2018-19
Annual Report

Triveni
ENGINEERING & INDUSTRIES LTD.

SUGAR

SEIZING OPPORTUNITIES. HARNESSING STRENGTHS.

STORIES INSIDE

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

Triveni Engineering & Industries Ltd. is one of the largest integrated Sugar manufacturers in India and market leader in its Engineering businesses of high speed gears, gearboxes, and water & wastewater treatment solutions.

Forward-looking statement

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

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

India is in the midst of a new churning that promises to transform the way we look at business, and the way we operate it. It is a churning that is reflected in the new opportunities that continue to get manifested across the segments of our business. This is evident in the business strategy that we pursue, steadfastly and diligently, to seize those opportunities to push the frontiers of our performance.

At Triveni Engineering & Industries Ltd. (Triveni), we are no longer satisfied with static goals and strategies to drive growth for today. In the perpetually transforming, dynamic business environment of today, we are focussed on looking inwards, every step of the way, to harness our inherent strengths to seize future opportunities for powering tomorrow's growth.

WE BELIEVE

not just in following the rules of the game, but also in changing them – through a more holistic and opportunity-led strategy that is designed to capture new possibilities and potentialities, in every facet of our operations and across the segments of our varied businesses.

FINDING WAYS TO MAKE SUGAR SWEETER

Success, we believe, is a direct corollary to identifying the right opportunities at the right time, and making the most of those opportunities to drive collective progress. The stronger the ability to harness opportunity, the sweeter is the taste of success.

STRENGTHENING THE OPPORTUNITY PLATFORM

Our Sugarcane Development Programme has emerged as a major opportunity-led growth propeller for our Sugar business, enabling us to offset the impact of the pricing volatility to some extent.

At Triveni, we remain strategically focussed on harnessing our expertise and experience in cane development to identify ways to strengthen our cane development programme, year after year. This has resulted in achieving record recoveries at 11.79% during the season 2018-19. Driven by our innovation-led cane development model, we are continually deepening our engagement with 3,00,000+ cane farmers.

DEEPENING FARMER ENGAGEMENT

- Explore new possibilities to develop new varieties of better-yielding and healthier varieties of cane
- Use innovative IT software/tools to enhance cane monitoring, development and procurement
- Disseminate knowledge on advanced practices in agronomy, cropping practices and plant protection programmes
- Provide seed and seed transport subsidies to farmers to facilitate growth of early, improved / high sugared varieties of cane
- Identify low-cost alternatives, through pioneering techniques, to boost healthy growth while protecting the crop from disease and pests

These path-breaking initiatives continue to power our enthusiasm in the Sugar business, despite the flux in the macro environment.

FINDING OPPORTUNITY IN ETHANOL

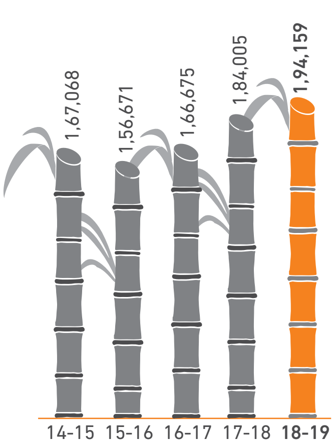
Steered by our ability to spot emerging opportunities, we see excellent potential for growth in Government's Ethanol Blending Programme (EBP10).

BEYOND SUGAR

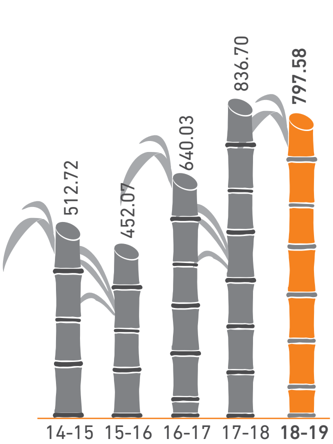
With our ability to visualise, and reach out to, opportunities beyond our core Sugar business, we also continue to effectively leverage the growth potential in Distillery and Co-generation, both of which showed excellent performance during FY 19. The Government's intervention, driven by its clean fuel programme, has inspired significant industry confidence in the ethanol business, encouraging us to invest in a new distillery. The new distillery of 160 KLPD in Sabitgarh will double our ethanol capacity.

The positivity we see in the opportunity landscape also extends to our Co-generation business, with our incidental co-generation units at Chandanpur, Milak Narayanpur and Sabitgarh delivering excellent revenue of ₹ 23.30 crore during FY 19.

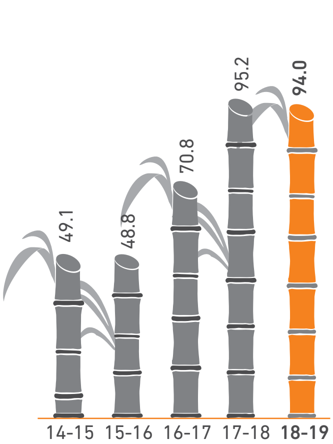
Area under Sugarcane (Ha)



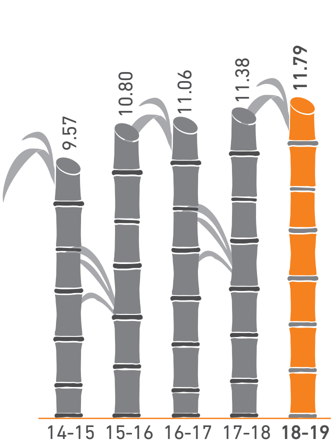
Sugarcane crushed (LQ)



Sugar produced (LQ)



Recovery (%)



Sugar Year (Oct - Sep)

ENGINEERED TO HARNESS GROWTH

Opening new vistas of growth requires the ability to harness new opportunities, and the capability to turn these opportunities into powerful instruments to engineer long-term progress and profitability.

TRANSLATING OPPORTUNITIES INTO POSSIBILITIES

Our Gears business remained on a high trajectory during the year, with excellent turnover growth, profitability and order booking. Amid a stable market and positivity across many domestic and international sectors, we witnessed a 24% increase in OEM sales, while the sales of spares, services, retrofitting including exports have grown by 15% to catapult the business to a new scale.

Defence and Renewable Component Manufacturing are two key areas of emerging lucrative opportunities for our Gears business, which we are well positioned to leverage at the back of our innovative edge, technological expertise and state-of-the-art manufacturing capacities.

₹ **176.2** crore
Outstanding Order Book
(as on March 31, 2019)

FINDING A NEW LIFELINE IN WATER

The fillip that our Engineering business has got on account of the turnaround in the Water business offers a large opportunity pie for us. For the first time in five years, the Water business has shown profits, with a ₹ 1,313.6 crore (including O&M) outstanding order book promising long-term growth opportunities. With delays and cost escalations finally on the way to becoming a thing of the past, we see more opportunities getting translated into orders in this segment, as we go forward. The Namami Gange projects, in particular, offers exciting opportunities in the Water segment, which we are judiciously focussed on leveraging.

₹ **1,313.6** crore
Outstanding Order Book
(as on March 31, 2019)

BUSINESS PROFILE

SUGAR

Integrated. Sustainable. Quality Product.

Triveni is one of India's largest integrated sugar manufacturers, with seven sugar mills strategically located across the Western, Central and Eastern parts of the sugarcane-rich areas of Uttar Pradesh (U.P.) – the country's largest sugarcane producing state. Integrated production approach ensures that co-products produced during manufacturing of sugar become raw material and get converted into other commercial products with substantial value additions.

REACH

Across 16 states

LOCATION

7 Sugar units in Uttar Pradesh; 3 co-generation and 3 incidental co-generation units; 2 distilleries

PBIT

₹ 303.0 crore

REVENUE

₹ 2,947.8 crore

BUSINESS

Integrated sugar manufacturing

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 at Muzaffarnagar Distillery and High quality Ethanol manufacturing at Sabitgarh Distillery

INTEGRATED SUGAR OPERATIONS

The Company's Khatauli, Deoband and Sabitgarh sugar units are in Western UP, while Rani Nangal, Chandanpur and Milak Narayanpur sugar units are located in Central UP, and Ramkola sugar unit is in Eastern UP. Integrated with co-generation and Distillery businesses, the sugar operations are optimised for value addition. Two of the facilities - Khatauli and Sabitgarh - produce refined sugar, which accounts for almost 40% of the total sugar production, while the other five sugar units manufacture white sulphitation sugar. The Sabitgarh unit also produces different grades of Pharmaceutical sugar that can be customised as per the customer's requirements. Triveni currently operates three grid-connected co-generation plants, and three incidental co-generation plants, located across five sugar units. These facilitate the export of surplus power to Uttar Pradesh Power Corporation Limited (UPPCL). Triveni has one of the largest and most efficient single stream molasses-based distilleries in the country. Located at Muzaffarnagar, it operates on captive feedstock from our sugar units. A new distillery with similar capacity (160KLPD) has recently been commissioned at Sabitgarh.

HIGH QUALITY PRODUCTS

SUGAR:

Triveni produces premium quality multi-grade plantation white, refined and pharmaceutical sugar. The sugar units are FSSC-2000:2010 certified. The Company's sugar is supplied not only to household consumers but also to bulk consumers. It has supply chain relationships with leading multinational beverage companies, food & FMCG companies, pharmaceutical companies and confectionery producers. It also has a strong presence in branded sugar market through its brand "Shagun".

