year	-	-	-	-	-	-	11914.01	-	11914.01	(0.00)	11914.01
Other comprehensive income, net of income tax	-	-	-	-	-	-	121.72		121.72	-	121.72
Share of other comprehensive income of associates	-	-	-	-	-	-	7.03	(8.18)	(1.15)	-	(1.15)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**12042.76**	**(8.18)**	**12034.58**	**(0.00)**	**12034.58**
Share of associates	-	(162.06)	0.52	-	-	-	-	-	(161.54)	-	(161.54)
Transferred to molasses storage fund reserve	-	-	-	-	-	32.96	(32.96)	-	-	-	-
Withdrawal from molasses storage fund reserve	-	-	-	-	-	(39.10)	39.10	-	-	-	-
Transactions with owners in their capacity as owners											
- Dividends paid	-	-	-	-	-	-	(644.91)	-	(644.91)	-	(644.91)
- Dividend distribution tax	-	-	-	-	-	-	(131.29)	-	(131.29)	-	(131.29)
Balance as at 31 March 2018	**458.50**	**2706.77**	**26588.46**	**926.34**	**51440.90**	**196.28**	**9774.25**	**(35.76)**	**92055.74**	**0.00**	**92055.74**

The accompanying notes 1 to 53 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 24, 2018

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, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-18	Year ended 31-Mar-17
Cash flows from operating activities		
Profit before tax	**16883.69**	**30212.42**
Adjustments for		
Share of net profit of associate accounted for using the equity method	(1822.01)	(2267.76)
Depreciation and amortisation expense	5536.55	5720.99
Bad debts written off - trade receivables and other financial assets carried at amortised cost	607.12	2215.18
Impairment loss allowance on trade receivables and other financial assets (net of reversals)	(889.77)	(1579.35)
Bad debts written off - Non financial assets	83.00	1009.60
Impairment loss allowance on non financial assets (net of reversals)	20.95	(1927.94)
Provision for non moving / obsolete inventory	77.24	95.30
Loss on sale /write off of inventory	33.57	24.39
Net fair value (gains)/losses on investments	(23.16)	(97.44)
Mark-to-market losses / (gains) on derivatives	(87.85)	84.88
Credit balances written back	(156.99)	(154.50)
Exceptional items	-	8546.74
Unrealised losses / (gains) from changes in foreign exchange rates	12.99	(40.35)
Loss on sale / write off / impairment of property, plant and equipment	32.88	82.15
Net (profit)/loss on sale / redemption of investments	(0.60)	0.65
Interest income	(124.66)	(659.56)
Dividend income	(4.66)	(2.94)
Finance costs	8533.97	12655.44
Working capital adjustments :		
Change in inventories	9452.24	(26366.70)
Change in trade receivables	(3110.85)	(1651.49)
Change in other financial assets	(70.23)	94.72
Change in other assets	4322.00	2447.01
Change in trade payables	37265.23	(18912.21)
Change in other financial liabilities	(721.46)	1149.06
Change in other liabilities	(8367.91)	3383.02
Change in provisions	892.27	188.80
Cash generated from operations	**68373.55**	**14250.11**
Income tax (paid)/ refund	(6284.38)	213.98
Net cash inflow from operating activities	**62089.17**	**14464.09**
Cash flows from investing activities		
Purchase of property, plant and equipment	(5209.90)	(4196.99)
Proceeds from sale of property, plant and equipment	29.16	110.12
Purchase of investments	-	(198.70)
Proceeds from sale of investments	60.00	50.08
Decrease / (increase) in deposits with banks	(14.36)	(43.42)
Interest received	178.06	67.97
Dividend received from associates	864.00	324.00
Other dividends received	4.66	2.94
Net cash outflow from investing activities	**(4088.38)**	**(3884.00)**

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-18	Year ended 31-Mar-17
Cash flows from financing activities		
Proceeds from long term borrowings	159.64	9990.75
Repayment of long term borrowings	(32447.39)	(15534.34)
Increase / (decrease) in short term borrowings	(16568.91)	8044.98
Interest paid	(8657.00)	(12616.43)
Dividend paid to Company's shareholders	(644.91)	-
Dividend distribution tax	(131.29)	-
Payment of unclaimed dividend	(1.52)	(4.27)
Redemption of unclaimed preference shares	-	(90.22)
Net cash outflow financing activities	**(58291.38)**	**(10209.53)**
Net increase / (decrease) in cash and cash equivalents	(290.59)	370.56
Cash and cash equivalents at the beginning of the year (refer note 12 (a))	657.10	286.54
Cash and cash equivalents at the end of the year (refer note 12 (a))	**366.51**	**657.10**

Reconciliation of liabilities arising from financing activites:

	Non-current borrowings (including current maturities and deferred grant related to borrowings)	Current borrowings	Interest payable on borrowings/ deposits	Unpaid dividends	Dividend paid to Company's shareholders (including DDT)
Balance as at 31 March, 2017	48865.49	124209.92	218.78	5.00	-
Cash flows	(32287.75)	(16568.91)	(8657.00)	(1.52)	(776.20)
Foreign exchange movements	-	6.22	0.35	-	-
Finance costs accruals	-	-	8533.97	-	-
Dividend distributions (including DDT) accruals	-	-	-	-	776.20
Balance as at 31 March 2018	**16577.74**	**107647.23**	**96.10**	**3.48**	**-**

The accompanying notes 1 to 53 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 24, 2018

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, 2018

CORPORATE INFORMATION

The consolidated financial statements comprises of financial statements of Triveni Engineering & Industries Limited and its subsidiaries (collectively the "Group") and the Group's interest in associates. Triveni Engineering & Industries Limited (the "Company" or the "Parent") is a company limited by shares, incorporated and domiciled in India. The Company's equity shares are listed at two recognised stock exchanges in India (BSE and NSE). The registered office of the Company is located at Deoband, Distt. Saharanpur, Uttar Pradesh – 247554. The Group is engaged in diversified businesses mainly categorised into two segments – sugar & allied businesses and Engineering business. Sugar & allied businesses primarily comprises manufacture of sugar, co-generation and distillery. Engineering business primarily comprises manufacture of high speed gears, gearboxes and providing water treatment solutions.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated 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 consolidated 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] and other relevant provisions of the Act.

(ii) Historical cost convention

The consolidated 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 consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 Leases (see note 1(d)), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories (see note 1(l)) or value in use in Ind AS 36 Impairment of Assets (see note 1(f)).

(iii) Classification of assets and liabilities into current/ non-current

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Act. The operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

(iv) Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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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 initially being recognised at cost in the consolidated 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, and the Group's share of other comprehensive income of the investee in other comprehensive income. 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 is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, other similar allowances, value added taxes, service tax, goods & services tax and amounts collected on behalf of third parties, if any.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

Recognising revenue from major business activities

(i) Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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(ii) Rendering of services

Revenue from a contract to provide services is recognised when the outcome of a transaction involving the rendering of services can be estimated reliably, by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

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

- operation & maintenance revenue is recognised by reference to the stage of completion of operations & maintenance work, determined as the proportion of the total period of services contract that has elapsed at the end of the reporting period

(iii) Construction contracts

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

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

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

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

(iv) Revenue from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (RECs)

Income from the sale of CERs and RECs is recognised on the delivery of the CERs/RECs to the customer's account as evidenced by the receipt of confirmation of execution of delivery instructions.

(v) Rental income

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

(vi) Dividend income

Dividend income from investments is recognised when the Group's right to receive payment has been established.

(vii) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(c) Government grants

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

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 income or net of related costs.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or

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loss on a systematic and rational basis over the expected useful lives of the related assets and presented within other income.

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 benefit of a loan at a below market rate of interest or loan with interest subvention is treated as a government grant, measured as a difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

See note 43 for disclosures and treatment of government grants in consolidated financial statements.

(d) Leases

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.

(i) As a lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 1(g) below).

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case lease expenses are charged to profit or loss on the basis of actual payments to the lessors.

(ii) As a lessor

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases where such increases are recognised in the year in which such benefits accrue. 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 consolidated 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 consolidated financial statements are presented in Indian rupee (₹), which is 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 at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss in the period in which they arise except for foreign exchange differences on foreign currency borrowings relating to assets under construction for future productive use, 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 differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss within

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finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on a net basis within other income.

(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 consolidated 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so however that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Borrowing costs are not capitalised during extended periods in which active development of qualifying assets is suspended. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(h) Income tax

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

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated 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 consolidated 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

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extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(i) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment 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, 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 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.

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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 ₹ 5000/- or more are depreciated over two years.
  - patterns, tools, Jigs, fixtures etc. are depreciated over three years.
  - machinery spares are depreciated over a life ranging from five to ten years.
- Assets costing less than ₹ 5000/- 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.

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

(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, 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

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

Estimated useful lives considered are as follows:

Assets	Estimated useful life
Computer software	3 years
Technical know-how	6 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, 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 to inventories are recognised in profit or loss. When reasons for such write downs ceases to exist, such 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 :

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Raw materials & Components

Business Units	Basis
Sugar	First in first out
Co-generation & Distillery	Weighted Average
Water Business Group	Specific Cost
Gears Business Group	Weighted Average and Specific Cost

Stores & Spares

Business Units	Basis
Water Business Group	Specific Cost
Other units	Weighted Average

Stock-in-trade

Business Units	Basis
Branded goods trading business	Weighted Average
Diesel/petrol retailing business	First in first out

(iii) By-products (excluding those used as raw materials) and scrap are valued at estimated net realisable value.

(iv) Unsold certified emission reductions (CERs) and renewable energy certificates (RECs) are recognised as inventory in accordance with the Guidance Note on Accounting for Self-generated Certified Emission Reductions, issued by the Institute of Chartered Accountants of India. Inventory of CERs and RECs is valued at lower of cost and net realisable value. The cost incurred on verification/certification of CERs/RECs is considered as the cost of inventories of CERs/RECs.

(m) Provisions, contingent liabilities and contingent assets

(i) Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is measured at the present value of cash flows estimated to settle the present obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(ii) A contingent liability is not recognised in the consolidated 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 consolidated 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 consolidated 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.

(n) Employee benefits

(i) Short-term obligations

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

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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 consolidated balance sheet.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- defined benefit plan towards payment of gratuity; and
- defined contribution plans towards employees' provident fund & employee pension scheme, employees' state insurance, superannuation scheme, national pension scheme and employees' provident fund (set-up by the Company and administered through trust).

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 consolidated balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is determined using projected unit credit method by discounting the estimated future cash outflows by reference to market yield at the end of the reporting period on government bonds that have maturity term approximating to the estimated term of the related obligation, with actuarial valuations being carried out at the end of each annual reporting period.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated 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.

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- **National Pension Scheme**

  The Group makes contributions to the National Pension Scheme fund in respect of certain employees of the Group.

- **Provident fund (set-up by the Company and administered through trust)**

  The Company makes contribution towards provident fund, in substance a defined contribution plan, which was set-up by the Company and administered through trust for the benefit of certain employees. The interest rate payable by the trust to the beneficiaries is regulated by statutory authorities which requires that if the Board of Trustees are unable to pay interest at the rate declared by the Central Government under para 60 of the Employees' Provident Fund Scheme, 1952, for the reason that the return of investments is less or for any other reason, then the deficiency shall be made good by the Company.

(o) 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.

(p) Financial assets

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

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

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

(ii) Measurement

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

Debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or 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

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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 consolidated 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 11 Construction Contracts and Ind AS 18 Revenue, the Group applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-months ECL.

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

ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. Note 41(i) details how the Group determines expected credit loss.

(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

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of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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

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

(v) Effective interest method

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

(q) 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.

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

- **Fair value through profit or loss (FVTPL):** Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

- **Amortised cost:** Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

(iii) Derecognition

Equity instruments

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

Financial liabilities

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

(iv) Effective interest method

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

(v) Foreign exchange gains and losses

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

(r) 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.

(s) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated 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.

(t) 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;

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- 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.

(u) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing of financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(v) Cash and cash equivalents

Cash and cash equivalents in the consolidated 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 cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(w) 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.

(x) 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 consolidated 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 judgments

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

(i) Land under finance lease

The office premises and the workshop of water business group of the Group is constructed upon land acquired from a third party which was initially acquired by that third party under a lease term of ninety years allotted by the Noida Authority. The said land was acquired by paying a consideration which reflected the prevalent market price and upfront payment of all future lease rentals. There are no further lease rental obligations upon the Group to be paid to the Authority. There are no restrictions on usage or transfer of the land to any party by the Group. In view of aforesaid facts and circumstances, the Group has classified this land as a finance lease. Another property at New Delhi was acquired under a perpetual lease. There are no restriction on usage and transfer of the property. Accordingly, this property has also been classified under finance lease.

(ii) Interest on delayed payment of cane price

The State Government of Uttar Pradesh ("State Government") had, based on the financial hardships of sugar mills arising due to mismatch of cane price

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and sugar price, waived interest on delayed payments of cane price for the seasons 2012-13, 2013-14 and 2014-15 in accordance with the provisions of Section 17(3) of UP Sugar Cane (Regulations of Supply and Purchase) Act, 1953. In a Public Interest Litigation, the Hon'ble Allahabad High Court has passed an order on 9 March 2017 directing the Cane Commissioner to decide the issue afresh taking into consideration certain factors. Against the order of High Court, the State Government had preferred an appeal before the Supreme Court which has been dismissed. In the absence of any order passed by the Commissioner and based on discussions with legal experts and industry association, it is felt that the interest may not be imposed by the State Government on sugar mills in view of acute financial hardships experienced by the sugar mills during the aforesaid relevant years. Accordingly, no provision to this effect has been considered necessary.

(iii) 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 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 notifications 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.

(b) Key sources of estimation uncertainty

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

(i) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. When the fair values of these assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques by engaging third party qualified external valuers or internal valuation team to perform the valuation. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 4, 6, 9 and 42 for further disclosures.

(ii) 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. 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

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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 interval in response to demographic changes. See note 38 for further disclosures.

(iii) 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.

(iv) 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.

(v) Provision for warranty claims

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

(vi) 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.

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

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

(viii) Recognition of deferred tax assets for unused tax credit

Deferred tax assets are recognised for unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax optimisation strategies.

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(All amounts in ₹ lakhs, unless otherwise stated)

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

	Property, plant and equipment									Capital work-in-progress
	Freehold Land	Leasehold Land	Buildings & Roads	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total	
Year ended 31 March 2017										
Gross carrying amount										
Opening gross carrying amount	3567.74	760.24	18919.25	67329.18	239.51	598.09	241.90	192.65	91848.56	990.00
Additions	-	-	315.83	3702.89	31.09	185.37	51.09	96.32	4382.59	1885.71
Disposals	-	-	(50.57)	(125.83)	(1.28)	(16.14)	(12.87)	(2.93)	(209.62)	-
Transfers *	-	-	-	-	-	-	-	-	-	(2608.07)
Other adjustments	-	-	(46.11)	38.53	0.20	-	0.53	1.06	(5.79)	-
Closing gross carrying amount	**3567.74**	**760.24**	**19138.40**	**70944.77**	**269.52**	**767.32**	**280.65**	**287.10**	**96015.74**	**267.64**
Accumulated depreciation and impairment										
Opening accumulated depreciation and impairment	-	4.64	671.77	4879.97	50.67	93.55	59.49	46.36	5806.45	56.31
Depreciation charge during the year	-	4.64	697.86	4697.50	48.44	102.09	41.30	60.59	5652.42	-
Disposals	-	-	(1.86)	(8.30)	(0.57)	(2.31)	(8.88)	(0.11)	(22.03)	-
Other adjustments	-	-	(4.49)	3.40	0.20	-	(1.47)	1.06	(1.30)	-
Closing accumulated depreciation and impairment	**-**	**9.28**	**1363.28**	**9572.57**	**98.74**	**193.33**	**90.44**	**107.90**	**11435.54**	**56.31**
Net carrying amount	**3567.74**	**750.96**	**17775.12**	**61372.20**	**170.78**	**573.99**	**190.21**	**179.20**	**84580.20**	**211.33**
Year ended 31 March 2018										
Gross carrying amount										
Opening gross carrying amount	3567.74	760.24	19138.40	70944.77	269.52	767.32	280.65	287.10	96015.74	267.64
Additions	-	-	989.99	2966.52	12.24	235.84	60.51	168.35	4433.45	2037.24
Disposals	-	-	(21.37)	(64.52)	(5.50)	(28.54)	(6.77)	(5.74)	(132.44)	-
Transfers *	-	-	-	-	-	-	-	-	-	(1243.82)
Closing gross carrying amount	**3567.74**	**760.24**	**20107.02**	**73846.77**	**276.26**	**974.62**	**334.39**	**449.71**	**100316.75**	**1061.06**
Accumulated depreciation and impairment										
Opening accumulated depreciation and impairment	-	9.28	1363.28	9572.57	98.74	193.33	90.44	107.90	11435.54	56.31
Depreciation charge during the year	-	4.64	710.47	4483.21	43.15	120.09	35.91	88.18	5485.65	-
Disposals	-	-	(13.72)	(35.21)	(3.98)	(12.09)	(4.82)	(0.62)	(70.44)	-
Closing accumulated depreciation and impairment	**-**	**13.92**	**2060.03**	**14020.57**	**137.91**	**301.33**	**121.53**	**195.46**	**16850.75**	**56.31**
Net carrying amount	**3567.74**	**746.32**	**18046.99**	**59826.20**	**138.35**	**673.29**	**212.86**	**254.25**	**83466.00**	**1004.75**

* Represents amount capitalised during the year under property, plant and equipment out of capital work-in-progress.

Notes:

(i) **Leased assets:**
The original lease term in respect of a parcel of land acquired under finance lease was ninety years whereas another land at Delhi is for a perpetual lease term. These leases of lands have been classified as finance lease in terms of criteria specified in Ind AS 17 Leases, including the facts that the market value of the land (as on the date of transaction) had been paid to the lessor at the inception of the lease and the Group has transfer rights in respect of such lands.

(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 plant & equipment (viz. Multi-effect evaporator, Cordinate measuring machine etc.) under the process of installation pertaining to Distillery and Gear businesses of the Group.

(v) **Impairment loss:**
The impairment loss in Capital work-in-progress relates to expenditure incurred on construction of residential buildings at certain factories, which were under progress till financial year 2011-12. However, the said project was subsequently discontinued and the entire expenditure incurred was recognised as an impairment loss in the consolidated statement of profit & loss considering no possible future economic benefits flowing from the project.

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 4: INVESTMENT PROPERTY

	Year ended 31-Mar-18	Year ended 31-Mar-17
Gross carrying amount		
Opening gross carrying amount	1170.12	1170.12
Additions/deletions	-	-
Closing gross carrying amount	**1170.12**	**1170.12**
Accumulated depreciation and impairment		
Opening accumulated depreciation	-	-
Depreciation charge/impairment losses	-	-
Closing accumulated depreciation and impairment	**-**	**-**
Net carrying amount	**1170.12**	**1170.12**

(i) Description about investment properties

Investment properties consist of :

(a) various parcels of freehold land located in the states of Uttar Pradesh and Gujarat.

(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 consolidated statement of profit & loss

	Year ended 31-Mar-18	Year ended 31-Mar-17
Rental income from office flat at Mumbai	14.16	10.92
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	(9.56)	(9.79)
Profit from investment properties before depreciation	**4.60**	**1.13**
Depreciation	-	-
Profit from investment properties	**4.60**	**1.13**

(iii) Restrictions on realisability and contractual obligations

Though the transfer of titles in the name of the Company is pending in respect of freehold land having carrying amount of ₹ 381.47 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-18	As at 31-Mar-17
Investment properties		
- Land at Digrauli, Distt. Saharanpur (Uttar Pradesh)	*	*
- Land at Bhopura, District Baghpat (Uttar Pradesh)	*	*
- Land at Dibai, District Bulandshahar (Uttar Pradesh)	*	*
- Land at Kharar, District Shamli (Uttar Pradesh)	*	*
- Land at Dhanot, District Gandhinagar Gujarat	*	*
- Office flat at Mumbai	503.88	503.88

* The majority of 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

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size) in the vicinity of the subject properties. The land at Vill. Dhanot Dist. Gandhinagar Gujarat is a small plot of uncultivated land, situated at a remote location and hence there is a difficulty in carrying out realistic fair value thereof.

Estimation of fair value of office flat at Mumbai

The valuation of the office flat situated at Mumbai has been carried by a registered approved valuer, conversant with and having knowledge of real estate activities in the concerned area, based on prevalent rates and other observable market inputs (Level 2 fair value).

NOTE 5: INTANGIBLE ASSETS

	Computer software
Year ended 31 March 2017	
Gross carrying amount	
Opening gross carrying amount	224.45
Additions	6.79
Disposals	(0.01)
Closing gross carrying amount	**231.23**
Accumulated amortisation	
Opening accumulated amortisation	71.74
Amortisation charge for the year	77.17
Disposals	-
Closing accumulated amortisation	**148.91**
Closing net carrying amount	**82.32**
Year ended 31 March 2018	
Gross carrying amount	
Opening gross carrying amount	231.23
Additions	9.56
Disposals	(0.60)
Closing gross carrying amount	**240.19**
Accumulated amortisation	
Opening accumulated amortisation	148.91
Amortisation charge for the year	56.00
Disposals	(0.56)
Closing accumulated amortisation	**204.35**
Closing net carrying amount	**35.84**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 6: INVESTMENTS

(a) Investments accounted for using the equity method

	As at 31-Mar-18	As at 31-Mar-17
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Associate		
7,20,00,000 (31 March 2017: 7,20,00,000) Equity shares of ₹ 1/- each of Triveni Turbine Limited (refer note 44 (ii))	8327.93	7449.74
Total aggregate quoted investments	**8327.93**	**7449.74**
Unquoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Associate		
13,008 (31 March 2017: 13,008) Equity shares of New Israeli Shekel 0.10 each of Aqwise-Wise Water Technologies Ltd.(Israel) (refer note 44 (ii))	2842.88	2925.74
Total aggregate unquoted investments	**2842.88**	**2925.74**
Total investments accounted for using the equity method	**11170.81**	**10375.48**
Total investments accounted for using the equity method	**11170.81**	**10375.48**
Aggregate amount of quoted investments	8327.93	7449.74
Aggregate amount of market value of quoted investment	72360.00	104328.00
Aggregate amount of unquoted investments	2842.88	2925.74
Aggregate amount of impairment in the value of investments	-	-

(b) Non-current investments

	As at 31-Mar-18	As at 31-Mar-17
At Amortised cost		
Unquoted Investments		
Investments in Government or trust securities		
National Saving Certificates (kept as security)	0.03	0.03
Total non-current investments carried at amortised cost [A]	**0.03**	**0.03**
At Fair value through Profit or Loss (FVTPL) (refer note 42)		
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
13,500 (31 March 2017: 13,500) Equity shares of ₹ 2/- each of Housing Development Finance Corporation Ltd	246.46	202.78
2,500 (31 March 2017: 2,500) Equity shares of ₹ 2/- each of HDFC Bank Ltd.	47.15	36.06
24,175 (31 March 2017: 24,175) Equity shares of ₹ 2/- each of Punjab National Bank	23.04	36.24
76 (31 March 2017: 76) Equity shares of ₹ 10/- each of Central Bank of India	0.05	0.08
3,642 (31 March 2017: 1,821) Equity shares of ₹ 5/- each (31 March 2017 : ₹ 10/- each) of NBI Industrial Finance Co. Ltd.	49.74	67.29
Total aggregate quoted investments	**366.44**	**342.45**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-18	As at 31-Mar-17
Unquoted Investments (fully paid-up)		
Investments in Bonds		
2 (31 March 2017: 2) 11% bonds of ₹ 10.00 lakhs each of Power Finance Corporation Ltd.	21.37	21.09
Nil (31 March 2017: 2) 8.95% bonds of ₹ 10.00 lakhs each of Power Finance Corporation Ltd.	-	20.36
1 (31 March 2017: 1) 9.81% bonds of ₹ 10.00 lakhs each of Power Finance Corporation Ltd.	10.53	10.40
1 (31 March 2017: 1) 10.60% bonds of ₹ 10.00 lakhs each of Indian Railway Finance Corporation Ltd.	10.57	10.02
1 (31 March 2017: 1) 8.55% bonds of ₹ 10.00 lakhs each of Indian Railway Finance Corporation Ltd.	10.41	9.84
Nil (31 March 2017: 1) 9.80% bonds of ₹ 10.00 lakhs each of LIC Housing Finance Ltd.	-	10.11
Nil (31 March 2017: 1) 10.10% bonds of ₹ 10.00 lakhs each of State Bank of India	-	8.67
2 (31 March 2017: 2) 8.90% bonds of ₹ 10.00 lakhs each of UCO Bank	20.16	20.05
1 (31 March 2017: 1) 8.57% bonds of ₹ 10.00 lakhs each of Central Bank of India	10.74	9.93
5 (31 March 2017: 5) 8% bonds of ₹ 1.00 lakh each of IDBI Bank Limited	5.26	5.02
Nil (31 March 2017: 1) 8.95% bonds of ₹ 10.00 lakhs each of IDFC Bank Limited	-	10.15
Nil (31 March 2017: 1) 8.43% bonds of ₹ 10.00 lakhs each of IDFC Bank Limited	-	10.11
Total aggregate unquoted investments	**89.04**	**145.75**
Total non-current investments carried at FVTPL [B]	**455.48**	**488.20**
Total non-current investments ([A]+[B])	**455.51**	**488.23**
Total non-current investments	**455.51**	**488.23**
Aggregate amount of quoted investments	366.44	342.45
Aggregate amount of market value of quoted investment	366.44	342.45
Aggregate amount of unquoted investments	89.07	145.78
Aggregate amount of impairment in the value of investments	-	-

NOTE 7: TRADE RECEIVABLES

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non-Current
Trade receivables (at amortised cost)				
- Unsecured, considered good	31140.07	50.32	27709.52	81.98
- Doubtful	534.33	1246.48	476.93	2191.76
Less: Allowance for bad and doubtful debts	(534.33)	(1246.48)	(476.93)	(2191.76)
Total trade receivables	**31140.07**	**50.32**	**27709.52**	**81.98**

(i) Refer note 41(i) for credit risk, impairment of trade receivables under expected credit loss model and other related disclosures.

(ii) Current trade receivable include ₹ 3906.99 lakhs (31 March 2017 : ₹ 2049.41 lakhs) expected to be received after twelve months within the operating cycle.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 8: LOANS

	As at 31-Mar-18		As at 31-Mar-17	
	Current	**Non-current**	Current	Non-Current
At amortised cost				
Loan to employees				
- Unsecured, considered good	53.26	2.98	38.16	7.12
Loan to others				
- Unsecured, considered good	0.29	-	0.53	-
- Doubtful	-	44.53	-	44.53
Less: Allowance for bad and doubtful loans	-	(44.53)	-	(44.53)
	0.29	**-**	**0.53**	**-**
Total loans	**53.55**	**2.98**	**38.69**	**7.12**

NOTE 9: OTHER FINANCIAL ASSETS

	As at 31-Mar-18		As at 31-Mar-17	
	Current	**Non-current**	Current	Non-Current
At amortised cost				
Security deposits	41.74	455.28	43.08	401.71
Earnest money deposits	162.47	2.00	150.05	2.00
Less: Allowance for bad and doubtful debts	(1.15)	-	-	-
	161.32	**2.00**	**150.05**	**2.00**
Bank balances:				
Earmarked balances with banks:				
- Deposit against molasses storage fund (refer note 14(vi))	-	233.72	-	235.63
Balances under lien/margin/kept as security:				
- Post office savings account	-	0.19	-	0.27
- Fixed / margin deposits (original maturity more than one year)	-	36.66	-	211.84
Other balances:				
- Fixed deposits (original maturity more than one year)	-	4.20	-	4.20
	-	**274.77**	**-**	**451.94**
Interest accrued	32.33	1.20	36.40	69.19
Insurance claim recoverable	86.00	-	62.96	-
Miscellaneous other financial assets	11.17	14.90	31.85	17.94
Less: Allowance for bad and doubtful debts	-	(14.90)	-	(17.94)
	11.17	**-**	**31.85**	**-**
Total other financial assets at amortised cost [A]	**332.56**	**733.25**	**324.34**	**924.84**
At fair value through Profit or Loss (refer note 42)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps	91.82	-	-	-
Total other financial assets at FVTPL [B]	**91.82**	**-**	**-**	**-**
Total other financial assets ([A]+[B])	**424.38**	**733.25**	**324.34**	**924.84**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 10: OTHER ASSETS

	As at 31-Mar-18		As at 31-Mar-17	
	Current	**Non-current**	Current	Non-Current
Capital advances	-	30.56	-	6.63
Advances to suppliers	622.24	19.89	470.10	19.89
Less: Allowance for bad and doubtful debts	(26.89)	(19.89)	(1.56)	(19.89)
	595.35	**-**	**468.54**	**-**
Advances to related parties (refer note 39)	2.13	-	34.72	-
Indirect tax and duties recoverable	1433.44	357.60	5549.25	443.96
Less: Allowance for bad and doubtful debts	(40.32)	(21.38)	(21.78)	(28.02)
	1393.12	**336.22**	**5527.47**	**415.94**
Deposit with sales tax authorities	130.35	43.55	77.62	46.66
Less: Allowance for bad and doubtful debts	-	(37.00)	-	(37.00)
	130.35	**6.55**	**77.62**	**9.66**
Bank guarantee encashments recoverable	-	200.00	-	200.00
Less: Allowance for bad and doubtful debts	-	(200.00)	-	(200.00)
	-	**-**	**-**	**-**
Export incentives receivable	43.12	-	23.67	-
Less: Allowance for bad and doubtful debts	(15.26)	-	-	-
	27.86	**-**	**23.67**	**-**
Advances to employees	16.05	1.45	15.90	1.45
Prepaid expenses	549.16	98.81	373.70	96.74
Due from customers under construction contracts [refer (i) below]	5702.70	-	6225.28	-
Unbilled revenue	191.96	-	198.58	-
Miscellaneous other assets	36.40	131.61	34.58	173.37
Less: Allowance for bad and doubtful debts	-	(28.72)	-	(60.26)
	36.40	**102.89**	**34.58**	**113.11**
Total other assets	**8645.08**	**576.48**	**12980.06**	**643.53**

(i) Construction contracts

	As at 31-Mar-18	As at 31-Mar-17
Contracts in Progress at the end of reporting period		
Construction costs incurred plus profits recognised less losses recognised	76329.94	84306.15
Less: Progress Billings	(71661.59)	(78635.38)
	4668.35	**5670.77**
Recognised and included in consolidated financial statements as amounts due:		
(i) Amounts due from customers under construction contracts	5702.70	6225.28
(ii) Amounts due to customers under construction contracts	(1034.35)	(554.51)
	4668.35	**5670.77**
Retentions held by customers	5650.93	6666.80
Advances received from customers	2605.01	2471.85

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 11: INVENTORIES

	As at 31-Mar-18	As at 31-Mar-17
Raw materials and components	2698.80	3065.44
Less: Provision for obsolescence/slow moving raw materials and components	(199.22)	(182.78)
Work-in-progress	3157.30	2669.25
Finished goods	148847.59	158669.55
Stock in trade	31.47	18.06
Stores and spares [including stock in transit ₹ 14.09 lakhs as at 31 March 2018 (31 March 2017: ₹0.09 lakhs)]	3507.80	3202.71
Less: Provision for obsolescence/slow moving stores and spares	(185.13)	(124.33)
Certified emission reductions/renewable energy certificates (refer note 50)	0.77	3.16
Others - Scrap & low value patterns	59.26	160.62
Total inventories	**157918.64**	**167481.68**

(i) The cost of inventories recognised as an expense during the year was ₹ 279641.05 lakhs (31 March 2017: ₹ 231279.71 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 33.