DISTILLERY-BASED PRODUCTS:

The Company's distillery at Muzaffarnagar has a flexible manufacturing process, allowing it to produce Ethanol, Extra Neutral Alcohol (ENA), Rectified Spirit (RS) and Specially Denatured Spirit (SDS) based on market economics. All the products are renowned for high quality. The distillery at Sabitgarh produces high quality Ethanol.

POWER EXPORT:

Triveni currently operates 104.5 MW grid connected co-generation capacity, located at its five sugar units.

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 being located in the sugarcane catchment areas, all sugar units of the Company are under canal irrigation, both in Western and Central UP, thus leading to reduced dependency on the monsoon.

Mills located near major consumption centres –

- The strategic location of the units in vicinity to the country's major sugar consuming markets ensures better realisation prices through lower transportation costs, along with easier off-take.
- The sugar units produce a range of quality and crystal sizes of sugar, based on customer preferences and price optimisation.

Cane Development & Research –

- The Company is continuously focussed on increasing the farm level productivity by working with farmers on implementing the latest agro-techniques for sustainable farming.
- Triveni is working with scientists and research institutes for propagation and adoption of new high sugared and high-yielding varieties of sugarcane.
- The Company is engaged in carrying out soil analysis at soil testing labs and preparing soil maps to ascertain deficiency in nutrients, if any. It is implementing a plan to restore such nutrients in partnership with farmers. Soil health cards are given to the farmers, to explain and recommend action plan to restore soil health.
- Triveni encourages farmers to implement better agricultural practices and scientific techniques using modern agri-tools. These help in yield enhancement and generation of additional income to the farmers, besides boosting sustenance of soil health.

- 15 manufacturing facilities producing Sugar, Power and Ethanol
- 3,00,000+ Associated farmers
- 1,94,150+ Hectares of area under sugarcane cultivation
- ~ 40% of Refined sugar in total sugar produced
- 66% Power exported to grid
- 97% Ethanol sales in distillery product mix

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. Launched 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. Triveni remains the market leader in high-speed Gears and Gearboxes up to 70 MW capacity and speed of 70,000 rpm.

REACH

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

LOCATION

10.5 acres world-class manufacturing facility in Mysuru, Karnataka

PBIT

₹ 38.1 crore

REVENUE

₹ 133.1 crore

BUSINESS

Largest engineered-to-order turbo gearbox manufacturer in India

PRODUCT VARIETY

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


C-13
FINAL ASSEMBLY

MARKET POSITIONING

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

PRODUCTS

With over 6,000 global customers, the Company has been working relentlessly to deliver customised, robust and reliable gears solutions that meet the ever changing requirements of the customers for enhanced performance with reduced lifecycle cost. The major product portfolio includes gearboxes for Steam Turbines, Gas Turbines, Pumps, Blowers, ID/FD Fans and Compressors under the High Power High Speed segment. The product portfolio in Low Speed includes gearboxes for Hydro Turbines, Reciprocating Pumps and Compressors, Extruders, Mills. The gearboxes and gear parts are supplied to various industries like IPP, Refinery, Petrochemical, Steel, Sugar and Marine Industries. All the products are designed, manufactured and commissioned as per international quality norms, such as DIN/ AGMA/ API/ ISO standards. Triveni gearboxes are synonymous with 'maximum performance with minimum downtime'.

INFRASTRUCTURE

MANUFACTURING

Being a leading Turbo Gears Company in India and SE Asia, with a market share of > 80% in High Speed segment, Triveni Gears is the preferred partner to all Domestic and Multinational OEMs. Its world-class manufacturing facility, equipped with the latest equipment and software, is well positioned to meet the gearing requirements of all customers. It is equipped to deliver internationally benchmarked products at competitive costs, leading to reduced cost of ownership as well as lower life cycle costs.

- 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 with Carl Zeiss make CMM facility
- Testing and assembly bay with multiple workstations and three test benches to test gearboxes up to 90 MW capacity
- Adhering to highest quality standards
- Multi-modal bay for flexible manufacturing
- Flexi Mesh stand for ensuring mesh for lone Gear internals.

DESIGN

The business is guided by the Company's proactive approach of studying the market trends, procuring feedback from customers, anticipating their present and future requirements, and designing products that are efficient and cost effective. The integrated innovation framework for developing customer-focussed CAPEX/OPEX optimised product designs keeps the Company ahead of its competition. A dedicated team of engineers designs complex products using the latest software design tools.

SUPPLY CHAIN

Triveni's ability to provide optimised solutions with quick delivery arises from the efficient and robust supply chain that it has developed. All supply chain partners are governed by a strict code of conduct, with emphasis on cost control, quality, timely delivery, consistency and transparency.

QUALITY ASSURANCE

A dedicated team of experienced engineers ensures in-process and final product quality through stringent customised and structured QAP, to not only meet but exceed customers' expectation.

360-DEGREE SERVICE SOLUTIONS

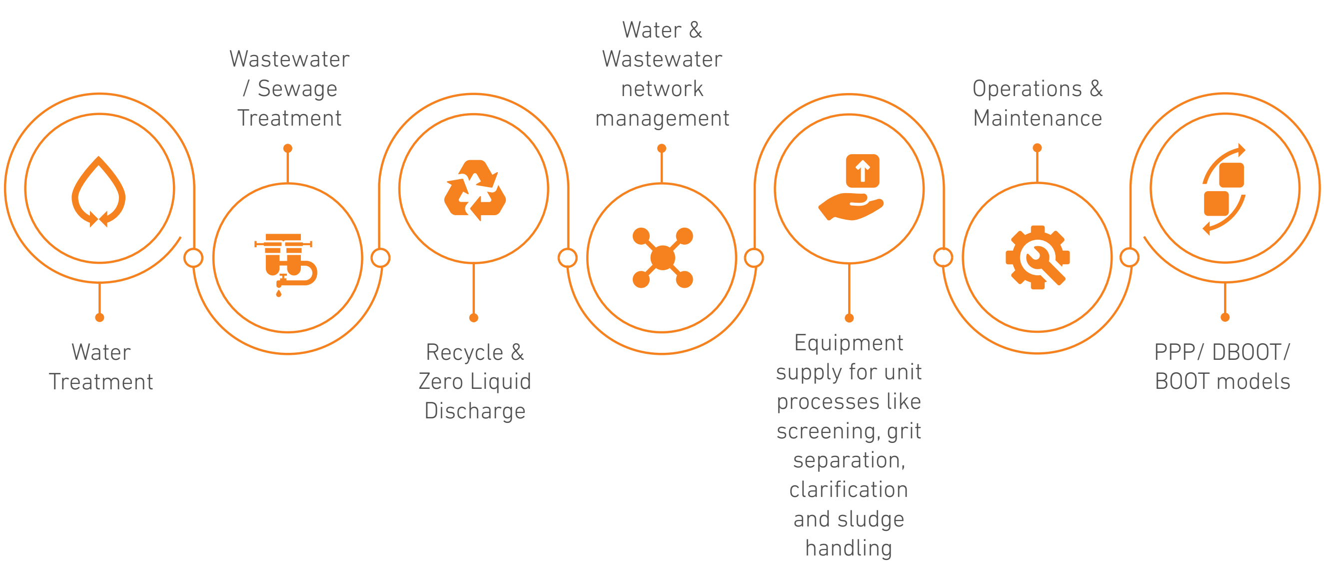
Triveni's robust and reliable products are backed by 360-degree service solutions, which minimise the downtime for its customers. It provides health monitoring services for all types of critical gearboxes - high-speed and low-speed. Its highly trained field service specialists provide lifetime support and strive to help customers in avoiding expensive downtime. The repair and retrofitting solutions are offered across applications – Industrial, Oil and Gas covering High-speed to Low-speed, API and AGMA. Triveni's service offerings and solutions include emergency breakdown support, including rush delivery of parts, diagnostics and troubleshooting support, reverse engineering and dimensioning expertise at site or in-house with specialised technical personnel, drop-in replacements of gearbox and gear internals, replacements/development of spare white metal bearings, etc.

BUSINESS PROFILE

WATER

The rapid increase in population, urbanisation and industrialisation has led to a significant increase in water demand. In the next decade, the demand for water is expected to grow by 20%, fuelled primarily by the industrial requirements which are projected to double from the current 23.2 trillion litres to 47 trillion litres. In this background, corporates need to play a vital role in contributing towards efficient and sustainable conservation of water for industrial use. The Company provides efficient and sustainable solutions to meet the water requirement of a large section of the industry and the Government. It has been Triveni's constant endeavour to bring in advanced technology solutions to contribute to the growing needs of the society.