(vi) In addition to the cost of inventories recognised as expense as mentioned in note 11(i) above, there are write-downs of inventories to net realisable value amounted to ₹ 21970.87 lakhs (31 March 2017: ₹ Nil) which are also recognised as an expense during the year and included in 'Changes in inventories of finished goods, stock-in-trade and work-in-progress' in consolidated statement of profit and loss.

NOTE 12: CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at 31-Mar-18	As at 31-Mar-17
At amortised cost		
Balances with banks	338.62	607.85
Cheques / drafts on hand	3.58	19.99
Cash on hand	24.31	29.26
Total cash and cash equivalents	**366.51**	**657.10**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Bank balances other than cash and cash equivalents

	As at 31-Mar-18	As at 31-Mar-17
At amortised cost		
Earmarked balances with banks:		
- unpaid dividend and preference share redemption accounts	3.49	5.00
Balances under lien/margin/kept as security:		
- in fixed/margin deposits (original maturity upto one year)	265.35	25.89
Other balances:		
- in fixed deposits (original maturity exceeding three months but upto one year)	5.82	53.84
Total bank balances other than cash and cash equivalents	**274.66**	**84.73**

NOTE 13: SHARE CAPITAL

	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares	Amount	Number of shares	Amount
AUTHORISED				
Equity shares of ₹ 1 each	5,00,000,000	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	25,79,53,110	2579.53	25,79,53,110	2579.53
	25,79,53,110	**2579.53**	**25,79,53,110**	**2579.53**
SUBSCRIBED AND PAID UP				
Equity shares of ₹ 1 each	25,79,45,110	2579.45	25,79,45,110	2579.45
Add: Paid up value of equity shares of ₹ 1 each forfeited	8,000	0.02	8,000	0.02
	25,79,53,110	**2579.47**	**25,79,53,110**	**2579.47**

(i) Movements in equity share capital

	Number of shares	Amount
As at 31 March 2016	25,79,45,110	2579.45
Movement during the year	-	-
As at 31 March 2017	**25,79,45,110**	**2579.45**
Movement during the year	-	-
As at 31 March 2018	**25,79,45,110**	**2579.45**

(ii) Terms and rights attached to equity shares

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

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

	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares	% holding	Number of shares	% holding
Dhruv M. Sawhney	3,83,91,756	14.88	3,83,91,756	14.88
Rati Sawhney	2,03,58,164	7.89	2,03,58,164	7.89
Subhadra Trade & Finance Limited	-	-	8,26,96,056	32.06
STFL Trading and Finance Private Limited	8,26,96,056	32.06	-	-
Nikhil Sawhney	1,52,77,653	5.92	1,52,77,653	5.92
Tarun Sawhney	1,46,95,375	5.70	1,46,95,375	5.70

NOTE 14: OTHER EQUITY

	As at 31-Mar-18	As at 31-Mar-17
Capital redemption reserve	458.50	458.50
Capital reserve	2706.77	2868.83
Securities premium	26588.46	26587.94
Amalgamation reserve	926.34	926.34
General reserve	51440.90	51440.90
Molasses storage fund reserve	196.28	202.42
Retained earnings	9774.25	(1498.45)
Foreign currency translation reserve	(35.76)	(27.58)
Total other equity	**92055.74**	**80958.90**

(i) Capital redemption reserve

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	458.50	458.50
Movement during the year	-	-
Closing balance	**458.50**	**458.50**

Capital redemption reserve was created consequent to redemption of preference share capital, as required under the provisions of the Companies Act, 1956. This reserve shall be utilised in accordance with the provisions of Companies Act, 2013.

(ii) Capital reserve

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	2868.83	2868.83
Share of associates- addition in capital reserve during the year	(162.06)	-
Closing balance	**2706.77**	**2868.83**

Capital reserve majorly comprise of reserve created consequent to business combination in earlier years, in accordance with applicable accounting standard as on that date.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Securities premium

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	26587.94	26574.54
Share of associates- addition in securities premium during the year	0.52	13.40
Closing balance	**26588.46**	**26587.94**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Amalgamation reserve

	Year ended 31-Mar-18	Year ended 31-Mar-17
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 applicable accounting standard as on that date.

(v) General reserve

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	51440.90	51440.90
Movement during the year	-	-
Closing balance	**51440.90**	**51440.90**

General reserve represents amount kept by the Company out of its profits for future purposes. It is not earmarked for any specific purpose.

(vi) Molasses storage fund reserve

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	202.42	182.39
Amount transferred from surplus/ (deficit) in the consolidated statement of profit and loss	32.96	20.03
Amount transferred to surplus/ (deficit) in the consolidated statement of profit and loss	(39.10)	-
Closing balance	**196.28**	**202.42**

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 ₹ 233.72 lakhs (31 March 2017: ₹ 235.63 lakhs) is earmarked against molasses storage fund (refer note 9).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(vii) Retained earnings

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	(1498.45)	(26297.49)
Net profit for the year	11914.01	25296.12
Other comprehensive income arising from the remeasurement of defined benefit obligation net of income tax	121.72	(448.62)
Share of other comprehensive income of associates arising from the remeasurement of defined benefit obligation	7.03	(28.43)
Withdrawn from molasses storage fund reserve	39.10	-
Transfer to molasses storage fund reserve	(32.96)	(20.03)
Dividends paid	(644.91)	-
Dividend distribution tax	(131.29)	-
Closing balance	**9774.25**	**(1498.45)**

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

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

(c) Details of dividend distributions made:

	Year ended 31-Mar-18	Year ended 31-Mar-17
Cash dividends on equity shares declared and paid:		
First interim dividend for the year ended 31 March 2018: 25% (₹ 0.25 per equity share of ₹ 1/- each) [31 March 2017: ₹ Nil]	644.91	-
Dividend distribution tax on first interim dividend	131.29	-
Total cash dividends on equity shares declared and paid	**776.20**	**-**

(vii) Foreign currency translation reserve

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	(27.58)	(24.74)
Share of other comprehensive income of associates arising from the exchange differences on translation of foreign operations	(8.18)	(2.84)
Closing balance	**(35.76)**	**(27.58)**

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-off.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 15: NON-CONTROLLING INTERESTS

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening balance	0.00	0.00
Share of loss for the year	(0.00)	(0.00)
Closing balance	**0.00**	**0.00**

NOTE 16: NON-CURRENT BORROWINGS

	As at 31-Mar-18		As at 31-Mar-17	
	Current maturities	Non-current	Current maturities	Non- current
Secured- at amortised cost				
Term loans				
- from banks	12607.56	3483.54	20170.53	27320.31
- from other parties	224.03	11.74	196.53	215.92
	12831.59	**3495.28**	**20367.06**	**27536.23**
Less: Amount disclosed under the head "Other financial liabilities- current" (refer note 17)	(12831.59)	-	(20367.06)	-
Total non-current borrowings	**-**	**3495.28**	**-**	**27536.23**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(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		Effective interest rate	Coupon rate	Number of instalments		Terms of Repayment	Nature of Security
		31-Mar-18	31-Mar-17			31-Mar-18	31-Mar-17		
Secured- at amortised cost									
Term loans from banks (₹ loans)									
1	Canara Bank	-	3273.84			Nil	7	-	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
2	Axis Bank	-	832.72			Nil	2	-	
3	Yes Bank	468.57	2341.12			1	5	Equal quarterly installments upto June 2018.	
4	Ratnakar Bank Limited	899.23	2096.53			3	7	Quarterly installments upto December 2018.	
5	Ratnakar Bank Limited	2628.08	9934.07			5	9	Equal quarterly installments upto June 2019.	
6	Central Bank of India	2769.95	4439.32	The effective interest rate as on 31.03.2018 range between 10.25% to 12% per annum.	At base rates/ MCLR plus applicable spread. The interest rate as on 31.03.2018 range between 8.50% to 9.30% per annum.	20	32	Equated monthly installments upto December 2019.	Secured by first pari-passu charge on current assets, third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
7	Oriental Bank of Commerce	-	2142.15			Nil	31	-	Secured by third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
8	Axis Bank	989.21	1816.90			5	9	Equal quarterly installments upto May 2019.	Secured by second pari-passu charge on current assets, third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
9	Central Bank of India	873.75	1372.63			7	11	Equal quarterly installments upto December 2019.	Secured by first pari-passu charge on the fixed assets of the Company.
10	Oriental Bank of Commerce	-	924.68			Nil	6	-	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		Amount outstanding as at		Effective interest rate	Coupon rate	Number of instalments		Terms of Repayment	Nature of Security
		31-Mar-18	31-Mar-17			31-Mar-18	31-Mar-17		
11	Punjab National Bank (Soft Loan)	-	4490.46		At base rates/ MCLR plus applicable spread. The interest rate as on 31.03.2017 range between 11.40% to 12.25% per annum. [see note 43(i)(A)]	Nil	12	-	Secured by second charge on all fixed assets of the company except Ramkola unit (where SDF holds second exclusive charge) and third charge on fixed assets of Ramkola unit.
12	Central Bank of India (Soft Loan)	-	3896.95			Nil	12	-	
13	Oriental Bank of Commerce (Soft Loan)	-	667.80			Nil	12	-	
14	Canara Bank (Soft Loan)	-	1861.16			Nil	12	-	
15	Punjab National Bank (Excise Duty Loan)	2556.08	5043.50		Interest free loan [see note 43(i)(A)]	11	23	Equated monthly installments upto February 2019.	Secured by second charge on fixed assets of all business units except Khatauli and Ramkola units.
16	Central Bank of India (Excise Duty Loan)	1161.59	2193.60			4	8	Equal quarterly installments upto March 2019.	Secured by second charge on fixed assets of all business units except Khatauli and Ramkola units.
17	Axis Bank (Vehicle loan)	138.59	115.73	Ranging from 7.99% to 10.75% p.a.	At fixed rates ranging from 7.99% to 10.75% p.a.	4 to 62 months	4 to 74 months	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
18	ICICI Bank (Vehicle loan)	2.88	14.04						
19	PNB Bank (Vehicle loan)	28.93	33.64						
20	Yes Bank (Vehicle loan)	48.69	-						
		12565.55	**47490.84**						
Term loans from banks (US$ loans)									
1	Ratnakar Bank Limited (FCTL)	3525.55	-	8.50% p.a.	At USD 6M Libor +1.95% p.a.	6	Nil	Equal quarterly installment upto July 2019.	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
		3525.55	**-**						
Total term loans from banks		**16091.10**	**47490.84**						
Term loans from other parties (₹ loans)									
1	Daimler Financial Services Pvt. Ltd. (Vehicle loan)	19.88	-	6.86% p.a.	At fixed rate of 6.86% p.a.	28	Nil	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
2	Other Loans - Sugar Development Fund, Govt. of India	215.89	412.45	12.5% p.a.	2% below the Bank Rate at present 4% [see note 43(i)(A)]	Yearly - 1 Half yearly - Nil	Yearly - 2 Half yearly - Nil	Yearly and half yearly installments upto September 2018	Secured by exclusive second charge created over moveable/immoveable assets of Ramkola unit.
Total term loans from other parties		**235.77**	**412.45**						
Total loans		**16326.87**	**47903.29**						

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 17: OTHER FINANCIAL LIABILITIES

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non- current
At amortised cost				
Current maturities of long-term borrowings (refer note 16)	12831.59	-	20367.06	-
Interest accrued	96.00	0.10	187.95	30.62
Capital creditors	744.60	-	699.24	-
Employee benefits & other dues payable	2371.67	-	3044.13	-
Security deposits (see (i) below)	374.35	-	357.35	-
Unpaid dividends (see (ii) below)	3.48	-	5.00	-
Unclaimed interest on deposits (see (ii) below)	-	-	0.21	-
Total other financial liabilities at amortised cost [A]	**16421.69**	**0.10**	**24660.94**	**30.62**
At fair value through Profit or Loss (refer note 42)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps	3.96	-	84.88	-
Total other financial liabilities at FVTPL [B]	**3.96**	**-**	**84.88**	**-**
Total other financial liabilities ([A]+[B])	**16425.65**	**0.10**	**24745.82**	**30.62**

(i) Security deposits as at 31 March 2018 include ₹ 316.00 lakhs (31 March 2017 : ₹ 298.00 lakhs) deposits from sugar selling agents which are interest bearing subject to fullfilment of terms and conditions. These deposits are repayable on cessation of contractual arrangements. Interest payable is normally settled annually.

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

NOTE 18: PROVISIONS

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non- current
Provision for employee benefits				
Gratuity (refer note 38)	203.63	3078.47	216.79	3033.05
Compensated absences	321.49	891.01	325.57	829.96
Other Provisions				
Warranty	838.49	-	491.25	-
Cost to completion	314.29	-	20.00	-
Arbitration/Court case claims	254.19	-	278.79	-
Total provisions	**1932.09**	**3969.48**	**1332.40**	**3863.01**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Information about individual provisions and significant estimates

(a) Warranty

The Company provides warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements based on best estimate considering the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The timing of the outflows is expected to be within the period of two years.

(b) Cost to completion

The provision represents costs of materials and services required for integration of water treatment package at the site (the revenue of which has been fully recognised), prior to commissioning.

(c) Arbitration / Court-case Claims

Represents the provision made towards certain claims awarded against the company in legal proceedings which have been challenged by the Company before appropriate authorities. The timing of the outflows is uncertain.

(ii) Movement in provisions

Movement in each class of provision are set out below:

	Year ended 31-Mar-18			Year ended31-Mar-17		
	Warranty	Cost to completion	Arbitration/ Court case claims	Warranty	Cost to completion	Arbitration/ Court case claims
Balance at the beginning of the year	491.25	20.00	278.79	253.02	30.00	265.23
Additional provisions recognised	376.04	314.29	10.40	371.50	20.00	13.56
Amounts used during the year	(13.55)	-	(35.00)	(79.93)	-	-
Unused amounts reversed during the year	(15.25)	(20.00)	-	(53.34)	(30.00)	-
Balance at the end of the year	**838.49**	**314.29**	**254.19**	**491.25**	**20.00**	**278.79**

NOTE 19: OTHER LIABILITIES

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non- current
Advance from customers	3478.22	-	3812.32	-
Deferred revenue arising from government grant related to assets (refer note 43)	1.33	149.13	-	-
Deferred revenue arising from government grant related to income (refer note 43)	250.87	-	711.36	250.84
Amount due to customers under construction contracts [refer note 10(i)]	1034.35	-	554.51	-
Statutory remittances	3174.90	-	11855.84	-
Miscellaneous other payables	52.02	-	54.16	-
Total other liabilities	**7991.69**	**149.13**	**16988.19**	**250.84**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 20: CURRENT BORROWINGS

	As at 31-Mar-18	As at 31-Mar-17
Secured- at amortised cost		
Repayable on demand		
- Cash credits/working capital demand loans from banks (see (i) below)	105557.23	122543.89
Unsecured- at amortised cost		
Other loans		
- Foreign currency loans (buyers' credits) from banks (see (ii) below)	2090.00	1666.03
Total current borrowings	**107647.23**	**124209.92**

(i) Cash credit/working capital demand loans from banks 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 third charge on the properties of Sugar, Co-Generation and Distillery units of the Company on pari-passu basis. It also included working capital demand loans of ₹ 15000.00 lakhs availed during last year with outstanding balance as at 31 March 2018 ₹ Nil (31 March 2017: ₹ 15000.00 lakhs, which were secured by sub-servient charge on the current assets of the Company by way of hypothecation. Interest rates on cash credits and working capital demand loans availed at the year end majorly ranges between 8.5% to 9.85% (weighted average interest rate : 8.62% p.a.).

(ii) The weighted average effective interest rate on foreign currency loans (buyers' credits) from banks is 2.72% per annum.

NOTE 21: TRADE PAYABLES

	As at 31-Mar-18	As at 31-Mar-17
Trade payables (at amortised cost)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 49)	43.42	37.35
- Total outstanding dues of creditors other than micro enterprises and small enterprises	62763.03	25621.59
Total trade payables	**62806.45**	**25658.94**

NOTE 22: INCOME TAX BALANCES

	As at 31-Mar-18		As at 31-Mar-17	
	Current	Non-current	Current	Non-current
Income tax assets				
Tax refund receivable (net)	-	5735.12	-	2920.15
	-	**5735.12**	**-**	**2920.15**
Income tax liabilities				
Provision for income tax (net)	-	-	264.78	-
	-	**-**	**264.78**	**-**

NOTE 23: DEFERRED TAX BALANCES

	As at 31-Mar-18	As at 31-Mar-17
Deferred tax assets	12357.06	14144.98
Deferred tax liabilities	(16528.82)	(16487.28)
Net deferred tax assets/(liabilities)	**(4171.76)**	**(2342.30)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Movement in deferred tax balances

For the year ended 31 March 2018

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Difference in carrying values of property, plant & equipment and intangible assets	(16487.28)	(41.54)	-	(16528.82)
Difference in carrying values of investment property	216.67	48.42	-	265.09
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	1602.47	47.37	(64.41)	1585.43
- Statutory taxes and duties	961.19	(776.49)	-	184.70
- Interest payable to banks/financial institutions	32.19	(32.19)	-	-
- Other contractual provisions	272.91	164.72	-	437.63
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	1120.43	(308.66)	-	811.77
Other temporary differences	16.09	(12.93)	-	3.16
Unutilised tax losses	4057.73	(4057.73)	-	-
Unutilised tax credits	5865.30	3203.98	-	9069.28
Net deferred tax assets/(liabilities)	**(2342.30)**	**(1765.05)**	**(64.41)**	**(4171.76)**

For the year ended 31 March 2017

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Difference in carrying values of property, plant & equipment and intangible assets	(16539.21)	51.93	-	(16487.28)
Difference in carrying values of investment property	201.86	14.81	-	216.67
Expense provided in books, but tax deductible only upon payment/actual crystallisation				
- Employee benefits	1240.25	124.79	237.43	1602.47
- Statutory taxes and duties	359.19	602.00	-	961.19
- Interest payable to banks/financial institutions	47.62	(15.43)	-	32.19
- Other contractual provisions	188.32	84.59	-	272.91
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	2202.69	(1082.26)	-	1120.43
Other temporary differences	114.91	(98.82)	-	16.09
Unutilised tax losses	12184.37	(8126.64)	-	4057.73
Unutilised tax credits	-	5865.30	-	5865.30
Net deferred tax assets/(liabilities)	**-**	**(2579.73)**	**237.43**	**(2342.30)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(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-18	As at 31-Mar-17
Tax effect on unused tax losses (long term capital loss) (see table below for expiry)	569.50	888.96
Net deferred tax assets/(liabilities)	**569.50**	**888.96**
Expiry profile of unrecognised unused tax losses		
Unused tax losses (long term capital loss) shall expire on -		
March 31, 2018	-	319.46
March 31, 2019	557.16	557.16
March 31, 2020	0.57	0.57
March 31, 2021	11.77	11.77
	569.50	**888.96**

NOTE 24 : REVENUE FROM OPERATIONS

	Year ended 31-Mar-18	Year ended 31-Mar-17
Sale of products [refer note 37(vii) and note 52(i)]		
Finished goods	321611.96	276238.01
Stock-in-trade	1627.41	1488.20
Sale of services		
Erection and commissioning	22.90	57.75
Servicing	262.65	288.20
Operation and maintenance	3927.25	3472.07
Construction contract revenue	12324.57	14012.33
Other operating revenue		
Income from sale of renewable energy certificates	1311.48	1026.93
Export incentives [refer note 43(i)(B)]	78.03	23.49
Income from scrap	72.12	79.63
Total revenue from operations	**341238.37**	**296686.61**

NOTE 25: OTHER INCOME

	Year ended 31-Mar-18	Year ended 31-Mar-17
Interest income		
Interest income from bank deposits (at amortised cost)	61.16	53.78
Interest income from customers (at amortised cost)	31.03	20.68
Interest income from financial assets carried at amortised cost	15.12	27.82
Interest income from investments carried at FVTPL	12.28	15.72
Interest income from others	5.07	541.56
	124.66	**659.56**
Dividend income		
Dividend income from equity investments	4.66	2.94
	4.66	**2.94**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-18	Year ended 31-Mar-17
Other non-operating income (net of expenses directly attributable to such income)		
Rental income (refer note 4 (ii))	52.50	24.89
Subsidy from U.P. Government [refer note 43(i)(A)]	0.99	-
Miscellaneous income	1063.89	827.13
	1117.38	**852.02**
Other gains/(losses)		
Net fair value gains/(losses) on investments	23.16	97.44
Net gains/(losses) on derivatives	19.85	(97.28)
Net foreign exchange rate fluctuation gains	-	75.06
Credit balances written back	156.99	154.50
Net profit/(loss) on sale / redemption of investments	0.60	(0.65)
Net reversal of impairment loss allowance on non financial assets (includes amounts written off 31 March 2017 : ₹1009.60 lakhs) (refer note 10)	-	918.34
Excess provision for cost to completion reversed (net) (refer note 18)	-	10.00
Excess provision of expenses reversed	96.73	41.77
	297.33	**1199.18**
Total other income	**1544.03**	**2713.70**

NOTE 26: COST OF MATERIALS CONSUMED

	Year ended 31-Mar-18	Year ended 31-Mar-17
Stock at the beginning of the year	3065.44	2015.42
Add: Purchases	257798.52	207518.79
Less: Amount capitalised (included in the cost of property, plant and equipment)	(19.63)	(22.70)
Less: Stock at the end of the year	(2698.80)	(3065.44)
Total cost of materials consumed (refer note 43(i)(B) and 43(ii))	**258145.53**	**206446.07**

NOTE 27: PURCHASES OF STOCK-IN-TRADE

	Year ended 31-Mar-18	Year ended 31-Mar-17
Petroleum goods	1635.88	1477.98
Consumer goods	38.36	58.95
Total purchases of stock-in-trade	**1674.24**	**1536.93**

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Inventories at the beginning of the year:		
Finished goods	158669.55	134424.77
Stock-in-trade	18.06	10.38
Work-in-progress	2669.25	1723.95
Certified emission reduction	3.16	2.95
Total inventories at the beginning of the year	**161360.02**	**136162.05**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-18	Year ended 31-Mar-17
Inventories at the end of the year:		
Finished goods	148847.59	158669.55
Stock-in-trade	31.47	18.06
Work-in-progress	3157.30	2669.25
Certified emission reduction	0.77	3.16
Total inventories at the end of the year	**152037.13**	**161360.02**
Add/(Less): Impact of excise duty on finished goods	(10189.01)	1247.15
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(866.12)**	**(23950.82)**

NOTE 29: EMPLOYEE BENEFIT EXPENSE

	Year ended 31-Mar-18	Year ended 31-Mar-17
Salaries and wages	17844.68	16709.25
Contribution to provident and other funds (refer note 38)	1874.96	1640.57
Staff welfare expenses	528.89	435.39
	20248.53	**18785.21**
Less: Amount capitalised (included in the cost of property, plant and equipment)	(8.19)	(13.73)
Total employee benefit expense	**20240.34**	**18771.48**

NOTE 30: FINANCE COSTS

	Year ended 31-Mar-18	Year ended 31-Mar-17
Interest costs		
- Interest on loans with interest subvention [refer note 43(i)(A)]	216.52	894.08
- Interest on loans with below-market rate of interest [refer note 43(i)(A)]	12.74	21.72
- Interest on other borrowings	8131.15	11586.37
- Other interest expense	88.81	139.36
Total interest expense on financial liabilities not classified as at FVTPL	**8449.22**	**12641.53**
Less : Amount capitalised (included in the cost of property, plant and equipment)	-	(0.48)
	8449.22	**12641.05**
Exchange differences regarded as an adjustment to borrowing costs	76.36	1.68
Other borrowing costs		
- Loan monitoring and administration charges	8.39	12.71
Total finance costs	**8533.97**	**12655.44**

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31-Mar-18	Year ended 31-Mar-17
Depreciation of property, plant and equipment (refer note 3)	5485.65	5652.42
Amortisation of intangible assets (refer note 5)	56.00	77.17
	5541.65	**5729.59**
Less: Amount capitalised (included in the cost of property, plant and equipment)	(5.10)	(8.60)
Total depreciation and amortisation expense	**5536.55**	**5720.99**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Bad debts written off - trade receivables and other financial assets carried at amortised cost	607.12	2215.18
Impairment loss allowance on trade receivables (net of reversals) (refer note 7)	(887.88)	(1537.04)
Impairment loss allowance on other financial assets carried at amortised cost (net of reversals) (refer note 8 & 9)	(1.89)	(42.31)
Total impairment loss on financial assets (including reversal of impairment losses)	**(282.65)**	**635.83**

NOTE 33: OTHER EXPENSES

	Year ended 31-Mar-18	Year ended 31-Mar-17
Stores and spares consumed	2869.21	2256.11
Power and fuel	1831.37	1806.55
Design and engineering charges	122.07	90.10
Cane development expenses	280.59	326.85
Machining/fabrication expenses	79.26	94.30
Erection and commissioning expenses	426.21	600.71
Civil construction charges	4176.06	4271.28
Packing and stacking expenses	3942.22	2836.34
Repairs and maintenance		
- Machinery	4039.99	3717.80
- Building	380.32	261.02
- Others	346.49	441.58
Factory/operational expenses	1903.80	1517.18
Travelling and conveyance	1334.70	1334.77
Rent (refer note 46 (ii))	591.09	594.17
Rates and taxes	654.86	1081.59
Insurance	269.41	244.87
Directors' fee	30.45	36.90
Legal and professional expenses	932.52	692.66
Security service expenses	1247.40	1062.92
Net impairment loss allowance on non financial assets (includes amounts written off 31 March 2018: ₹ 83.00 lakhs) (refer note 10)	103.95	-
Net foreign exchange rate fluctuation losses	231.42	-
Warranty expenses [includes provision for warranty (net) ₹ 360.79 lakhs (31 March 2017: ₹ 318.16 lakhs) (refer note 18)]	368.49	320.73
Liquidated damages charges	310.56	-
Provision for Arbitration/Court case claims (refer note 18)	10.40	13.56
Provision for cost to completion on construction contracts (net) (refer note 18)	294.29	-
Payment to Auditors (see (i) below)	70.77	123.65
Provision for non moving / obsolete inventory	77.24	95.30
Loss on sale /write off of inventory	33.57	24.39
Loss on sale / write off / impairment of property, plant and equipment	32.88	82.15
Selling commission	859.41	719.26

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for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-18	Year ended 31-Mar-17
Royalty	236.99	189.50
Advertisement and sales promotion	30.78	37.30
Rebate and discount	19.67	27.07
Outward freight and forwarding	638.41	488.36
Other selling expenses	302.26	61.54
Miscellaneous expenses	1512.34	1419.56
Less : Amount capitalised (included in the cost of property, plant and equipment)	(20.58)	(9.03)
Total other expenses	**30570.87**	**26861.04**

(i) Detail of payment to auditors

	Statutory Auditors		Branch Auditors		Cost Auditors	
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
Audit fee	41.74	46.26	-	6.92	3.75	3.38
Tax audit fee	-	18.89	-	3.41	-	-
Limited review fee	17.01	21.03	0.91	2.73	-	-
Other services (Certification)	0.30	9.56	0.10	1.10	0.50	0.68
Reimbursement of expenses	4.36	5.50	1.71	4.10	0.39	0.09
Total payment to auditors	**63.41**	**101.24**	**2.72**	**18.26**	**4.64**	**4.15**

NOTE 34: EXCEPTIONAL ITEMS

	Year ended 31-Mar-18	Year ended 31-Mar-17
Write off of incentives recoverable under UP Sugar Promotion Policy 2004 [refer note 43(iii)]	-	(8546.74)
Total exceptional items	**-**	**(8546.74)**

NOTE 35: INCOME TAX EXPENSE

(i) Income tax recognised in profit or loss

	Year ended 31-Mar-18	Year ended 31-Mar-17
Current tax		
In respect of the current year	3065.82	2336.57
In respect of the prior years	138.81	-
Total current tax expense	**3204.63**	**2336.57**
Deferred tax		
In respect of current year origination and reversal of temporary differences *	1765.05	2579.73
Total deferred tax expense	**1765.05**	**2579.73**
Total income tax expense recognised in profit or loss	**4969.68**	**4916.30**

* includes MAT credit entitlement of ₹ 3203.97 lakhs (31 March 2017: ₹ 2335.63 lakhs).

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(All amounts in ₹ lakhs, unless otherwise stated)

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Profit before tax	16883.69	30212.42
Income tax expense calculated at 34.608% (including surcharge and education cess) (2017: 34.608%)	5843.11	10455.91
Changes in tax rate	145.75	-
Effect of income that is exempt from taxation	(12.92)	(581.49)
Effect of income that is taxable at lower rates	(3.11)	-
Effect of expenses that is non-deductible in determining taxable profit	90.26	3020.16
Effect of tax incentives and concessions	(1262.93)	-
Effect of recognition of previously unrecognised tax losses now recognised as deferred tax assets	-	(3663.64)
Changes in recognised deductible temporary differences	(46.03)	-
Changes in estimates related to prior years	845.76	-
Effect of different tax rates for subsidiaries	0.35	(0.14)
Effect of tax on share of profit of associates	(630.56)	(784.83)
Recognition of unutilised tax credits	-	(3529.67)
Total income tax expense recognised in profit or loss	**4969.68**	**4916.30**

(ii) Income tax recognised in other comprehensive income

	Year ended 31-Mar-18	Year ended 31-Mar-17
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	64.41	(237.43)
Total income tax expense recognised in other comprehensive income	**64.41**	**(237.43)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	64.41	(237.43)
Items that may be reclassified to profit or loss	-	-
Total income tax expense recognised in other comprehensive income	**64.41**	**(237.43)**

NOTE 36: EARNINGS PER SHARE

	Year ended 31-Mar-18	Year ended 31-Mar-17
Profit for the year attributable to owners of the Company [A]	11914.01	25296.12
Weighted average number of equity shares for the purposes of basic EPS/ diluted EPS [B]	25,79,45,110	25,79,45,110
Basic earnings per share (face value of ₹ 1 per share) [A/B]	4.62	9.81
Diluted earnings per share (face value of ₹ 1 per share) [A/B]	4.62	9.81

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 37: SEGMENT INFORMATION

(i) Description of segments and principal activities

The operating segments are classified under two major businesses which the Group is engaged in, and are briefly described as under:

Sugar & Allied Business

(a) Sugar : The Group is a manufacturer of white crystal sugar, having seven manufacturing plants situated in the states of Uttar Pradesh. The sugar is sold to wholesalers and industrial users. The Group sells the surplus molasses and bagasse, which are produced as by-products in the manufacturing of sugar, after meeting its captive requirements. The Group also sells the surplus power incidentally produced at three of its sugar units.