The Company offers complete Turnkey / EPC solutions for:



PBIT

₹ 7.3 CRORE

REVENUE

₹ 249.2 CRORE

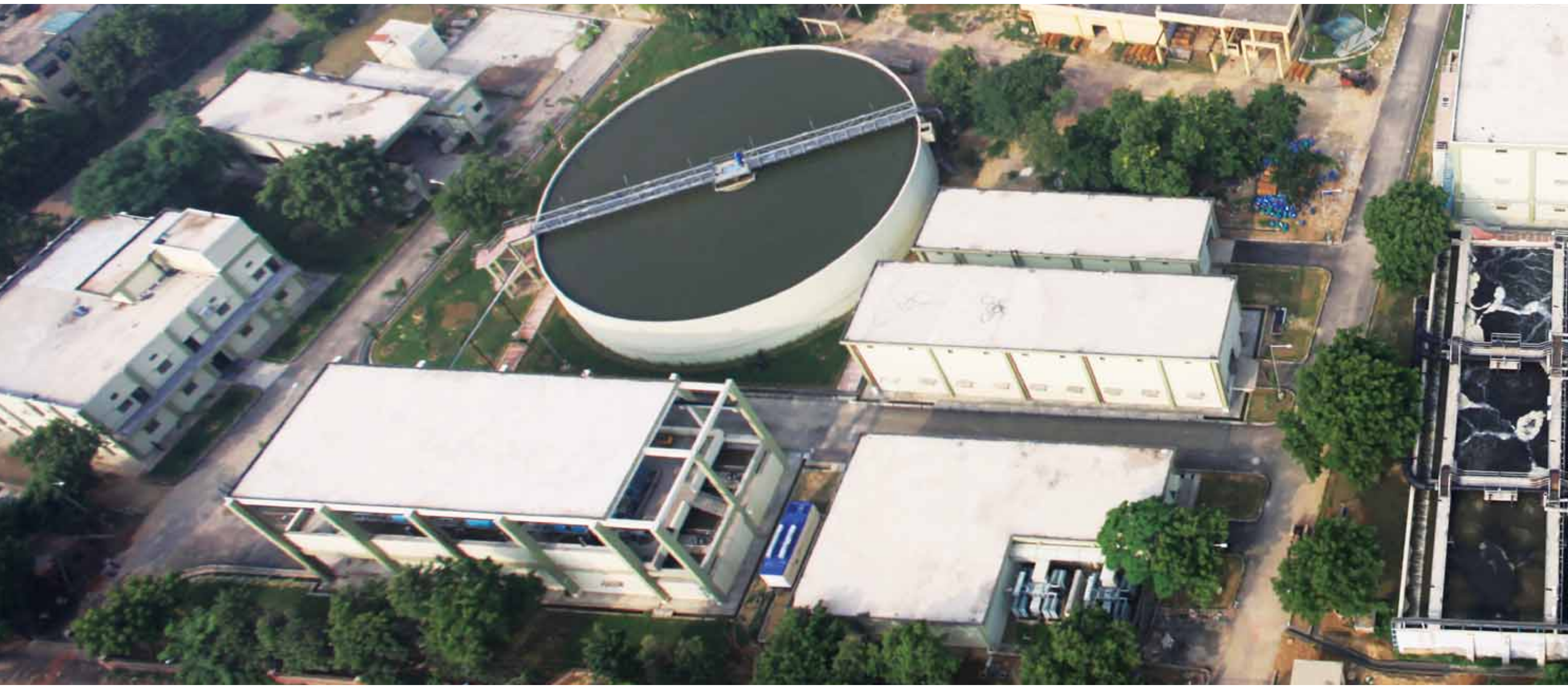
NO. OF PROCESS EQUIPMENT SUPPLIED AND COMMISSIONED

>2,000

WATER TREATED THROUGH OUR PROJECTS & EQUIPMENT

~10,000 MLD

(as on March 31, 2019)



WASTEWATER AND SEWAGE TREATMENT

Surface water and groundwater pollution due to industrial and domestic sewage remains a prime concern across the growing cities and industrial clusters of India. Taking cognisance of the alarming ground and river water quality, the National Green Tribunal (NGT) is taking tough action against polluting entities, as well as Water Boards & Municipal Corporations, and continuously improving discharge standards. In order to meet the increasing demands, Triveni Water is geared to offer sustainable solutions for effluent treatment, common effluent treatment and sewage treatment, which comprises physical, chemical and biological treatment based on advanced technologies. With more than a hundred successfully operating installations, Triveni's designs offer highly economical plant installation and operation, lowest footprint area, minimal waste generation, and water treatment aligned to specified standards.

RECYCLE AND REUSE OF WASTEWATER

Poor pricing mechanism is one of the main reasons for the abuse and inefficient use of water by the industrial sector. In India, the cost of water has three components: Water Cess paid to the pollution control boards, cost of buying water from suppliers such as Municipalities, and cost of extracting water from sources such as rivers or groundwater. Triveni has successfully designed, supplied and installed multiple recycle plants in India. It offers a wide range of technologies to provide complete solutions for recycle, reuse and Zero Liquid Discharge (ZLD), to ensure sustainable reuse of water.

The Company offers 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

OPERATIONS & MAINTENANCE

Operations & maintenance (O&M) of water & wastewater system refers to all the activities needed to run the plant continuously to provide the necessary service. The overall aim of O&M is to ensure efficient, effective and sustainable operations. Triveni Water has gained significant experience in O&M space for water & wastewater treatment plants, with services provided as per the needs of customers:

- 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

ACHIEVEMENTS

- Over 1,200 successfully operating installations across various segments – infrastructure, industrial and municipal - in India
- Approx. 10,000 MLD of water is treated through our projects and equipment
- Received several Water Awards for innovative project designs

PROCESS AND TECHNOLOGIES

Triveni Water has access to the latest technologies in water & wastewater treatment plants, and has gained sufficient experience in the following technologies: -

- MBBR – Technology arrangement with Aqwise of Israel
- SBR – Technology arrangement with GAA of Germany and Premier Tech of Canada
- ASP
- Conventional Technologies
- Filters – Sand or Membranes
- High rate Clarifiers
- A2O & Membranes
- Recycling / Reuse
- Zero Liquid Discharge

MESSAGE FROM THE CHAIRMAN

Our Engineering business received a significant growth impetus, which translated into excellent order booking, turnover and profitability.

Dear Shareholders,

Business success is dictated as much by the ability to identify opportunities as by the capability to effectively harness inherent strengths to seize those opportunities. With our eye firmly on emerging and burgeoning opportunities across the segments of our business, we, at Triveni, remain focussed on selectively augmenting our business portfolios.

Amid challenges of surplus sugar production in the country and consequent subdued pricing, our Sugar business remained on track, with recovery of 11.79%, surpassing that of the previous season. We continued to tap the growing opportunity matrix in sugar co-products, especially Distillery, and these businesses contributed immensely to compensate for subdued performance of Sugar business. Distillery, in particular, posted unprecedented profitability on account of higher ethanol prices along with lower raw material prices.

Encouraged by the positivity in the business climate and the Government's encouragement and support to increased Ethanol Blended Petrol (EBP) Programme, we remained on track with our plans to set up additional distillation capacities, which has become operational in the first quarter of FY 20. Our closely knit farmer relations in the strategically located command areas of our sugarcane procurement also continued to be a strong pillar for this business segment.

Though there are lower estimates of Sugar production in the next season, it seems that the production may still outstrip consumptions for the third consecutive year. The Government is doing well to support domestic sugar prices and export of sugar, without which the industry would have been in deep trouble. The long-term solution is to evolve realistic sugarcane prices and any portion in excess thereof should be funded by the Government through some mechanism. We would then be truly subject to free market forces and be self-sufficient without frequent intervention by the Government.

In the Engineering businesses, the Capital Goods segments relevant to our business are showing signs of recovery in domestic as well international markets, which helped in delivering record performance in our Gears business. We saw our Gears business geting a significant growth impetus, which translated into excellent order booking, turnover and profitability during the year. Our success in garnering a significant share of the Replacement market in South and South East Asia, Middle East and Africa also manifests our ability to steer our strategic charter in the areas of emerging opportunities.

It has been a remarkable year for our Water business, which secured major orders to energise our presence in this niche segment, thus helping us to report positive performance in terms of turnover and profitability. While we continue to work towards seizing new opportunities triggered by the launch of the ambitious Namami Gange project by the Central Government, we also remain focussed on expanding our order book through other projects that offer excellent possibilities for growth. This has helped us secure some large projects, including a ₹ 348 crore Delhi Jal Board project. We believe, the positivity in this segment is just the beginning of an exciting journey for our Water business.

Our outstanding order book of ₹ 1,489.8 crore for combined Engineering businesses marks an increase of 110% over the previous fiscal.

The majority of debts contracted by the Company carry concessional rate/ subvention of interest under various schemes of the State and Central Governments. It will help in containing our finance cost. One of the biggest challenge before the Company is the huge pile-up of inventories triggered by massive increase in production and regulated sugar despatches which have been enforced by the Central Government to support sugar prices.

The opportunity landscape, as we can see, is extremely large and evolving dynamically, necessitating a new, more focussed business approach aligned to the demands of the markets. I am happy to state that Triveni has successfully structured its business model, and continues to strengthen its core, to seize these opportunities for the collective benefit of the Company and all its stakeholders.

I would like to thank our stakeholders for their cooperation and confidence in the Company, which has, and will continue to inspire, us in our journey to scale new frontiers of growth.

With best regards,

Dhruv M. Sawhney

Chairman & Managing Director

Q&A WITH VICE CHAIRMAN AND MANAGING DIRECTOR

There has been a major turnaround in the productivity of the Sugar business – during the Season 2018-19, we have further improved on the recovery which stands at 11.79%, 41 basis points higher than the previous season.

Q It has been an excellent year for the Company, which has posted good performance across its business segments. What are the key influencing factors impacting this performance?

Yes, overall we have had a good year with gross revenue for FY 19 standing at ₹ 3,151.7 crore and profit after tax at ₹ 216.3 crore on a consolidated basis. The notable point is that this performance has been achieved with muted production contribution from Sugar. The numbers have been extremely encouraging in Distillery, Co-Generation segments, as well as Gears business, while our Water business has turned corner and reported positive results.