(b) Co-generation : This segment uses captively produced bagasse, generated as a by-product in the manufacture of sugar, as a feed stock and apart from meeting the power and steam requirements of the associated sugar units, also exports power to the state grid. It has installed capacity of 68 MW spread over Khatauli and Deoband sugar mills.

(c) Distillery : The 160 kilo-litres per day capacity distillery located at Muzaffarnagar, Uttar Pradesh, uses captive molasses produced in manufacture of sugar as the principal raw material in production of various categories of alcohol.

Engineering Business

(a) Gears : This business segment is focused on all high speed and niche low speed products - supply of new equipment as well as providing replacement solutions for power sector, having its manufacturing facility located at Mysore, Karnataka.

(b) Water/Wastewater treatment : The business segment operates from Noida, Uttar Pradesh and provides engineered to order process equipment and comprehensive solutions in the water and wastewater management.

The 'Other Operations' mainly include trading of various packaged fast moving consumer goods under the Company's brand name (including sugar) and retailing of diesel/petrol through a Group operated fuel station. It also operate a turnkey project relating to steam turbines which was awarded to it pursuant to bids tendered prior to demerger of business of steam turbine.

The above reportable segments have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments.

There are no geographical segments as the volume of exports is not significant and the major turnover of the Group takes place indigenously. There is no major reliance on a few customers or suppliers.

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(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Segment revenue and segment profit

	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
REVENUE																				
From external customers	285303.72	240126.56	9733.01	6992.72	11534.06	16791.70	306570.79	263910.98	11112.49	9136.45	17566.96	18120.70	28679.45	27257.15	5988.13	5518.48	-	-	341238.37	296686.61
From inter-segments sales	14659.82	20951.94	11783.27	11268.55	55.12	4.28	26498.21	32224.77	64.31	79.49	-	2.20	64.31	81.69	99.41	99.38	(26661.93)	(32405.84)	-	-
Total revenue from operations	**299963.54**	**261078.50**	**21516.28**	**18261.27**	**11589.18**	**16795.98**	**333069.00**	**296135.75**	**11176.80**	**9215.94**	**17566.96**	**18122.90**	**28743.76**	**27338.84**	**6087.54**	**5617.86**	**(26661.93)**	**(32405.84)**	**341238.37**	**296686.61**
RESULT																				
Segment Profit/(loss)	11559.15	36491.16	9889.76	6942.11	2674.06	4657.17	24122.97	48090.44	3142.49	1801.98	(1394.68)	(275.01)	1747.81	1526.97	20.05	30.55			25890.83	49647.96
Unallocated expenses (Net)																			(2424.50)	(1163.62)
Finance cost																			(8533.97)	(12655.44)
Interest income																			124.66	659.56
Dividend income																			4.66	2.94
Exceptional items																			-	(8546.74)
Share of profit of associates																			1822.01	2267.76
Profit before tax																			16883.69	30212.42
Current tax																			(3204.63)	(2336.57)
Deferred tax																			(1765.05)	(2579.73)
Profit for the year																			11914.01	25296.12

- The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1.
- Segment profit is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of Segment performance.
- 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 expenses include all expenses directly attributable to the segments and portion of the enterprise expenses that can be allocated on a reasonable basis to the segments.
- Finance income and costs and fair value gains & losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis. Current taxes, deferred taxes and certain financial assets and liabilities, including borrowings are also not allocated to segments since these are also managed on a Group basis.

(iii) Segment assets and liabilities

	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
ASSETS																				
Segment assets	216827.06	225998.97	15914.66	17940.29	12356.93	17026.67	245098.65	260965.93	14340.02	12292.06	24229.55	21589.52	38569.57	33881.58	1708.98	2383.07	-	-	285377.20	297230.58
Unallocated assets																			17846.87	13530.84
Total assets	**216827.06**	**225998.97**	**15914.66**	**17940.29**	**12356.93**	**17026.67**	**245098.65**	**260965.93**	**14340.02**	**12292.06**	**24229.55**	**21589.52**	**38569.57**	**33881.58**	**1708.98**	**2383.07**	**-**	**-**	**303224.07**	**310761.42**
LIABILITIES																				
Segment liabilities	59554.66	36133.45	420.90	355.92	835.71	979.50	60811.27	37468.87	3346.40	1863.94	12921.71	10024.69	16268.11	11888.63	1358.86	1963.04	-	-	78438.24	51320.54
Unallocated liabilities																			130150.62	175902.51
Total liabilities	**59554.66**	**36133.45**	**420.90**	**355.92**	**835.71**	**979.50**	**60811.27**	**37468.87**	**3346.40**	**1863.94**	**12921.71**	**10024.69**	**16268.11**	**11888.63**	**1358.86**	**1963.04**	**-**	**-**	**208588.86**	**227223.05**

- 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, certain financial assets and current and deferred tax assets. Segment assets include all assets directly attributable to the segments and portion of the enterprise assets that can be allocated on a reasonable basis to the segments.
- All liabilities are allocated to reportable segments other than borrowings, certain financial liabilities, current and deferred tax liabilities. Segment liabilities include All liabilities directly attributable to the segments and portion of the enterprise liabilities that can be allocated on a reasonable basis to the segments.

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(All amounts in ₹ lakhs, unless otherwise stated)

(iv) Other segment information

	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
Amount considered in segment results																				
Depreciation and amortisation	3231.28	3426.25	686.09	685.26	509.30	557.50	4426.67	4669.01	822.47	789.41	186.50	188.95	1008.97	978.36	6.66	6.63	-	-	5442.30	5654.00
Unallocated dereciation and amortisation																			94.25	66.99
Total depreciation and amortisation	**3231.28**	**3426.25**	**686.09**	**685.26**	**509.30**	**557.50**	**4426.67**	**4669.01**	**822.47**	**789.41**	**186.50**	**188.95**	**1008.97**	**978.36**	**6.66**	**6.63**	**-**	**-**	**5536.55**	**5720.99**
Non cash items (other than depreciation and amortisation)	24.20	3518.81	103.82	197.40	(26.09)	(831.49)	101.93	2884.72	119.59	178.33	(453.78)	240.07	(334.19)	418.40	10.43	(59.16)	-	-	(221.83)	3243.96
Unallocated non cash items (other than depreciation and amortisation)																			(114.06)	4972.91
Total non cash items (other than depreciation and amortisation)	**24.20**	**3518.81**	**103.82**	**197.40**	**(26.09)**	**(831.49)**	**101.93**	**2884.72**	**119.59**	**178.33**	**(453.78)**	**240.07**	**(334.19)**	**418.40**	**10.43**	**(59.16)**	**-**	**-**	**(335.89)**	**8216.87**
Amounts not considered in segment results																				
Interest expense	7840.43	11084.17	28.24	121.76	180.34	285.36	8049.01	11491.29	125.79	305.00	464.67	696.84	590.46	1001.84	-	-	-	-	8639.47	12493.13
Unallocated interest expense																			(105.50)	162.31
Total interest expense	**7840.43**	**11084.17**	**28.24**	**121.76**	**180.34**	**285.36**	**8049.01**	**11491.29**	**125.79**	**305.00**	**464.67**	**696.84**	**590.46**	**1001.84**	**-**	**-**	**-**	**-**	**8533.97**	**12655.44**
Interest income	47.88	33.78	3.61	3.62	1.72	2.05	53.21	39.45	4.47	9.75	20.92	34.78	25.39	44.53	-	-	-	-	78.60	83.98
Unallocated interest income																			46.06	575.58
Total interest income	**47.88**	**33.78**	**3.61**	**3.62**	**1.72**	**2.05**	**53.21**	**39.45**	**4.47**	**9.75**	**20.92**	**34.78**	**25.39**	**44.53**	**-**	**-**	**-**	**-**	**124.66**	**659.56**
Exceptional items	-	6820.08	-	1303.96	-	422.70	-	8546.74	-	-	-	-	-	-	-	-	-	-	-	8546.74
Capital expenditure	2942.52	1913.15	189.39	91.29	902.48	456.44	4034.39	2460.88	836.82	1015.50	188.83	103.29	1025.65	1118.79	1.35	2.05	-	-	5061.39	3581.72
Unallocated capital expenditure																			175.04	85.30
Total Capital expenditure	**2942.52**	**1913.15**	**189.39**	**91.29**	**902.48**	**456.44**	**4034.39**	**2460.88**	**836.82**	**1015.50**	**188.83**	**103.29**	**1025.65**	**1118.79**	**1.35**	**2.05**	**-**	**-**	**5236.43**	**3667.02**

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(v) Break-up of revenue by geographical area

	Year ended 31-Mar-18	Year ended 31-Mar-17
India (country of domicile)	339925.57	295314.19
Foreign countries	1312.80	1372.42
	341238.37	**296686.61**

(vi) Non-current assets by geographical area

All non current assets (other than financial instruments, deferred tax assets, post employment benefit assets and right arising under insurance contracts) of the Group are located in India except investment in a foreign associate (located in Israel) of ₹ 2842.88 lakhs as at 31 March 2018 (31 March 2017: ₹ 2925.74 lakhs).

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Sale of products		
Finished goods		
- Sugar	279926.58	234514.36
- Molasses	2217.96	2103.55
- Bagasse	4612.53	4705.76
- Power	10783.59	7598.43
- Alcohol	11446.52	16587.71
- Mechanical equipment - Water/Waste-water	1483.67	1395.13
- Gears/Gear Boxes	9292.12	7313.33
- Bought outs and Spares	1442.30	1489.25
- Others	406.69	530.49
	321611.96	**276238.01**
Stock in trade		
- Diesel/Petrol/Lubricants	1575.22	1419.85
- Other consumer goods	52.19	68.35
	1627.41	**1488.20**
	323239.37	**277726.21**
Sale of services		
Erection and commissioning	22.90	57.75
Servicing	262.65	288.20
Operation and maintenance	3927.25	3472.07
	4212.80	**3818.02**
Construction contract revenue		
Water, Waste-water and Sewage treatment	12098.41	13138.29
Power generation and evacuation system	226.16	874.04
	12324.57	**14012.33**

(viii) Information about major customers

There is no single customer who has contributed 10% or more to the Group's revenue for both the years ended 31 March 2018 and 31 March 2017.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 38: EMPLOYEE BENEFIT PLANS

(i) Defined contribution plans

(a) The Group operates 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 to fund administered and managed by the Government of India. The Group has also set up provident fund Trust to secure the provident fund dues in respect of certain employees of the Group. The provident fund is administered by the concerned trustees. The rules of the Group's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund Organisation, Government of India, under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Group when determined. Having regard to the assets of the fund and the return on the investments, the Group does not expect any deficiency as at the year end and accordingly, such plan has been considered by the Group in substance to be a defined contribution plan.

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-18	Year ended 31-Mar-17
Employers' contribution to Employees' Provident Fund	1068.97	969.89
Administration and other expenses relating to above	26.56	29.10
Employers' contribution to Employees State Insurance Scheme	16.01	8.85
Employers' contribution to Superannuation Scheme	114.75	116.95
Employers' contribution to National Pension Scheme	20.80	14.41

(ii) Defined benefit plans

(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 death of an employee, based on the respective employees' salary and years of employment with the Group.

(b) **Risk exposure**

The plan typically exposes the Group to number of actuarial risks, the most significant of which are detailed below:

Investment risk: The plan liabilities are calculated using a discount rate set with references to government bond yields as at end of reporting period; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The investments in plan assets are made in accordance with pattern of investment prescribed by central government and ensures that the funds are invested in a balanced mix of investments comprising

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for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

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-18	31-Mar-17
Discounting rate	7.69%	6.81%
Future salary growth rate	8.00%	7.00%
Mortality Table *	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
Attrition rate	6.00% for Permanent employees	8.00% for Permanent employees
	2.00% for Seasonal 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 2006-08 Ultimate). These assumptions translate into an average life expectancy in years at retirement age.

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(All amounts in ₹ lakhs, unless otherwise stated)

(d) Amounts recognised in consolidated statement of profit & loss in respect of the defined benefit plan are as follows:

	Year ended 31-Mar-18	Year ended 31-Mar-17
Current service cost	333.64	275.90
Net interest expense	220.47	145.06
Components of defined benefit costs recognised in profit or loss	**554.11**	**420.96**
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	(43.30)	(31.06)
- Actuarial (gain)/ loss arising form changes in financial assumptions	36.60	482.43
- Actuarial (gain) / loss arising form experience adjustments	(179.43)	234.68
Components of defined benefit costs recognised in other comprehensive income	**(186.13)**	**686.05**
Total	**367.98**	**1107.01**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit & loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

(e) Amounts included in the consolidated balance sheet arising from the Group's obligation in respect of the defined benefit plan is as follows:

	As at 31-Mar-18	As at 31-Mar-17
Present value of defined benefit obligation as at the end of the year	4734.30	4558.14
Fair value of plan assets	1452.20	1308.30
Funded status	**(3282.10)**	**(3249.84)**
Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet	**(3282.10)**	**(3249.84)**

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Present value of defined benefit obligation at the beginning of the year	4558.14	3632.88
Expenses recognised in profit or loss		
- Current Service Cost	333.64	275.90
- Interest Expense (Income)	321.08	226.50
Remeasurement (gains)/losses recognised in other comprehensive income		
- Actuarial (gain)/loss arising from:		
i. Financial Assumptions	36.60	482.43
ii. Experience Adjustments	(179.43)	234.68
Benefit payments	(335.73)	(294.25)
Present value of defined benefit obligation at the end of the year	**4734.30**	**4558.14**

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for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Fair value of plan assets at the beginning of the year	1308.30	1195.80
Recognised in profit or loss		
- Expected return on plan assets	100.61	81.44
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actual Return on plan assets in excess of the expected return	43.29	31.06
Contributions by employer	335.73	294.25
Benefit payments	(335.73)	(294.25)
Fair value of plan assets at the end of the year	**1452.20**	**1308.30**

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

	As at 31-Mar-18			As at 31-Mar-17		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	-	12.45	12.45	-	17.83	17.83
Debt instruments						
- Government securities	-	264.26	264.26	-	257.53	257.53
- State development loans	-	452.07	452.07	-	340.95	340.95
- Private sector bonds	-	123.24	123.24	-	104.45	104.45
- Public sector bonds	-	112.33	112.33	-	138.53	138.53
- Fixed deposits with banks	-	166.00	166.00	-	155.50	155.50
- Special Deposit Scheme balance with RBI	-	102.13	102.13	-	102.13	102.13
- Debt mutual funds	-	64.95	64.95	-	60.92	60.92
Equity instruments						
- Index mutual funds	-	10.06	10.06	-	2.43	2.43
- Arbitrage mutual funds	-	12.58	12.58	-	8.93	8.93
Accrued interest and other recoverables	-	132.13	132.13	-	119.10	119.10
Total plan assets	**-**	**1452.20**	**1452.20**	**-**	**1308.30**	**1308.30**

The investible funds of the Gratuity Plan are invested in accordance with the investment pattern and norms prescribed by the Ministry of Finance, Government of India. The investment pattern mandates that the investible funds are invested across the permitted investments in the prescribed pattern, whereby the investment risk is spread across various categories of investment comprising sovereign government securities, state development loans monitored by the Reserve Bank of India, investment grade rated debt securities issued by private and public sector companies, fixed-deposit with banks fulfilling the prescribed norms, units of debt and equity mutual funds. The investments made are generally on held-to-maturity basis. It is the endeavour of the Group to mitigate risk by investing only in high-quality debt securities and in mutual funds after undertaking due diligence.