There has been a major turnaround in the productivity of the Sugar business – during the Season 2018-19, we have further improved on the recovery which stands at 11.79%, 41 basis points higher than the previous season. Our ability to weather the cyclicality of the business, by taking advantage of our economies of scale and increased manufacturing efficiencies has remained the key driver of our performance.

Sugar co-products businesses, namely, Co-generation and Distillery contributed significantly towards the overall profitability of the Company. The distillery in particular achieved record profitability on the back of higher output prices and lower input prices. The Distillery segment promises exceptional growth in the coming quarters in the light of the support and commitment of the Government towards Ethanol Blending Program (EBP).

Accordingly, the Company has doubled its ethanol production capacity with the addition of a greenfield distillery project of 160 KLPD at Sabitgarh U.P. This plant has been commissioned in the first quarter of FY 20.

In Gears, we have secured a highly encouraging order pipeline, which we see growing further as a result of our expansion into two new businesses, Naval and Marine products & services and Renewable Components segments manufacturing. Profitability and turnover have both been good in this business, with our innovative edge and diversified offerings making us the preferred partner for a large number of OEMs. This is an edge that we will continue to sharpen as we look at new markets and geographies.

While all our segments have delivered to expectations, it is the Water business that has given us the maximum satisfaction, showing a complete turnaround. We have secured substantial orders in this business to drive both turnover and profitability – a feat which endorses our decision to focus judiciously on the emerging opportunities in water and wastewater management.

As mentioned, it is our ability to identify the emerging opportunities, across businesses, and our growing nucleus of inherent strengths, expertise and capabilities to harness those opportunities, which has steered our growth. Going forward, we intend to employ similar strategies to help maximise the gains offered by the expanding opportunity matrix.

Q Can you please elaborate on the performance of your Sugar business, which continues to battle a lot of challenges on both the domestic and international fronts?

The Sugar business remains saddled with issues mainly emanating from surplus production for the last three consecutive years and record domestic sugar inventories which resulted in lower realisation of sugar. It is significant to note that the business managed to achieve profit under such a challenging situation. The transformation in the business has been made possible due to success of the Company to increase productivity through economies of scale and increased sugar recoveries. It required the Company to work hand-in-hand with the farmers and to convince them of radical change in sugarcane varietal balance with a mutually beneficial proposition. I would also give due credit to the State and Central Governments for supporting the industry and for introducing timely policies which helped the industry to be able to meet these challenging conditions.

GOING FORWARD, WE INTEND TO EMPLOY SIMILAR STRATEGIES TO HELP MAXIMISE THE GAINS OFFERED BY THE EXPANDING OPPORTUNITY MATRIX.

The Government introduced a Minimum Selling Price of sugar (MSP) at a time when sugar prices were collapsing due to burgeoning inventories. Further, the monthly regulated release mechanism of sugar helped to limit the supply of sugar and it supported the sugar prices. The Government's export policy, which made all mills to mandatorily export a prescribed quantity of sugar and offered subsidy against inventory carrying costs on buffer stocks allocated to sugar mills further helped the sugar industry. The UP Government and Central Government also extended soft loans to the industry for payment of cane dues.

Despite adverse business conditions prevailing in the sugar industry, our Sugar business performance has remained on track, thanks to the buoyancy in the ancillary businesses of Distillery and Co-generation. Distillery, in particular, has yielded unprecedented performance during the year at the back of the Government's effort to promote Ethanol as a clean fuel alternative, coupled with lower raw material costs.

At the same time, our Co-generation business performance has also been quite satisfactory. The income from the incidental co-generation units at three of our sugar units has been steady and contributed an excellent revenue of ₹ 23.30 crore for the year.

Q Given the continuing pricing volatility, what is the short-term outlook for sugar?

For the foreseeable future, barring some unforeseen climatic changes, the production in the country may exceed consumption and this norm may become a new normal for the country. Under this situation, India may have to continually export sugar or find ways to absorb this surplus. If the export of sugar takes place in a regular manner and the sugar mills honour their export obligations, the volatility in the domestic market may drastically decline. Even presently, the volatility has been well managed in view of MSP and regulated monthly sugar despatches enforced by the Government. Further, we are better placed in terms of sugar realisation prices as we produce refined sugar to extent of around 40% of our total production and also make pharmaceutical grade sugar, which fetch premium over normal sulphitation sugar.

The most important influencing factor is the introduction of the new bio-fuel policy where the sugar mills have the flexibility to manufacture ethanol from B-heavy molasses and sugarcane juice. Subject to a multi-year pricing framework and the ability to process partial quantities of sugarcane juice, this may turn out to be a great lever available to the sugar mills to formulate an optimal product mix of sugar and ethanol based on market economics and therefore regulate sugar production. However, it may take some time before additional distillation capacities are set up and sizeable sugar production is sacrificed in favour of ethanol.

Q How do you view the potential of Ethanol?

We are bullish about the Ethanol business and the Government seems committed to increased EBP. The opportunities in Distillery have seen a major surge in recent quarters in view of the Government's sustained efforts to boost its clean fuel programme under "National Biofuel Policy". There are sufficient indications of a move from 10% to at least 15%, if not more, given the current level of automobile technology in India. In any case, production of ethanol is more productive than producing any other form of alcohol, which means the potential for business growth is higher.

Besides, we see a lot of investment by OMCs happening in 2G ethanol facilities across the country, coupled with the Central Government's approval to extension of a soft loan of about ₹ 6,100 crore - for greenfield distillation capacity and enhancement of capacity at the existing units. The plethora of units coming online is the direct result of these developments, and our 160 KLPD plant at Sabitgarh is also part of the same plan. Sabitgarh will be one of the first few distilleries that come up in the country in the wake of the additional thrust given by the Central Government to ethanol production.

Q Your Gears business has shown remarkable performance during the year. What were the factors driving this performance? Do you expect the trend to continue?

It has been a good year for our Gears business, with turnover and profitability growing, respectively, by 19% and 21%. The growth in OEM sales stood at 24% while the sales of spares, services, retrofitting including exports have grown 15% during FY 19. Our outstanding order book, as on March 31, 2019, stood at ₹ 176.2 crore (including ₹ 88.4 crore of long-tenure orders).

Overall, the market looks stable with positive signs from many sectors, both domestically and internationally. In the Defence sector, the Company is working towards aligning to the Make in India initiatives for various products which should augur well for the business in coming years.

Retrofitting business segment has witnessed growth of 15% in turnover, mainly contributed by Oil & Gas, Petrochemical, Steel, Cement & Fertiliser sectors. We are also exploring additional avenues of growth in order to utilise our existing infrastructure for component manufacturing aligned to customers' drawing on a serial production basis.

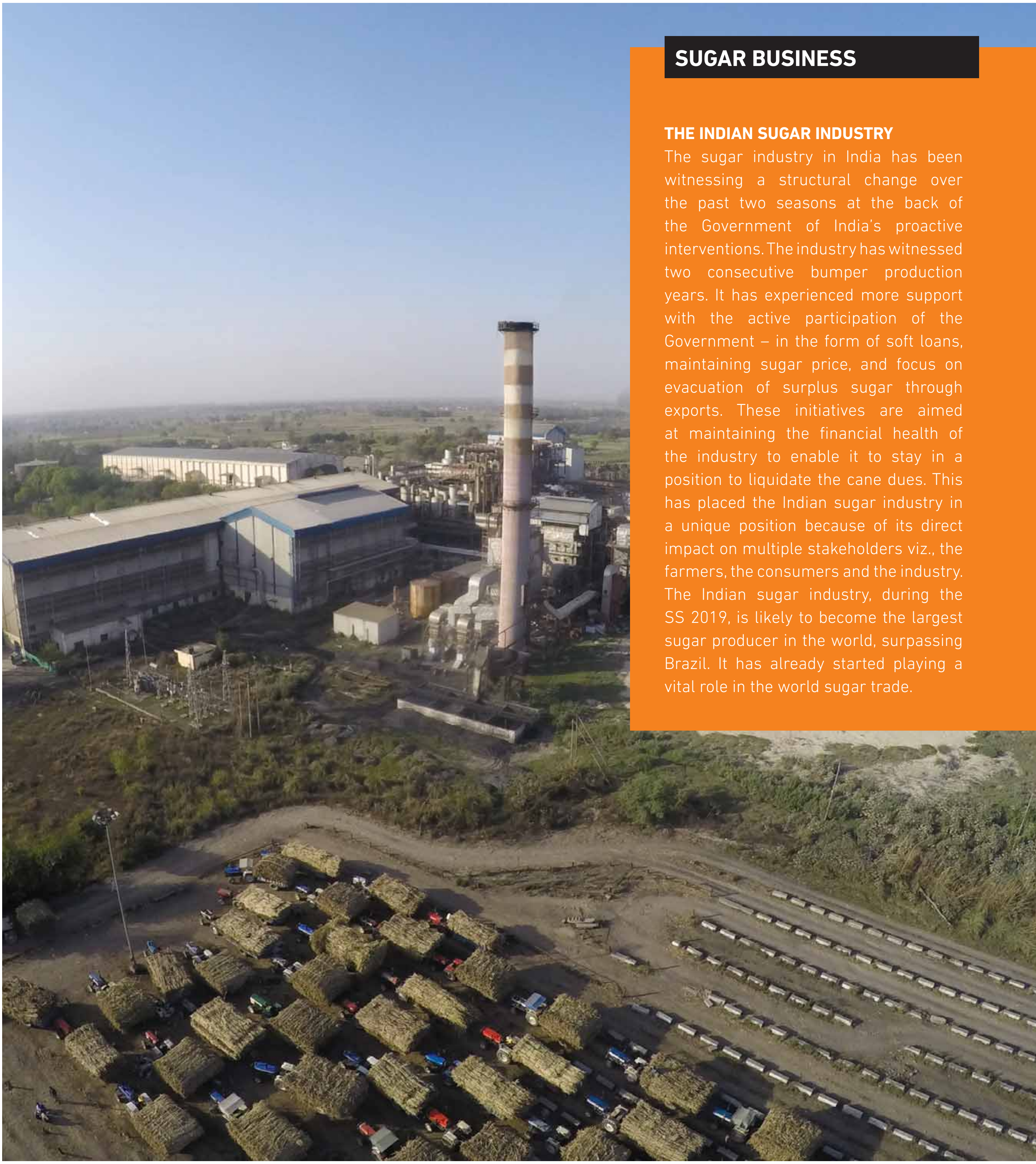
Q Coming to the Water business, that has been the big talking point for the Company this year. So what are the prospects for the coming year?

We are extremely pleased with the turnaround in this business, in which we had always seen a lot of potential for growth but till last year, there were impediments due to slow finalisation of orders, project delays due to adverse financial condition of our customers and general subdued economic activities. Finally, our efforts have translated into a strong pipeline of orders (we received a total of 5 EPC projects worth ₹ 1,000.1 crore during the year, including O&M). Our outstanding Order Book as on March 31, 2019 stood at ₹ 1,313.6 crore (including ₹ 512.3 crore towards O&M).

The projects are spread across sectors and geographies, thereby reducing risk of overdependence. We secured our largest order for setting up a sewage treatment plant at Mathura, project which is on Hybrid Annuity Model under the Namami Gange programme, while on the industrial segment, the Company received a large order for execution in Balotra, Rajasthan. Besides, there is one order for a 15 MLD power-based project and also a large municipal project in Delhi for Delhi Jal Board. All these aggregated to a record order booking for the financial year under review of over ₹ 1,000 crore.

The Mathura Wastewater Municipal Project, under Namami Gange Programme, which will be executed through a wholly-owned subsidiary, promises to further enhance our position in the Water business, in which we see humungous potential in view of the growing focus on water conservation and management, as well as sewage management.

Management Discussion & Analysis



SUGAR BUSINESS

THE INDIAN SUGAR INDUSTRY

The sugar industry in India has been witnessing a structural change over the past two seasons at the back of the Government of India's proactive interventions. The industry has witnessed two consecutive bumper production years. It has experienced more support with the active participation of the Government – in the form of soft loans, maintaining sugar price, and focus on evacuation of surplus sugar through exports. These initiatives are aimed at maintaining the financial health of the industry to enable it to stay in a position to liquidate the cane dues. This has placed the Indian sugar industry in a unique position because of its direct impact on multiple stakeholders viz., the farmers, the consumers and the industry. The Indian sugar industry, during the SS 2019, is likely to become the largest sugar producer in the world, surpassing Brazil. It has already started playing a vital role in the world sugar trade.

THE SUGAR MARKET

Market Analysis

Sugar industry in India is one of the significant contributors to GDP from agriculture, and supports 50 million farmers. It also provides employment to around half a million workers directly in sugar mills. This is one of the key reasons for the high degree of regulation in the sugar industry.

The industry witnessed two successive years of record production, backed by the significant increase in sugarcane production. This was achieved on account of favourable monsoon in the past two seasons, coupled with the strong cane development initiatives taken by the sugar mills and supported by the farmers. There has been a significant increase in the yield and recoveries, leading to record sugar production, even though the increase in area under sugarcane cultivation is marginal. During SS 2018-19, sugarcane planting has increased by 9.2% and the total area under sugarcane in the country increased from 50.42 lakh hectares in SS 2017-18 to 55.02 lakh hectares in SS 2018-19. The increase in sugarcane area has been mainly in Maharashtra, while in UP, the increase has been marginal. However, a marginal increase in sugarcane production has been estimated for SS 2018-19, close to 410 million tonnes.

Sugar Production

The country's sugar production for SS 2018-19 is estimated to be around 33 million tonnes, marginally higher than the previous season. This will be the country's highest sugar production so far, out-performing the previous high of SS 2017-18. This estimated increase in production is due to record production by the states of Maharashtra and Uttar Pradesh. As per recent estimates, Uttar Pradesh is expected to produce around 11.82 million tonnes of sugar, followed by Maharashtra at over 10.7 million tonnes, while Karnataka is expected to produce around 4.3 million tonnes of sugar.

The substantial increase in sugar production in Maharashtra is attributable to improved climatic conditions. In Uttar Pradesh, 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 subtropical climatic conditions. This has led to higher sugarcane yields with improved sugar recovery, resulting in record sugar production.

Sugarcane Pricing

Sugarcane pricing has always been a subject of both the Central and State Governments. The Central Government announces Fair & Remunerative price (FRP) for sugarcane, and FRP for SS 2018-19 was fixed at ₹ 2,750 per MT, higher by ₹ 200 per MT over the previous season. The FRP so announced is subject to base recovery of 10%, and in the event of recovery beyond 10%, the FRP will increase by ₹ 2.75 /quintal for every 0.1% increase in recovery. Various states, such as, Uttar Pradesh, Punjab & Haryana etc., announce their own price, which is termed as State Advised Price (SAP). The SAP in Uttar Pradesh remained unchanged at ₹ 3,150/MT for general variety and ₹ 3,250/MT for early variety for SS 2018-19.

Sugarcane pricing is a significant factor in the competitiveness of the Indian industry in terms of sugar exports. In view of high cane cost and the resultant higher cost of sugar production, it is not possible to compete with the export prices without help from the Government. Sugarcane price in India is 70-80% higher than that in Brazil or Thailand. For self-sufficiency, cane pricing policies would need immediate rationalisation, with focus on bringing them in line with global practices.

Indian sugarcane farmers are mostly small and marginal, and therefore, the Government's attempt to protect them with a remunerative cane price and assured off-take has merit. However, unchecked increase in cane prices create mismatch in input and output prices at various stages of the sugar cycle and hurt the sugar sector. Such a situation is not desirable for the industry and thus, the burden of cane price on the industry should be based on commercial considerations only, with provisions for support by the Government in the years of cane pricing abrasion. This alone will lead to realistic sugar prices and help the sugar sector to aggressively compete in world trade. The present system of cane pricing is not working effectively, as is evident from the fact that as on March 31, 2019, cane price arrears to farmers stand at ₹ 20,000 crore, which means that one-fourth of the cane price to the farmers is still unpaid.

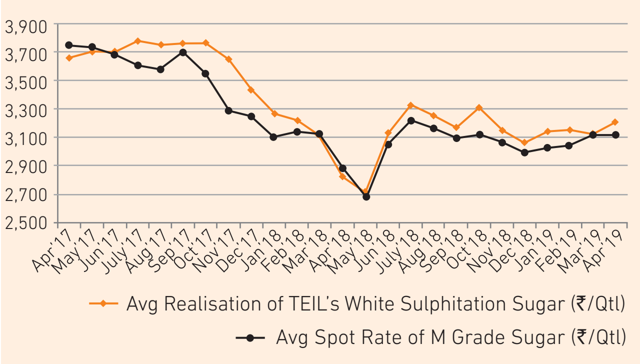
Even though the Government supported the industry with soft loans, benefits of Buffer stocks, subsidies and incentives, etc., the root cause of the problem is the mismatch between cane price and sugar price. An excessively high sugarcane price makes Indian sugar uncompetitive globally.

Sugar Prices

Domestic

The record production in SS 2017-18, coupled with unchecked despatches, led to the collapse of sugar prices during the early part of the year under review. The Government promptly sprang into action and announced Minimum Selling Price (MSP) of sugar with effect from June 2018, at ₹ 29/Kg. It also simultaneously introduced monthly release mechanism to limit oversupply of sugar in the market. These interventions had the effect of bringing about stability in the sugar prices, albeit artificially. The spot price movement in Delhi for FY 19, moved up to ₹ 34.80 per kg during June 2018, and then came close to MSP levels by end of September 2018. Thereafter, prices hovered in the range of ₹ 30 to ₹ 31 per kg between November 2018 and Mid February 2019. To improve cane price payment capacity, in February 2019, the Government decided to raise the MSP to ₹ 31 per kg, and also directed that no sugar can be sold below the MSP by the sugar factories. After revision in MSP during February 2019, sugar prices are moving closely in the range of ₹ 31 to ₹ 32 per kg.

TEIL vs Spot Rate - Monthly Avg Realisation of Sulphitation Sugar



Global

Global surplus due to phenomenal rise in production in some of the Asian countries kept global sugar price range-bound. Output from Thailand is likely to remain close to 14.6 MMT, slightly higher than the previous season. EU may produce 16.97 MMT for SS18-19, whereas production in Australia is estimated at 4.6 MMT. Production in Pakistan is down to 5.2 MMT against 7 MMT of the previous season, thanks to decline in cane area due to drought conditions, as well as better and timely remuneration of competitive crops. Center South Brazil has produced 26.5 MMT of sugar. Overall, surplus for the season is estimated at 5 MMT,

NY 11 - Raw Sugar Price Trend (Cents / Pound)

Raw sugar contract moved in the range of 12 to 13.9 cents/pound during the year. It has further tumbled in future contracts due to depreciation in Brazilian currency. As soon as the crushing started in the Asian countries, sugar prices started moving downwards. After touching a peak of 13.9 cents/pound in October 2018, the market never recovered during the year. Likewise, White sugar, which touched a peak of around USD 390/tonne, moved conservatively during this period against the rumours of Indian Raws for the world market and it fell down significantly to the range of USD 320 to USD 330 making it difficult for Indian sugar industry to export sugar.