There has been no change in the process used by the Group to manage its risks from prior periods.

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(h) Sensitivity analysis

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

	Change in assumption by	Impact on defined benefit obligation				
		Increase/ decrease	Increase in assumption		Decrease in assumption	
			31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Discounting rate	0.50%	in ₹	(177.37)	(262.01)	190.36	266.30
		in %	-3.75%	-5.75%	4.02%	5.84%
Future salary growth rate	0.50%	in ₹	187.87	246.57	(176.71)	(241.86)
		in %	3.97%	5.41%	-3.73%	-5.31%
Attrition rate	0.50%	in ₹	(46.12)	(44.17)	48.81	46.74
		in %	-0.97%	-0.97%	1.03%	1.03%
Mortality rate	10.00%	in ₹	(39.85)	(38.17)	42.54	40.74
		in %	-0.84%	-0.84%	0.90%	0.89%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practise, this is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(i) Defined benefit liability 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 ₹ 245.07 lakhs to the defined benefit plan relating to gratuity during the next financial year.

The weighted average duration of the defined gratuity obligation as at 31 March 2018 is 9.2 years (31 March 2017: 9.5 years).

The expected maturity analysis of undiscounted defined benefit obligation as at 31 March 2018 is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligation (Gratuity)	245.07	405.43	1460.65	8219.59	10330.74

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for the year ended March 31, 2018

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NOTE 39: RELATED PARTY TRANSACTIONS

(i) Related parties with whom transactions have taken place during the year alongwith details of such transactions and outstanding balances as at the end of the year:

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-18	Year ended 31-Mar-17
Sales and rendering services			
Triveni Turbine Limited	Associate	4304.01	3,229.45
Purchases and receiving services			
Triveni Turbine Limited	Associate	382.52	1,079.72
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	0.47	0.99
Advance paid against order			
Triveni Turbine Limited	Associate	35.00	-
Rent paid			
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	48.76	45.50
Rati Sawhney	Relative of key managerial personnel	34.60	48.00
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	76.69	72.88
Rent & other charges received			
Triveni Turbine Limited	Associate	20.40	16.00
Dividend received from Investment in Equity shares			
Triveni Turbine Limited	Associate	864.00	324.00
Dividend paid on Equity shares			
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	95.98	-
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	36.74	-
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	38.19	-
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.04	-
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	0.03	-
Manmohan Sawhney HUF	Relative of key managerial personnel	11.28	-
Rati Sawhney	Relative of key managerial personnel	50.90	-
Tarana Sawhney	Relative of key managerial personnel	0.06	-
Mira Hazari	Relative of key managerial personnel	-	-
Subhadra Trade & Finance Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	206.74	-

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-18	Year ended 31-Mar-17
Expenses incurred by the Company on behalf of party (net of expenses incurred by party on behalf of the Company) on reimbursable basis			
Triveni Turbine Limited	Associate	(18.76)	(2.77)
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	2.22	2.28
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	-	0.06
Triveni Engineering and Industries Ltd. Officers' Pension Fund	Post employment benefit plan	-	0.01
Triveni Engineering Works Limited Employees' Provident Fund	Post employment benefit plan	-	-
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	0.03	0.05
Remuneration			
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	239.73	203.82
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	192.39	178.22
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	68.61	60.54
Directors fee paid			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	3.70	5.20
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	5.50	8.45
M. K. Daga (Independent Non-Executive Director)	Key managerial personnel	-	2.25
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	1.25	2.25
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	6.00	6.50
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	6.00	6.25
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	4.00	3.75
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	4.00	2.25
Contribution to Post employment benefit plans			
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	335.73	294.25
Triveni Engineering and Industries Ltd. Officers' Pension Fund	Post employment benefit plan	114.75	115.69
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	1033.20	907.61
Deposit received against appointment of Director			
Subhadra Trade & Finance Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	-	3.00

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Outstanding balances

	Relationship	As at 31-Mar-18	As at 31-Mar-17
Receivable			
Triveni Turbine Limited	Associate	1082.03	460.32
Payable			
Triveni Turbine Limited	Associate	1310.51	1878.15
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	4.92	5.25
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	3.65	3.05
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.61	8.39
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	0.15	3.45
Subhadra Trade & Finance Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	-	2.00
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	-	0.30
Triveni Engineering and Industries Ltd. Officers' Pension Fund	Post employment benefit plan	113.29	115.69
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	90.32	82.75
Guarantees / Surety /commitment outstanding (refer note 48(b))			
Triveni Turbine Limited	Associate	-	1450.51

(ii) Remuneration of key managerial personnel:

	Year ended 31-Mar-18	Year ended 31-Mar-17
Short-term employee benefits	460.69	402.46
Post-employment benefits	40.05	40.12
Total	**500.74**	**442.58**

The remuneration of key managerial personnel is determined by the remuneration committee having regard to the performance of individuals, market trends and applicable provisions of Companies Act, 2013.

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

(iv) Terms & conditions:

The 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. The outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided to or received for any related party receivable or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31 March 2018 and 31 March 2017 other than that stated above.

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NOTE 40: CAPITAL MANAGEMENT

For the purpose of capital management, capital includes net debt and total equity of the Group. The primary objective of the capital management is to maximize shareholder value along with an objective to keep the leverage in check in view of cyclical capital intensive sugar business of the Group.

One of the major businesses of the Group is the sugar business, which is a seasonal industry where the entire production is made in about five months and then sold throughout the year. Thus, it necessitates keeping high sugar inventory levels requiring high working capital funding. Sugar business being a cyclical business, it is prudent to avoid high leverage and the resultant high finance cost. It is the endeavour of the Group to prune down debts to acceptable levels based on its financial position.

The Group may resort to further issue of capital when the funds are required to make the Group stronger financially or to invest in projects meeting the ROI expectations of the Group.

The Group monitors capital structure through gearing ratio represented by debt-equity ratio (debt/total equity). The gearing ratios for the Group as at the end of reporting period were as follows:

	As at 31-Mar-18	As at 31-Mar-17
Non-current borrowings (note 16)	3495.28	27536.23
Current borrowings (note 20)	107647.23	124209.92
Current maturities of long-term borrowings (note 17)	12831.59	20367.06
Total debt	**123974.10**	**172113.21**
Less: Cash and cash equivalents (note 12(a))	(366.51)	(657.10)
Net debt	**123607.59**	**171456.11**
Total equity (note 13, 14 & 15)	**94635.21**	**83538.37**
Net debt to equity ratio	1.31	2.05
Long term debt equity ratio	0.17	0.57

In addition to the above gearing ratio, the Group also looks at operating profit to total debt ratio (EBITDA/Total Debts) which gives an indication of adequacy of earnings to service the debts. The Group carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. With a view to arrive at the desired capital structure based on the financial condition of the Group, the Group normally incorporates a clause in loan agreements for prepayment of loans without any premium.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2018 and 31 March 2017.

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.

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(i) Credit risk

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

(a) Credit risk management

The customer credit risk is managed by each business subject to the Group's established policy, procedure and controls relating to customer credit risk management. Various businesses require different processes and policies to be followed based on the business risks, industry practice and customer profiles.

In the case of Sugar business, majority of the sales are made either against advance payments or on very short credit period upto 7-10 days to reputed customers whereas in Cogeneration and Distillery, most of the sales are made to Government customers, such as, State Electricity Board (UPPCL) and Oil Marketing Companies (OMCs). There may be delays, generally not exceeding one year, in receiving payments from UPPCL but the risk in respect of realisation of dues is minimal. In Gear business, it is the policy of the Group to receive payment prior to delivery of the material except in the case of some well established OEMs, including public sector undertakings, where the credit up to 90 days is extended. Water business is engaged in EPC business with municipal and industrial sector 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 and 9.

The business wise receivable position as at the end of the year is provided here below:

	As at 31-Mar-18	As at 31-Mar-17
Sugar business	4551.36	4797.61
Cogeneration business	4427.14	5882.47
Distillery business	2060.60	1185.22
Water business	13858.94	10480.02
Gear business	4837.04	3412.10
Others	1455.31	2034.08
Total Receivables (note 7)	**31190.39**	**27791.50**
Receivables individually in excess of 10% of the business receivables	16665.33	14809.41
Percentage of above receivables to the total receivables of the Group	53.43%	53.29%

Receivables in excess of 10% of individual business receivables majorly comprise receivables from UPPCL which forms 16.85% of total receivables of the Group as on 31 March 2018, 26% as on 31 March 2017. It can be observed that the concentration of risk in respect of trade receivables is moderate on an overall basis. Further, its customers are located in several jurisdictions and industries and operate in largely independent markets. The Group does not hold any collateral as security for such receivables.

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(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, engineered-to-order products and the profile of trade receivables, the determination of provision based on age analysis may not be a realistic and hence, the provision of expected credit loss is determined for the total trade receivables outstanding as on the reporting date. 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-18	ECL amount as at 31-Mar-17
Sugar	Nil	Nil	Nil
Co-generation	Nil	Nil	Nil
Distillery	Nil	Nil	Nil
Water	0.83%	115.99	98.55
Gear	1.17%	57.91	35.91

(c) Reconciliation of loss allowance provision

Trade receivables:

	Year ended 31-Mar-18	Year ended 31-Mar-17
Balance at beginning of the year	2668.69	4205.73
Additional provisions recognised during the year	377.16	786.97
Provision reversed/utilised during the year	(1265.04)	(2324.01)
Balance at the end of the year	1780.81	2668.69

Loans and other financial assets:

	Loans		Other financial assets	
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
Balance at beginning of the year	44.53	44.53	17.94	60.25
Movement in expected credit loss allowance	-	-	(1.89)	(42.31)
Balance at the end of the year	44.53	44.53	16.05	17.94

(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.

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Apart from cyclical sugar business, the Group has alternate revenue streams in the form of cogeneration, distillery and engineering business, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Company as at the year end

	As at 31-Mar-18	As at 31-Mar-17
Total current assets	198822.89	209276.12
Total current liabilities	196803.11	193200.05
Current ratio	1.01	1.08

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 2018							
Borrowings	105557.23	15174.86	3453.08	32.73	0.92	124218.82	123974.10
Trade payables	-	62423.02	383.43	-	-	62806.45	62806.45
Other financial liabilities	-	3590.10	0.10	-	-	3590.20	3590.20
	105557.23	**81187.98**	**3836.61**	**32.73**	**0.92**	**190615.47**	**190370.75**
As at 31 March 2017							
Borrowings	122543.89	22674.11	26137.76	1845.75	6.13	173207.64	172113.21
Trade payables	-	24844.86	814.08	-	-	25658.94	25658.94
Other financial liabilities	-	4293.88	30.62	-	-	4324.50	4324.50
	122543.89	**51812.85**	**26982.46**	**1845.75**	**6.13**	**203191.08**	**202096.65**

Maturities of derivative financial instruments:

The Group enters into derivative contracts (viz. foreign exchange forward contracts, foreign currency swaps and interest rate swaps) to manage some of its foreign currency exposures and interest rate exposures that are settled on a net basis. Derivative asset (net) are of ₹ 87.86 lakhs as at 31 March 2018. All derivative assets/ liabilities shall mature within one year from the reporting date except derivative liability ₹ 0.96 lakhs, in respect of foreign currency swap & interest rate swap taken to hedge foreign currency borrowing, which shall be settled alongwith payment of such borrowing in six equal quarterly instalments ending on July 2019 (31 March 2017 : derivative liability (net) ₹ 84.88 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

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(a) Interest rate risk

Most of the borrowings availed by the Group are subject to interest on floating rate basis linked to the Base Rate or MCLR (marginal cost of funds based lending rate) or LIBOR. In view of the fact that the total borrowings of the Group are quite substantial, the Group is exposed to interest rate risk.

The above strategy of the Group to opt for floating interest rates is helpful in maintaining market related realistic rates, which is presently the case. 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.

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-18	Year ended 31-Mar-17
Total debt as at the end of the year	123974.10	172113.21
Debt at floating rate of interest as at the end of the year	116276.02	164300.25
Average annual utilisation of debts at floating rate of interest (%)	73%	71%
Average availment of borrowings at floating rate of interest	85179.94	115920.14
Impact of 1% interest rate variation	851.80	1159.20

The above sensitivity has been computed after excluding the impact of change in interest rates of the floating interest rate foreign currency borrowing of USD 53,76,344.09 @ 6 months LIBOR plus 1.95% (as at 31 March 2018 @ 4.1955% p.a.) since same has been hedged through interest rate swap @ fixed interest rate 8.5% p.a.

(b) Sugar price risk

IIn the Sugar business being carried out by the Group, sugar is produced during the season commencing from October/ November till March/April. Sugar so produced during the season of around 130 to 150 days, is sold throughout the year. The sugar inventories are at the highest level as at the end of the financial year and these are normally stated at cost or net realizable value, whichever is lower.

The Group is exposed to sugar price risk in respect of the inventories held at the year-end as any decline in prices below the carrying amount will inflict losses to the Group. There are no effective hedging mechanisms available in view of limited breadth in the commodity exchange market and hence the Group follows a strategy of selling sugar based upon market forecasts and holding cost of inventories, subject to minimum floor limits.

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
Sugar inventory held (MT)	5,31,098.85	4,58,199.00
Impact of sugar price variation by ₹ 1000/MT	5,310.99	4,581.99

(c) Other market risks

The other market risks includes Equity price risk and Foreign currency risk.

Equity price risk in respect of listed and non listed equity securities which are susceptible to market price risk arising from uncertainties about future value of the investment securities. In view of nominal value of investments being held by the Company, other than in the subsidiaries and associates which are measured at cost, the magnitude of risk is only nominal.

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The Group is exposed to foreign currency risk mainly on account of foreign currency borrowings, foreign exchange trades being minimal. The foreign currency borrowing is for a period of more than a year and the Group is exposed to foreign exchange fluctuation risks during this period. As per policy, the foreign currency borrowings are hedged through foreign exchange forward contracts / foreign currency swap contracts to capture the interest arbitrage over domestic interest rates.

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
As at 31 March 2018				
Financial assets				
- Trade receivables	in foreign currency lakhs	3.80	2.53	-
	in equivalent ₹ lakhs	244.35	199.29	-
Derivatives (in respect of underlying financial assets)		-	-	-
Net exposure to foreign currency risk (assets)	in foreign currency lakhs	**3.80**	**2.53**	**-**
	in equivalent ₹ lakhs	**244.35**	**199.29**	**-**
Financial liabilities				
- Trade payables	in foreign currency lakhs	1.32	0.77	0.55
	in equivalent ₹ lakhs	86.53	62.21	50.89
- Borrowings (including interest)	in foreign currency lakhs	203.68	-	-
	in equivalent ₹ lakhs	13402.02	-	-
Derivatives (in respect of underlying financial liabilities)				
- Foreign exchange forward contracts/Swaps	in foreign currency lakhs	203.47	-	-
buy foreign currency	in equivalent ₹ lakhs	13388.40	-	-
Net exposure to foreign currency risk (liabilities)	in foreign currency lakhs	**1.53**	**0.77**	**0.55**
	in equivalent ₹ lakhs	**100.15**	**62.21**	**50.89**

		US$	EURO	GBP
As at 31 March 2017				
Financial assets				
- Trade receivables	in foreign currency lakhs	3.00	1.23	-
	in equivalent ₹ lakhs	192.36	83.58	-
Derivatives (in respect of underlying financial assets)				
- Foreign exchange forward contracts	in foreign currency lakhs	1.24	-	-
sell foreign currency	in equivalent ₹ lakhs	79.48	-	-
Net exposure to foreign currency risk (assets)	in foreign currency lakhs	**1.76**	**1.23**	**-**
	in equivalent ₹ lakhs	**112.88**	**83.58**	**-**
Financial liabilities				
- Trade payables	in foreign currency lakhs	1.07	0.69	0.02
	in equivalent ₹ lakhs	69.96	48.92	1.50
- Borrowings (including interest)	in foreign currency lakhs	25.54	-	-
	in equivalent ₹ lakhs	1675.69	-	-
Derivatives (in respect of underlying financial liabilities)				
- Foreign exchange forward contracts	in foreign currency lakhs	25.40	0.28	0.02
buy foreign currency	in equivalent ₹ lakhs	1666.03	19.44	1.50
Net exposure to foreign currency risk (liabilities)	in foreign currency lakhs	**1.21**	**0.41**	**-**
	in equivalent ₹ lakhs	**79.62**	**29.48**	**-**

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(All amounts in ₹ lakhs, unless otherwise stated)

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

		US$	EURO	GBP
As at 31 March 2018				
Foreign exchange forward contracts to sell foreign currency	in foreign currency lakhs	2.00	1.35	-
	in equivalent ₹ lakhs	128.48	106.34	-
Foreign exchange forward contracts/Swaps to buy foreign currency	in foreign currency lakhs	205.18	3.80	-
	in equivalent ₹ lakhs	13500.83	308.71	-
As at 31 March 2017				
Foreign exchange forward contracts to sell foreign currency	in foreign currency lakhs	1.24	-	-
	in equivalent ₹ lakhs	79.48	-	-
Foreign exchange forward contracts to buy foreign currency	in foreign currency lakhs	11.72	1.02	1.24
	in equivalent ₹ lakhs	768.96	72.34	101.84

All the above contracts are maturing within one year except for foreign currency swap, taken to hedge foreign currency borrowing, which shall be settled alongwith payment of such borrowing in six equal quarterly instalments ending on July 2019.

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-18	31-Mar-17	31-Mar-18	31-Mar-17
US$ sensitivity	5%	7.21	1.66	(7.21)	(1.66)
EURO sensitivity	5%	6.85	2.71	(6.85)	(2.71)
GBP sensitivity	5%	(2.54)	-	2.54	-

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

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-18	31-Mar-17	31-Mar-18	31-Mar-17
US$ sensitivity	5%	(0.80)	(44.85)	0.80	44.85
EURO sensitivity	5%	10.12	2.65	(10.12)	(2.65)
GBP sensitivity	5%	-	5.02	-	(5.02)

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 42: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	As at 31-Mar-18		As at 31-Mar-17	
	FVTPL *	Amortised cost	FVTPL *	Amortised cost
Financial assets				
Investments				
- Equity instruments	366.44	-	342.45	-
- Bonds	89.04	-	145.75	-
- National Saving Certificates	-	0.03	-	0.03
Trade receivables	-	31190.39	-	27791.50
Loans	-	56.53	-	45.81
Cash and bank balances	-	949.47	-	1299.35
Security deposits	-	497.02	-	444.79
Earnest money deposits	-	163.32	-	152.05
Derivative financial assets	91.82	-	-	-
Other receivables	-	97.17	-	94.82
Total financial assets	**547.30**	**32953.93**	**488.20**	**29828.35**
Financial liabilities				
Borrowings	-	123974.10	-	172113.21
Trade payables	-	62806.45	-	25658.94
Capital creditors	-	744.60	-	699.24
Security deposits	-	374.35	-	357.35
Derivative financial liabilities	3.96	-	84.88	-
Other payables	-	2471.25	-	3267.91
Total financial liabilities	**3.96**	**190370.75**	**84.88**	**202096.65**

*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 2018					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	366.44	-	-	**366.44**
- Investments in bonds at FVTPL	6	-	89.04	-	**89.04**
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	9	-	91.82	-	**91.82**
		366.44	**180.86**	**-**	**547.30**

Notes to the Consolidated Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	Level 1	Level 2	Level 3	Total
Financial liabilities					
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	17	-	3.96	-	**3.96**
		-	**3.96**	**-**	**3.96**
As at 31 March 2017					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	342.45	-	-	**342.45**
- Investments in bonds at FVTPL	6	-	145.75	-	**145.75**
		342.45	**145.75**	**-**	**488.20**
Financial liabilities					
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	17	-	84.88	-	**84.88**
		-	**84.88**	**-**	**84.88**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted unadjusted market prices in active markets for identical assets or liabilities. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of derivatives (viz. foreign exchange forward contracts, foreign currency swaps and interest rate swaps) is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.

- the fair value of bonds, 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 consolidated financial statements approximate their fair values.

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for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-18		As at 31-Mar-17	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Trade receivables	31190.39	30495.00	27791.50	27495.92
	31190.39	**30495.00**	**27791.50**	**27495.92**
Financial liabilities				
Trade payables	62806.45	62754.11	25658.94	25541.63
	62806.45	**62754.11**	**25658.94**	**25541.63**

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
As at 31 March 2018				
Financial assets				
Trade receivables	-	-	30495.00	30495.00
	-	**-**	**30495.00**	**30495.00**
Financial liabilities				
Trade payables	-	-	62754.11	62754.11
	-	**-**	**62754.11**	**62754.11**
As at 31 March 2017				
Financial assets				
Trade receivables	-	-	27495.92	27495.92
	-	**-**	**27495.92**	**27495.92**
Financial liabilities				
Trade payables	-	-	25541.63	25541.63
	-	**-**	**25541.63**	**25541.63**

(a) The fair values for trade receivables and trade payables which are expected to be settled after twelve months (including those which are within the operating cycle) are computed based on discounted cash flows. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The carrying amounts of the remaining trade receivables and trade payables are considered to be the same as their fair values, due to their short-term nature.

NOTE 43: GOVERNMENT GRANTS

(i) Government grants recognised in the consolidated financial statements

		Grants recognised in profit or loss			Grant recoverable	
		Year ended 31-Mar-18	Year ended 31-Mar-17	Treatment in consolidated financial statements	As at 31-Mar-18	As at 31-Mar-17
A	**Deferred government grants**					
a)	Interest subvention @ 12% per annum on loans aggregating to ₹12626.00 lakhs availed during financial year 2012-13 under the "Scheme of Extending Financial Assistance to Sugar Undertakings, 2013" notified by the Government of India.	683.45	1075.07	Reduced from finance cost (note 30)	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		Grants recognised in profit or loss			Grant recoverable	
		Year ended 31-Mar-18	Year ended 31-Mar-17	Treatment in consolidated financial statements	**As at 31-Mar-18**	As at 31-Mar-17
b)	Loans at below market interest rate from Sugar Development Fund, Government of India	27.88	45.14	Reduced from finance cost (note 30)	-	-
c)	Interest subvention @10% per annum granted by the Government of India for one year from the date of disbursement on loans aggregating to ₹ 11450.50 lakhs availed in financial year 2015-16 under the 'Scheme of extending Soft Loans to Sugar Mills'.	-	552.81	Reduced from finance cost (note 30)	-	-
d)	Grant of ₹ 10.00 lakhs in respect of Moist Hot Air Treatment Plants (MHAT) received from the State Government of Uttar Pradesh under Rashtriya Krishi Vikas Yojna during current year.	0.99	-	Presented under "Other income" (note 25)	-	-
e)	Grant of ₹ 141.45 lakhs in the form of duties saved upon import of machinery under Export Promotion Capital Goods (EPCG) scheme during current year.	-	-	Presented under "Other income" (note 25)	-	-
	Total deferred government grants	**712.32**	**1673.02**		**-**	**-**
B	**Other revenue grants**					
a)	Reversal of grant, related to cane production subsidy of ₹ 4.50 per quintal of cane pertaining to season 2015-16, (net of grant of ₹ 39.80 lakhs accrued during the year) necessitated due to different computation adopted by the Government.	-	(44.18)	Other expenses (note 33)	-	-
b)	Reversal of grant, related to reimbursement of cane commission on cane purchased for season 2015-16, based on the final decision of the state government of UP on cane price package for Season 2015-16.	-	(1330.73)	Raw material consumed (note 26)	-	-
c)	Export incentives under Duty Draw back Scheme, Incremental Export Incentive Scheme and Merchandise Export Incentive Scheme.	78.03	23.49	Presented under "Other operating revenue" (note 24)	-	-
	Total other revenue grants	**78.03**	**(1351.42)**		**-**	**-**
	Total grants	**790.35**	**321.60**		**-**	**-**

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for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Government grants in the form of remissions of taxes and duties availed and recognised in the consolidated financial statements:

	Year ended 31-Mar-18	Year ended 31-Mar-17
a) Remission of Purchase tax @ ₹ 2 per quintal on purchase of cane		
- for the sugar season 2015-16.	-	17.21
- for the sugar season 2012-13.	-	137.70
	-	**154.91**
b) Remissions availed as per the interim order of the High Court in respect of UP Sugar Industry Promotion Policy, 2004 [see note below]	-	526.87

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

	Year ended 31-Mar-18	Year ended 31-Mar-17
As at the beginning of the year	962.20	8090.94
Recognised during the year	151.45	-
Released to the consolidated statement of profit and loss	(712.32)	(1673.02)
Written back [see note below]	-	(5455.72)
As at the end of the year	**401.33**	**962.20**
Current (refer note 19)	252.20	711.36
Non-current (refer note 19)	149.13	250.84
Total	**401.33**	**962.20**

Note :

* The Company had availed the remissions in respect of certain taxes and duties under UP Sugar Industry Promotion Policy, 2004 ("the Policy") issued by the state Government of Uttar Pradesh. The Policy was pre-maturely terminated on 4 June 2007 and the Company challanged such termination and non-grant of prescribed incentives under the Policy before the Lucknow bench of Allahabad High Court. Pending final adjudication in the matter, the High Court vide its interim order dated 9 May 2008 permitted limited protection of remissions which were being enjoyed on the date when the Policy was revoked. Apart from these remissions, the Company was also eligible for reimbursement of certain expenses and a capital subsidy equivalent to 10% of the amount of investment made in establishment and expansion of sugar and allied industry.

As the prescribed incentive period of 10 years under the Policy had expired and it was taking considerable time for final adjudication of the matter in the courts, the Company had written-off ₹ 14002.46 lakhs during FY 2016-17 appearing as recoverable from the state Government of UP on account of aforesaid reimbursement of expenses and capital subsidy earlier accounted by it under the Policy. Accordingly, deferred government grant of ₹ 5455.72 lakhs as on 31 March 2016, pertaining to the capital subsidy, was also written back. Consequently, there was a net impact of ₹ 8546.74 lakhs which had been classified under exceptional items in FY 2016-17.

Notes to the Consolidated Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 44: INTEREST IN OTHER ENTITIES

(i) Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of Subsidiaries	Principal activities	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group As at 31-Mar-18	As at 31-Mar-17
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	99.99%	99.99%

(a) These companies are relatively much smaller and there have been no significant business activities in these companies.

(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-18	As at 31-Mar-17
Triveni Turbine Limited	Power generating equipment and solutions	India	21.82%	21.82%
Aqwise-Wise Water Technologies Ltd.	Water and wastewater treatment solutions	Israel	25.04%	25.04%

The above associates are accounted for using the equity method in these consolidated financial statements.

(a) Summarised financial information of Associates

The summarised financial information below represents amounts shown in the associate's financial statements and drawn up for consolidation under equity accounting method by the Group.

Summarised balance sheet of Associates

	Triveni Turbine Limited		Aqwise-Wise Water Technologies Ltd.	
	As at 31-Mar-18	As at 31-Mar-17	**As at 31-Mar-18**	As at 31-Mar-17
Current assets				
Cash and cash equivalent	1153.59	1769.89	1822.27	1918.73
Other assets	46169.49	34862.65	10275.39	7482.19
Total current assets	**47323.08**	**36632.54**	**12097.66**	**9400.92**
Total non-current assets	**27949.18**	**27751.32**	**1913.56**	**922.39**

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(All amounts in ₹ lakhs, unless otherwise stated)

	Triveni Turbine Limited		Aqwise-Wise Water Technologies Ltd.	
	As at 31-Mar-18	As at 31-Mar-17	**As at 31-Mar-18**	As at 31-Mar-17
Current liabilities				
Financial liabilities (excluding trade payables and provisions)	955.72	1415.87	2038.07	5176.04
Other liabilities	27888.87	20969.04	8403.40	1761.29
Total current liabilities	**28844.59**	**22384.91**	**10441.47**	**6937.33**
Non-current liabilities				
Financial liabilities (excluding trade payables and provisions)	5.06	23.76	979.18	991.22
Other liabilities	1209.50	1629.12	-	-
Total non-current liabilities	**1214.56**	**1652.88**	**979.18**	**991.22**
Balance	**45213.11**	**40346.07**	**2590.57**	**2394.76**
Contributions of non-controlling interest towards share in losses	-	-	86.17	379.65
Net assets	**45213.11**	**40346.07**	**2676.74**	**2774.41**

Summarised statement of profit and loss of Associates

	Triveni Turbine Limited		Aqwise-Wise Water Technologies Ltd.	
	Year ended 31-Mar-18	Year ended 31-Mar-17	**Year ended 31-Mar-18**	Year ended 31-Mar-17
Revenue	75331.61	76556.99	13726.28	12566.75
Interest income	17.14	13.92	-	-
Depreciation and amortisation	1912.40	1479.87	79.09	69.20
Interest expense	53.34	33.23	91.90	441.83
Profit from continuing operations	9596.95	12355.46	347.08	77.68
Profit from discontinued operations	-	-	-	-
Profit for the year	9596.95	12355.46	347.08	77.68
Other comprehensive income	35.93	(162.47)	-	-
Total comprehensive income	9632.88	12192.99	347.08	77.68
Dividend received from the Associate	864.00	324.00	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associates recognised in consolidated financial statements:

	Triveni Turbine Limited		Aqwise-Wise Water Technologies Ltd.	
	As at 31-Mar-18	As at 31-Mar-17	**As at 31-Mar-18**	As at 31-Mar-17
Net assets of the Associates	45213.11	40346.07	2676.74	2774.41
Group's share in %	21.82%	21.82%	25.04%	25.04%
Group's share in ₹	9865.51	8803.52	670.26	694.71
Adjustments:				
Group's share in adjustment for unrealised profits on inter-company transactions (net of tax)	(4.32)	(6.81)	-	-