Demand-Supply Scenario

Domestic

Indian Sugar Industry

The country's sugar production for the last two seasons was significantly higher than the consumption, resulting in a huge stockpile. Production for the current sugar season (18-19) is estimated to be the highest ever produced by India, which may replace Brazil as the highest sugar producing country globally for the current season. Sugar output as on March 31, 2019 has reached close to 29.8 MMT which is up by 1.5 MMT from the previous year. With a large number of mills in Uttar Pradesh still operating, overall sugar output for SS 18-19 is likely to surpass 33 MMT. With opening stocks of 10.7 MMT, consumption of 25 MMT & Physical exports to the tune of 3-3.5 MMT, the season is likely to end with carry-over stocks of ~15 MMT, clearly an indication of challenging conditions for the Industry.

UP Sugar Industry

Historically, the UP had been the largest producer of sugarcane in the country but only the second-largest producer of sugar. This was mainly due to higher diversion of sugarcane for manufacturing alternate sweetener, and also due to the relatively much lower recoveries and yield than the major sugar producing state of Maharashtra. However, for the past two years, there has been a turnaround in the UP sugar industry, owing to rapid propagation of a new variety of sugarcane Co-0238, which has resulted in unprecedented increase in recovery, along with rising yields.

This variety was initially planted in 2013-14 in UP and now it covers about 1.76 million hectares, ~69% of UP's total sugarcane area in SS 2018-19. The average cane yield rose to 79 tonnes/hectare in SS 17-18 from 62 tonnes/hectare in SS 12-13. The estimated yield in SS 18-19 is ~80.5 tonnes/hectare. Similarly, the average recovery increased from 9.18% in SS 2012-13 to 11.48% in SS 18-19. This has led to a paradigm shift in the state's sugar industry and it is estimated that UP will be the highest sugar-producing state in the country this season also, similar to last season.

The area covered under this high-yield high-sucrose variety in various sub-tropical regions of UP in SS 2018-19 is depicted below:

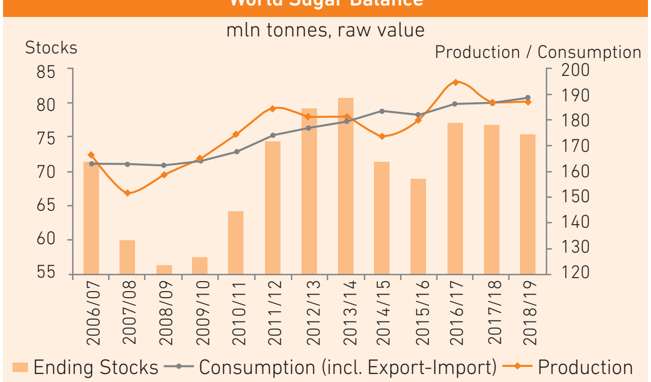
Regions	2017-18			2018-19		
	Total Cane area	Area under Co-0238	% share in total area under sugarcane in the region	Total Cane area	Area under Co-0238	% share in total area under sugarcane in the region
	(lakh Ha)	(lakh Ha)		(lakh Ha)	(lakh Ha)	
West UP	5.68	3.43	60%	6.18	4.45	72%
Central UP	10.67	6.58	62%	11.85	9.01	76%
East UP	6.65	2.07	31%	7.48	4.11	55%
State	22.99	12.08	53%	25.52	17.57	69%

This variety is not extensively present in East UP as the crop cannot withstand excess water-logging issues, which are prevalent in that region. This overall change has led to better productivity for sugar mills and higher income for farmers, but at the same time, it has also resulted in overproduction of sugar in excess of domestic consumption. Higher sugar inventories necessitate blockage of working capital and decline in cane payment capacity, leading to increase in cane arrears.

Global

With an upward revision of sugar output estimates in 2018-19, the world surplus is likely to go up to 3.40 to 3.50 MTRV (Million Tonne Raw Value). Production estimates have been revised to 189.5 MTRV, whereas consumption is estimated to be up by 0.5 MTRV, close to 186 MTRV. This surplus is significantly down year-on-year due to sharp reduction in CS Brazil's output, apart from reduced production from EU, Thailand, Pakistan & Russia. The final cane figure from Brazil was close to 570 MMT, with sugar output at 26.6 MMT. Brazil also produces ethanol from corn and the production has been rising, which has resulted in boosting the total ethanol production to 31 Billion Ltr. The capacity of corn ethanol is increasing for the upcoming season and is likely to compensate for the drop in cane ethanol production for SS 19-20. Like India, sugar recoveries in Thailand helped the millers produce sugar close to 14.6 MMT. Sugar output in European Union was noted at 16.97 MMT, down by 3 MMT from SS 17-18.

World Sugar Balance



Government Policy

The sugar industry in India has been a regulated industry due to the large number of stakeholders. The regulations are both from the Central Government and State Governments. During the past year, apart from fixing of sugar cane prices, there have been many significant interventions by the Government in the form of fixation of Minimum Selling Price for sugar (MSP), price fixation for ethanol supplies to OMCs, monthly release mechanism, creation of buffer stock of sugar inventory, financial assistance by way of soft loans to sugar mills to make cane payment, support for industry for undertaking exports, support to the industry for setting up of new ethanol capacity etc. These policies enabled the sugar prices to remain stable in spite of inventory overhang, and also helped the mills make substantial payment to farmers, even though a significant amount of unpaid cane liability still exists.

Considering the impact of huge surplus sugar inventories on sugar prices, the Government implemented Reverse Quota Mechanism and later monthly release mechanism to limit supplies and to stabilise the market for better cash-flows to the industry in order to facilitate timely cane payment. Revised OGL Export policy under subvention scheme was mandated in SS 2017-18, but only a small quantum of sugar could be exported in view of inadequate time to manufacture raw sugar and limited demand of white sugar. With opening stocks for SS 2018-19 at a historical high of 10.7 million tonnes, equivalent to 4 months' consumption, the Government announced further tranche of exports for SS 2018-19, even before the commencement of the season so that the sugar mills could enter into contracts well in time and plan manufacture of raw sugar. Simultaneously, the Government also announced some financial assistance to sugar mills towards payment of cane price, subject to completion of certain conditions, besides extending freight subsidies on exports. At present, cane price as well as sugar price (MSP), being essential commodities, are being controlled by the Government.

The concept of Buffer Stocks was reintroduced after a long time to limit supplies in the market for the stability of sugar prices.

and to help the Sugar Industry meet a part of the inventory carrying costs associated with the high inventories held. All the sugar mills were given the option to participate in the scheme, and buffer stocks were created, aggregating to 3 million tonnes, across the country.

The Government of India took various measures to support the sugar industry in view of overproduction in the country and resultant challenging conditions:

- To provide assistance to sugar mills by defraying expenditure towards internal transport, freight, handling and other charges to facilitate export during SS 2018-19 @ ₹ 1,000/MT for the mills located within 100 kms from the ports, @ ₹ 2,500/MT for the mills located beyond 100 kms from the ports in the coastal states and @ ₹ 3,000/ MT for mills located in other than coastal states or actual expenditure, whichever is lower. The total expenditure on this account would be around ₹ 1,375 crore, which will be borne by the Government.
- Financial assistance of ₹ 13.88 per quintal of cane crushed in SS 2018-19 to sugar mills to offset the cost of cane. The assistance shall be provided to only those mills which fulfil the conditions as stipulated by the Department of Food & Public Distribution, including mandatory export obligations. The total expenditure on this account would be around ₹ 4163 crore, which will be borne by the Government.
- To ensure payment of sugarcane dues of farmers, both the above-mentioned assistance would be credited directly into the accounts of farmers on behalf of sugar mills against cane price dues payable to farmers against FRP, including arrears relating to previous years. Subsequent balance, if any, would be credited to the mill's account. Assistance shall be provided to those mills which will fulfil the eligibility conditions as decided by the Government.
- Soft loan (with interest subvention of 7% for a period of one year) for the payment of cane price of SS 2018-19.

The Government of Uttar Pradesh also announced various financial aids for the industry to liquidate the sugarcane arrears – Cane price grant of ₹ 4.50 per quintal and soft loan at subsidised rate to pay the cane dues of SS 2017-18.

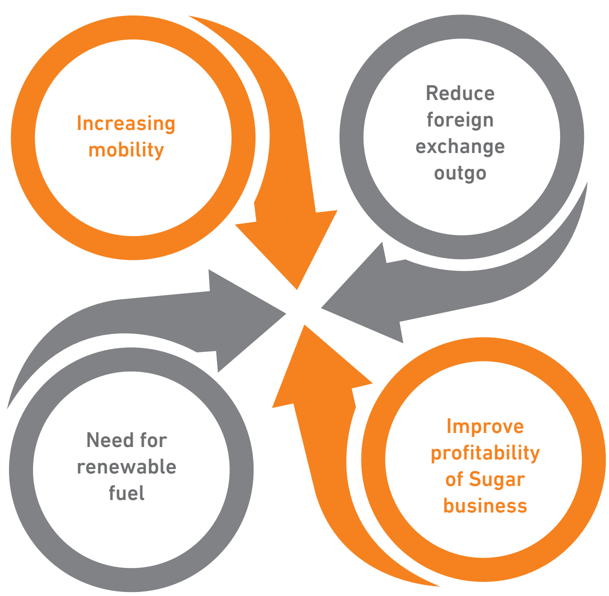
THE ETHANOL MARKET

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 actively promoting the production and blending of Fuel Ethanol with petrol, and has targeted 10% blending (EBP10). Towards this, various other feedstocks like B - Heavy molasses (an intermediate product of the sugar manufacturing process) and sugarcane juice have also been allowed for ethanol production, thereby enhancing its availability for blending. Apart from being environment-friendly, ethanol also ensures fuel security for the country, besides conserving foreign exchange and helping the sugar industry get additional revenue stream to minimise the impact of the inherent cyclicality in the industry.

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 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.



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.

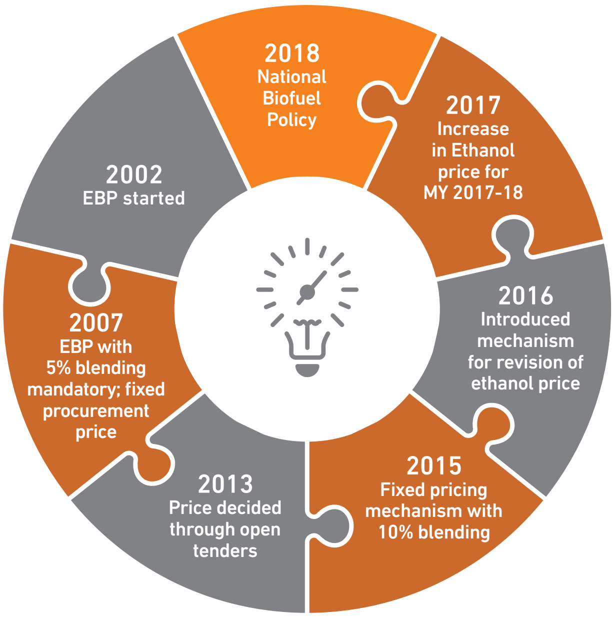
Demand-Supply Scenario

Currently, out of the 530 sugar mills in the country, only about 133 have the capacities to produce fuel ethanol in addition to 24 standalone distilleries. The country's total production capacity is 224 crore litres of ethanol. In Dec 2018-Nov 2019 (marketing year), Oil Marketing Companies (OMCs) released tenders totalling 329 crore litres to fulfil the 10% blending programme, against which only 260 crore litres of LOI were issued and 237 crore litres of PO have been issued . If the entire 237 crore litres is blended, it will be 7.2% of blending which will be the highest levels to be achieved. To achieve 10% blending, distillation capacities need to be increased, which requires increasing the existing capacities as well as the establishment of new capacities.

With focus on use of clean fuel to improve the environment, to rationalise foreign exchange outflow on import of crude and also to facilitate the sugar industry to improve their financial position and their cane price payment capacity, the Government of India has announced the National Biofuel Policy 2018.

Government Policy

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



The country has experienced two consecutive years of bumper production of sugarcane and sugar. This has resulted in higher volume of molasses production as well. With the appreciation of the issues being faced by the sugar industry and accumulation of arrears to farmers, the Government's focus on production of ethanol gained momentum during the year. The Government announced the National Biofuel Policy of 2018 for accelerated development and utilisation of biofuels in view of the current direct and indirect subsidies to fossil fuels and distortions in energy pricing.

The Policy categorises biofuels as:

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

The Policy expands the scope of raw material for ethanol production by allowing use of Sugarcane Juice, Sugar containing materials like Sugar Beet, Sweet Sorghum, Starch containing materials like Corn, Cassava, as well as damaged foodgrains like wheat, broken rice, rotten potatoes, which are unfit for human consumption, for ethanol production.

In the determination of bio-diesel purchase price under the National Biofuel Policy, the Minimum Purchase Price (MPP) for bio-diesel by the OMCs will be linked to the prevailing retail diesel price. The MPP for bio-ethanol will be based on the actual cost of production and import price of bio-ethanol, and will be determined by the Biofuel Steering Committee and decided by the National Biofuel Coordination Committee. For ethanol supplies from December 1, 2018 to November 30, 2019, prices are fixed as:

- Ex-mill price of ethanol will be fixed derived out of C heavy molasses to ₹ 43.46 per litre
- B-heavy molasses/partial sugarcane juice at ₹ 52.43 per litre
- 100% sugarcane juice at ₹ 59.19 per litre

This is subject to changes to be announced by the Government of India from time to time. Production of ethanol using B-heavy molasses and 100% sugarcane juice will facilitate two objective: a) restricting availability of sugar in the years of surplus production, and b) achieving 10% or higher ethanol blending, going forward.

In June 2018, the Government, with a view to supporting the sugar sector and in the interest of sugarcane farmers, approved a proposal for extending soft loans of about ₹ 15,500 crore through banks to sugar mills and molasses-based standalone distilleries. This has been done under the Scheme for extending financial assistance for enhancement and augmentation of ethanol production capacity, for which the Government will bear further interest subvention amounting to ₹ 3,355 crore for five years, including moratorium period of one year.

Further, in March 2019, the Cabinet Committee on Economic Affairs gave its approval for funds amounting to ₹ 2,790 crore towards interest subvention for extending indicative loan amount of ₹ 12,900 crore by banks to the sugar mills under "Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity" for the 268 applications/proposals, in addition to ₹ 1,332 crore already approved by CCEA in June 2018.

CCEA has also approved ₹ 565 crore towards interest subvention for extending indicative loan amount of ₹ 2,600 crore by banks to the molasses-based standalone distilleries to augment capacity through installation of incineration boilers and other methods in the existing distilleries. This is aimed at achieving ZLD and additional equipment for ethanol production, as well as for setting up of new standalone distilleries for ethanol production. A separate scheme for the molasses-based standalone distilleries would be formulated accordingly by the Department of Food & Public Distribution.

As per industry sources, there is significant spurt in setting up of new ethanol facilities across the country and this is expected to further increase ethanol availability and blending percentages, going forward.

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 was 356.1 GW as on March 31, 2019, out of which 78.3 GW was renewable power. The Government has set a target of 175 GW renewable power installed capacity by the end of 2022, which includes 60 GW from wind power, 100 GW from solar power, 10 GW from biomass power and 5 GW from small 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 sugar mills work on a Power Purchase Agreement (PPA) model with the Uttar Pradesh Power Corporation Ltd. (UPPCL) to export surplus power.

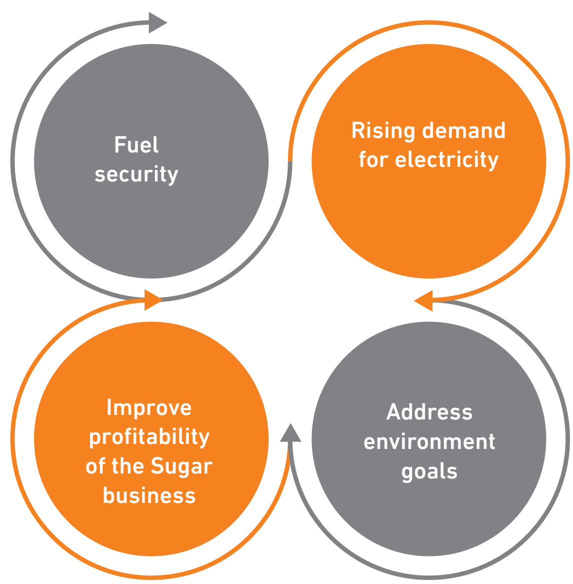
The potential of bagasse co-generation within UP is around 1,500 MW, from over 130 sugar mills. The sugar mills work on a Power Purchase Agreement (PPA) model with the Uttar Pradesh Power Corporation Ltd. (UPPCL) to export surplus power from the co-generation plants.

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

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. Lately, due to availability of cheaper power, some reluctance is being observed on the part of UPPCL, the offtake of power of UP regarding purchase of bagasse based co-generation power. The rates for the export of power are proposed to be revised downwards, as per the draft Captive and Renewable Energy generation plants regulations, recently issued by UPERC – the state level regulator.



Government Policy

The Government is providing various incentives and schemes to promote grid interactive biomass power and bagasse based co-generation in sugar mills. Subsidy under Central Financial Assistance is provided for private sector projects, such as IPP Grid interactive biomass combustion power projects and bagasse co-generation. Central Financial Assistance @ ₹ 2.5 million/MW for bagasse co-generation projects with a total outgo of ₹ 1.7 billion, with a physical target of 740 MW between 2017-18 to 2019-20, is planned by the Government.

BUSINESS REVIEW

Sugar 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 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 share of Triveni in UP for SS 2018-19 is ~7.5% of sugarcane crushed, while in sugar output, it is equivalent to ~7.9% of the State's production. The Company manufactures refined sugar, which constitutes ~40% of the total sugar production and fetches a premium over 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 the user requirements. Its 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 achieved record recoveries during SS 2018-19 at 11.79%, which is 41 basis points higher than the previous season. Even though the Company crushed lower sugarcane as compared to last year owing to lower yields, it produced almost similar level of sugar as previous season due to record recoveries of sugar. The recovery rate of Triveni sugar units has been significantly higher than the U.P. state average – the differential recovery in the present season is 31 basis points more than the state average. 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 domestic sugar price realisation for the Company has been ₹ 31,456/MT during the year.