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	Triveni Turbine Limited		Aqwise-Wise Water Technologies Ltd.	
	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17
Goodwill on acquisition (as restated)	-	-	2172.62	2231.03
Adjustment for tax on balance undistributed profits	(1533.33)	(1347.04)	-	-
Other adjustments	0.07	0.07	-	-
Carrying amount	8327.93	7449.74	2842.88	2925.74

NOTE 45: ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity in the Group	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Triveni Engineering & Industries Limited								
31 March 2018	90.86%	85972.44	84.75%	10096.62	100.95%	121.72	84.91%	10218.34
31 March 2017	90.55%	75644.72	91.06%	23032.23	93.47%	(448.62)	90.99%	22583.61
Subsidiaries (Group's share)								
Indian								
Triveni Engineering Ltd.								
31 March 2018	0.47%	441.49	-0.01%	(1.38)	0.00%	-	-0.01%	(1.38)
31 March 2017	0.52%	437.35	-0.01%	(1.27)	0.00%	-	-0.01%	(1.27)
Triveni Energy Systems Ltd.								
31 March 2018	0.40%	375.35	-0.01%	(1.24)	0.00%	-	-0.01%	(1.24)
31 March 2017	0.44%	370.64	-0.01%	(1.27)	0.00%	-	-0.01%	(1.27)
Triveni Sugar Limited								
31 March 2018	0.00%	1.00	-0.01%	(0.84)	0.00%	-	-0.01%	(0.84)
31 March 2017	0.00%	1.84	0.00%	(0.87)	0.00%	-	0.00%	(0.87)
Svastida Projects Limited								
31 March 2018	0.01%	5.99	-0.01%	(1.19)	0.00%	-	-0.01%	(1.19)
31 March 2017	0.00%	2.22	0.00%	(1.17)	0.00%	-	0.00%	(1.17)
Triveni Entertainment Limited								
31 March 2018	0.42%	393.92	0.01%	1.12	0.00%	-	0.01%	1.12
31 March 2017	0.52%	431.99	0.01%	2.07	0.00%	-	0.01%	2.07
Triveni Industries Limited								
31 March 2018	0.00%	0.47	-0.01%	(1.09)	0.00%	-	-0.01%	(1.09)
31 March 2017	0.00%	0.39	-0.01%	(1.36)	0.00%	-	-0.01%	(1.36)

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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
Non-controlling interests in all subsidiaries								
31 March 2018	0.00%	(0.00)	0.00%	0.00	0.00%	-	0.00%	0.00
31 March 2017	0.00%	(0.00)	0.00%	0.00	0.00%	-	0.00%	0.00
Associates (Investments as per the equity method)								
Indian								
Triveni Turbine Limited								
31 March 2018	8.04%	7607.86	14.56%	1735.10	5.87%	7.08	14.48%	1742.18
31 March 2017	8.06%	6729.67	8.89%	2248.31	7.39%	(35.45)	8.92%	2212.86
Foreign								
Aqwise-Wise Water Technologies Ltd.								
31 March 2018	-0.17%	(163.31)	0.73%	86.91	-6.82%	(8.23)	0.65%	78.68
31 March 2017	-0.10%	(80.45)	0.08%	19.45	-0.87%	4.18	0.10%	23.63
Total								
31 March 2018	**100.00%**	**94635.21**	**100.00%**	**11914.01**	**100.00%**	**120.57**	**100.00%**	**12034.58**
31 March 2017	**100.00%**	**83538.37**	**100.00%**	**25296.12**	**100.00%**	**(479.89)**	**100.00%**	**24816.23**

NOTE 46: LEASES

(i) Obligations under finance leases

The Group has acquired certain lands under lease, classified as finance leases. Original lease term in respect of one of the land is ninety years whereas another land is on perpetual lease basis. The Group had paid one time payment of lease charges in respect of these leases and there are no further future lease maintenance payments under the lease agreement. There is no contingent rent or restriction imposed in the lease agreement.

(ii) Operating lease arrangements

As Lessee

The Group has taken various residential, office and godown premises under operating lease. These are generally not non-cancellable leases (except for few premises) having unexpired period upto eight 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.

Payments recognised as expense

	Year ended 31-Mar-18	Year ended 31-Mar-17
Lease payments (refer note 33)	591.09	594.17
	591.09	**594.17**

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Non-cancellable operating lease commitments

	As at 31-Mar-18	As at 31-Mar-17
Not later than one year	259.55	259.55
Later than one year and not later than five years	21.63	281.18
Later than five years	-	-
	281.18	**540.73**

As Lessor

The Group has given certain portion of its office / factory premises under operating leases (including lease for investment properties (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 consolidated 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 consolidated 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 consolidated statement of profit and loss under "Other income" (refer note 25). Rental 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.

NOTE 47: COMMITMENTS

	As at 31-Mar-18	As at 31-Mar-17
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	50.30	256.51
(b) Operating lease commitments	Refer note 46 (ii)	
(c) Group's share of associates' commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	147.75	273.12

NOTE 48: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

	As at 31-Mar-18	As at 31-Mar-17
(a) 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 ₹ 414.94 lakhs (31 March 2017: ₹ 474.41 lakhs), excluding interest, under protest pending final adjudication of the cases:	1732.64	2068.50

Sl. No.	Particulars	Amount of contingent liability 31-Mar-18	Amount of contingent liability 31-Mar-17	Amount paid 31-Mar-18	Amount paid 31-Mar-17
1	Sales tax	245.59	321.68	86.38	106.63
2	Excise duty	773.95	1034.80	294.55	334.34
3	GST	0.57	-	0.57	-
4	Others	712.53	712.02	33.44	33.44

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	As at 31-Mar-18	As at 31-Mar-17
(ii) The Group is contingently liable in respect of short provision against disputed income tax liabilities (excluding determination of final interest payable thereon) of ₹ 3174.34 lakhs (31 March 2017: ₹ 3803.21 lakhs) against which ₹ 2844.62 lakhs (31 March 2017: ₹ 2739.06 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.	3174.34	3803.21
(iii) Statutory levies against which remission has been availed under U.P. Sugar Industry Promotion Policy 2004 issued by the state government of Uttar Pradesh (refer note 43)	4158.38	4158.38
(iv) 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
(v) Group's share of associates' contingent liabilities	147.05	292.33
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.		
(b) Guarantees/sureties excluding financial guarantees		
Guarantees/surety given on behalf of companies ₹ Nil (31 March 2017: ₹ 1490.51 lakhs), including a corporate guarantee of ₹ Nil (31 March 2017: ₹ 1450.51 lakhs) equivalent to GBP Nil (31 March 2017: GBP 17.62 lakhs) given on behalf of an associate company as a surety for due performance of its obligations under a contract awarded by an overseas customer and in respect of which, the associate company has fully indemnified the Company against any claims, damages or expenses, including legal costs. The guarantees have been given in the normal course of operations of these companies and are not expected to result in any loss to the Company on the basis of such companies fulfilling their ordinary commercial obligations.	-	1490.51

Contingent assets

Based on management analysis, there are no material contingent assets as at 31 March 2018 (31 March 2017: ₹ Nil).

NOTE 49: DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

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-18	31-Mar-17
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	43.42	37.35
(ii) Interest due on above	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	31-Mar-18	31-Mar-17
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year on delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

NOTE 50: DISCLOSURE FOR CERTIFIED EMISSION REDUCTIONS AND RENEWABLE ENERGY CERTIFICATES

(i) In accordance with the Guidance Note on Accounting for self-generated Certified Emission Reductions (CERs), issued by the Institute of Chartered Accountants of India, the Group has recognised the CERs held by it as inventories in its consolidated financial statements. Disclosures as required under the Guidance Note are as under:

(a) 86,562 (31 March 2017: 86,562) CERs (net of fee for UNFCCC adaptation fund) have been held as inventory by the Group as at the end of the year.

(b) There are no CERs under certification as on the date of the consolidated financial statements;

(c) The Group's Deoband and Khatauli Phase-I projects are registered as Clean Development Mechanism (CDM) projects with United Nations Framework Convention on Climate Change (UNFCCC) and it is not feasible to identify specific items of machinery/equipment as an "emission reduction equipment". Accordingly, details of depreciation and operation & maintenance costs, pertaining to emission reducing equipment have not been provided.

(ii) During the year, the National Load Despatch Centre (NLDC) has issued 8,420 (31 March 2017: 58,525) Renewable Energy Certificates (RECs) to the Group under the Central Electricity Regulatory Commission Regulation on RECs. At the close of the year Nil (31 March 2017: 1,22,728) RECs remained unsold and are held as inventories in the consolidated financial statements.

NOTE 51: STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) vide notification dated 28 March 2018 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 which has come up with omission of Ind AS 11 *Construction Contracts* & Ind AS 18 *Revenue* with the introduction of Ind AS 115 *Revenue from Contracts with Customers* and amendments in various other Ind ASs. These amendments are effective for accounting periods beginning on or after 1 April 2018 and the Group intends to adopt these amendments when they become effective. The new Ind AS that are issued, but not yet effective, upto the date of issuance of the Group's consolidated financial statements are disclosed below:

Ind AS 115 Revenue from Contracts with Customers : Ind AS 115 establishes a five-step model to account for reveue arising from contracts with customers. Under Ind AS 115 revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer (i.e. when (or as) the customer obtains control of that asset) at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for accounting periods commencing on or after 1 April 2018. The Group is in process of evaluating the requirements of the said standard and its impact on its consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 52: COMPARATIVES

(i) Goods and Services Tax ("GST") has been implemented with effect from July 1, 2017 and therefore, revenue from operations for the period from July 1, 2017 to March 31, 2018 are net of GST. Revenue from operations and expenses for the year ended March 31, 2017 being inclusive of excise duty are not comparable with corresponding figures for the year ended March 31, 2018.

(ii) The Group has reclassified certain items of financials of comparative year to confirm this year's classification, however, impact of these reclassification are not material.

NOTE 53: APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved for issue by the Board of Directors of the Company on 24 May 2018 subject to approval of shareholders.

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 24, 2018

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

Notes

Information on the Company's Business Locations

Registered Office
Deoband, District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222866, 222185
Fax: 222220
CIN- L15421UP1932PLC022174

Corporate Office
'Express Trade Towers', 8th Floor
15-16, Sector - 16A
Noida - 201 301 (U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11

Share Department/Investors' Grievances
'Express Trade Towers', 8th Floor
15-16, Sector - 16A
Noida - 201 301 (U.P.)
STD Code: 0120
Phone: 4308000, Fax: 4311010-11
Email: shares@trivenigroup.com

Registrar and Share Transfer Agents
For Equity Shares held in physical and electronic mode
(Correspondence Address)
M/s Karvy Computershare Pvt. Ltd.
Unit: Triveni Engineering & Industries Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad-500 032
Phone: 040-67162222
Fax: 040-23001153
Email: einward.ris@karvy.com

Khatauli Sugar Unit
Khatauli, District- Muzaffarnagar,
Uttar Pradesh-251 201
STD Code: 01396
Phone: 0885910861/62

Deoband Sugar Unit
Deoband, District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222185, 222866
Fax: 222220

Ramkola sugar unit
Ramkola, District-Kushinagar
Uttar Pradesh-247 305
STD Code: 05567
Phone: 9936300473
Fax: 256248

Sabitgarh Sugar Unit
P.O. Karora, Tehsil Khurja
District-Bulandshahar,
Uttar Pradesh
STD Code: 05733
Phone: 9557794246
Fax: 228894/95

Rani Nangal Sugar Unit
Rani Nangal, Thakurdwara
District - Moradabad
Uttar Pradesh
STD Code: 0591
Phone: 09690003373

Milak Narayanpur Sugar Unit
Milak Narayanpur, P.O. Dadiyal
District-Rampur
Uttar Pradesh - 244 925
STD Code: 0595
Phone: 9758019455
Fax: 2565002

Chandanpur Sugar Unit
P.O. Chapna, Tehsil-Hasanpur,
District - Amroha
Uttar Pradesh - 244 255
STD Code: 05924
Phone: 267004/05, 7830220828
Fax: 267001

Co-generation Khatauli
Khatauli, District - Muzaffarnagar,
Uttar Pradesh - 251 201
STD Code: 01396
Phone: 9897133335
Fax: 9897544464

Co-generation Deoband
Deoband, District-Saharanpur
Uttar Pradesh - 247 554
STD Code: 01336
Phone: 222185, 222866
Fax: 222220

Alco-Chemical Unit
Village Bhikki Bilaspur,
Jolly Road,
District - Muzaffarnagar,
Uttar Pradesh-251 001
STD Code: 0131
Phone: 7895900631-36
Fax: 2600569

Branded Division
'Express Trade Towers', 8th Floor
15-16, Sector - 16A
Noida - 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11

Gears Business
1,2,3 Belagola Industrial Area,
Metagalli Post, K.R.S. Road,
Mysore-570 016
STD Code: 0821
Phone: 4280501, 4280502
Fax: 2582694

Water Business
Plot No. 44, Block-A,
Phase II Extension,
Hosiery Complex, Noida,
District Gautam Budh Nagar, U.P.
STD Code: 0120
Phone: 4748000, Fax: 4243049

Subsidiary Companies

Triveni Industries Limited
Sugar Unit Deoband,
District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222497, 222185
Fax: 222220

Triveni Engineering Limited
'Express Trade Towers', 8th Floor
15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000, Fax: 4311010-11

Triveni Energy Systems Limited
'Express Trade Towers', 8th Floor
15-16, Sector - 16A
Noida - 201 301 (U.P.)
STD Code: 0120
Phone: 4308000, Fax: 4311010-11

Triveni Entertainment Limited
Grand Plaza, 104, 1st Floor,
99, Old Rajinder Nagar Market,
New Delhi-110 060
STD Code: 011
Phone: 25810660

Triveni Sugar Limited
Plot No. 44, Block-A,
Phase II Extension,
Hosiery Complex, Noida,
District Gautam Budh Nagar, U.P.
STD Code: 0120
Phone: 4748000, Fax: 4243049

Svastida Projects Limited
Plot No. 44, Block-A,
Phase II Extension,
Hosiery Complex, Noida,
District Gautam Budh Nagar, U.P.
STD Code: 0120
Phone: 4748000, Fax: 4243049

Corporate Information

Chairman and Managing Director
Mr. Dhruv M. Sawhney
(DIN-00102999)

Vice Chairman & Managing Director
Mr. Tarun Sawhney
(DIN-00382878)

Directors
Mr. Nikhil Sawhney
(DIN-00029028)

Dr. F.C. Kohli
(DIN-00102878)

Lt. Gen. K.K. Hazari (Retd.)
(DIN-00090909)

Mr. Shekhar Datta
(DIN-00045591)

Ms. Homai A. Daruwalla
(DIN-00365880)

Dr. Santosh Pande
(DIN-01070414)

Mr. Sudipto Sarkar
(DIN-00048279)

Group Chief Financial Officer
Mr. Suresh Taneja

Group Vice President & Company Secretary
Ms. Geeta Bhalla

Bankers
Axis Bank Ltd.
Canara Bank
Central Bank of India
IDBI Bank Ltd.
IndusInd Bank Ltd.
Oriental Bank of Commerce
Punjab National Bank
RBL Bank Ltd.
State Bank of India
Yes Bank Ltd.

Auditors
M/s S.S. Kothari Mehta & Co.

Triveni Group website
www.trivenigroup.com

Triveni
ENGINEERING & INDUSTRIES LTD.

CIN: L15421UP1932PLC022174

'Express Trade Towers',
8th Floor, 15-16, Sector - 16A
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Fax: 4311010-11
Website: www.trivenigroup.com

Concept, Content & Design
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COMMUNICATIONS