(Million Tonnes)

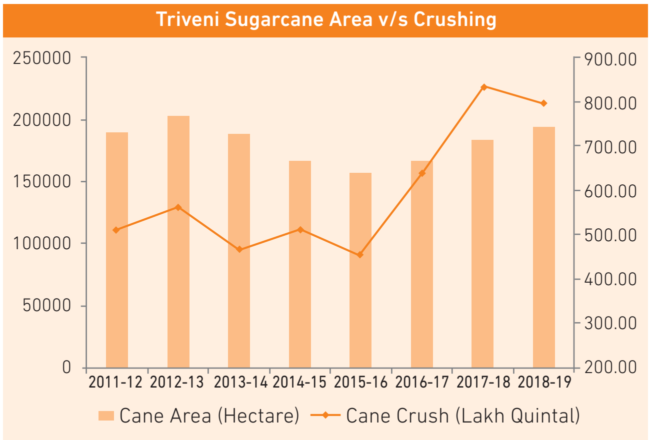
Units	Sugar Recovery (%)		Sugarcane Crushed		Sugar Production	
	SS 2018-19	SS 2017-18	SS 2018-19	SS 2017-18	SS 2018-19	SS 2017-18
Khatauli	11.67	11.38	2.12	2.21	0.25	0.25
Deoband	11.52	11.11	1.46	1.50	0.17	0.17
Ramkola	11.54	11.24	1.04	0.98	0.12	0.11
Sabitgarh	11.89	11.03	0.89	0.97	0.11	0.11
Chandanpur	12.40	12.00	0.89	1.00	0.11	0.12
Rani Nangal	12.35	12.00	0.87	0.93	0.11	0.11
Milak Narayanpur	11.50	10.97	0.71	0.78	0.08	0.08
Group	11.79	11.38	7.98	8.37	0.94	0.95

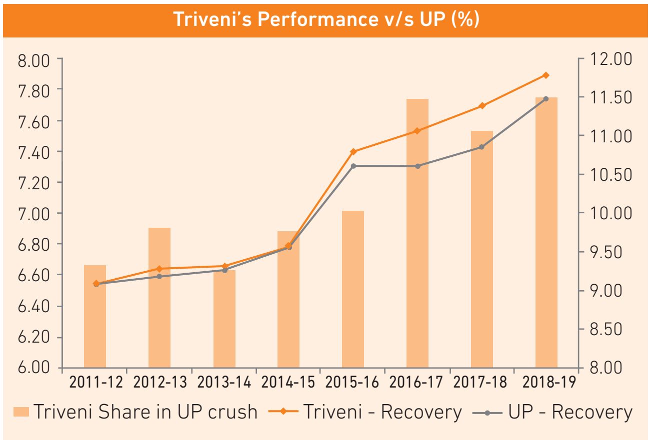
The Company achieved record recoveries during SS 2018-19 at 11.79%, which is 41 basis points higher than the previous season.

Chandanpur, Milak Narayanpur and Sabitgarh units operate incidental co-generation units and export the surplus power to the grid. Triveni generated power export revenue of ₹ 23.3 crore in FY 19.

Organic Growth through Cane Development Programme

The Company works and engages continuously with farmers to increase farm productivity through a well-planned Cane Development programme. This programme is carried out with rigour across all the seven sugar manufacturing units. Triveni's efforts in providing high-yielding seeds and inducing better agronomic practices have positively impacted the yields, earning the confidence of more than 3,00,000 sugarcane growers.





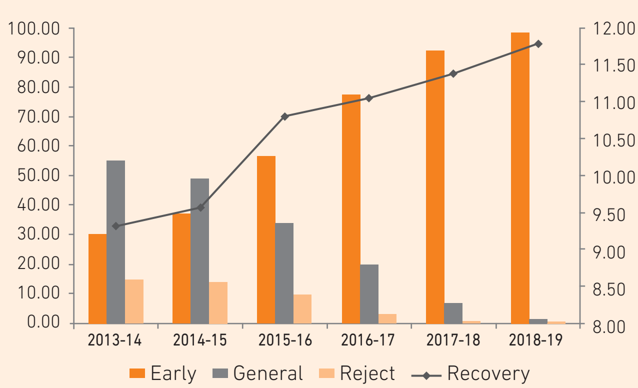
These continuous efforts have resulted in increase in area under sugarcane plantation, leading to increased sugarcane crushing and higher yields. While the state of Uttar Pradesh showed a CAGR of 7.99% in sugarcane crushed during the past five years, Triveni Sugar grew by 11.38% during the same period. Similarly, the average recovery improvement for the state of Uttar Pradesh has been 222 basis points, whereas Triveni successfully achieved an improvement of 247 basis points during the same period.

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 high sucrose varieties, which resulted in overall improvement in the quantity and 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.

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.

Change in Sugarcane Varietal Mix & Recovery (%)



SUGAR INDUSTRY OUTLOOK

Based on the initial crop area estimates for SS 19-20, sugar production in the state of Maharashtra is estimated to be in the range of 7.0 to 7.1 million tonnes, down by 3.5-3.6 million tonnes due to lower planting resulting from drought conditions, whereas the estimates for Uttar Pradesh remain at the levels of SS 18-19. The area under sugarcane cultivation in Maharashtra is estimated to be lower by 25% to 30% from a year earlier due to poor weather conditions. Therefore, the country's initial sugar production estimate for SS 2019-20 is ~28.2 to 28.5 million tonnes, on account of of climatic factors as well as expected diversion for ethanol production.

India's production at above 28 million tonnes appears to be the new normal for the country. With consumption almost unchanged during the past three sugar seasons, a policy is required to manage the surplus sugar without depressing the domestic sugar prices. For Indian manufactures to be competitive in the global market, it is essential that cost of production should reduce to the extent of the impact of unrealistic cane price being imposed on the sugar industry to provide more remunerative cane price to the farmers. This is the biggest challenge of the policy makers and once it is provided for, sugar manufacturers will be in a position to export without seeking 'bail out' or subsidies from the Governments. However, in the short term, the present policies of the Government towards stabilisation of sugar prices, mandatory exports and financial incentives / soft loans will keep the sugar industry afloat.

The recent National Biofuel Policy may be a game changer for the sugar industry. The policy unshackles the sugar industry and permits it to manufacture ethanol for blending with petrol from B-heavy molasses and sugarcane juice. To encourage production of ethanol, the Government has fixed higher prices for ethanol produced from B-heavy molasses and sugarcane juice and is providing subvention of interest on loans availed for setting up distillation capacities. It would lead to higher production of ethanol and the sugar production will diminish accordingly. Apart from fuel security and conservation of foreign exchange, it may provide the much-needed lever to the sugar industry to regulate production of sugar, and enable it to decide on the product mix of sugar and ethanol based on commercial considerations. However, long-term commitment of the Government is imperative to lend support to the ethanol blending programme regardless of crude prices, and to fix remunerative prices of ethanol for commercially accepted returns on capital cost incurred in setting up additional distillation capacities.

These interventions and relevant policy changes should help in uncapping the immense potential of the sugar industry in providing power through renewable energy sources and green fuel through ethanol blending with petrol. Most importantly, in view of flexibility to export freely and ability to regulate sugar production, the sugar cycles would become less pronounced, and the good financial health of the industry will ensure timely cane price payments to farmers.

Co-generation Business

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

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

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

Facilities

The co-generation plants at Khatauli and Deoband utilise highly efficient high pressure (87 ata) and temperature (515°C) steam cycles, and are regarded amongst the most efficient co-generation plants in India. The Company's smaller capacity co-generation plants operate mostly on medium pressure steam cycles (46 ata/440°C). These plants are designed to conduct fully-automated operations, using the latest Distributed Control System (DCS). Highly experienced and skilled manpower operates these plants, thus ensuring trouble-free efficient operations with high uptime and reliable operations, along with very high operating efficiencies. The Company puts 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, to a large extent, on the availability of bagasse from the sugar operations. This, in turn, depends on cane availability for the crush during the season and efficient operations of the sugar factories. Higher cane availability leads to more season operating days, higher bagasse savings, and therefore longer operation of the co-generation plants.

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

The performance of the co-generation plants at Khatauli and Deoband continued to be excellent, with very high uptime and reliable operations. The requirements of process steam and captive power of the sugar factory operations were fully met. Apart from captive supply, bagasse was also procured from outside sources to optimise the co-generation operations at both the co-generation plants.

The Company's incidental co-generation facilities also performed well and its plants at Chandanpur, Milak Narayanpur & Sabitgarh units recorded good power export in 2018-19. Due to increased cane availability at Chandanpur unit, a small capacity low pressure boiler was installed and commissioned

during the crushing season 2017-18, which facilitated power export throughout the 2018-19 season.

During the year under review, the co-generation units generated 265.8 million units, while the exports to the grid were 174.9 million units. Apart from this, the incidental co-generation units of Chandanpur, Milak Narayanpur and Sabitgarh exported 40 million units to the State Grid.

Awards & Recognition

The Company lays high level of management focus on the safety of its operating staff, plants and machinery. The Company has won many awards in the past in the OHS category.

Outlook

The Company's sustained focus on cane development activities in the command areas of its sugar units should lead to continued 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. This will enable more savings of bagasse for enhanced operation days of the co-generation plants.

Distillery Business

The Company is already operating 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 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, over the last few years, the distillery has been producing the bulk 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.

Further, due to substantial increase in cane crushing across all of its seven sugar units, and the resultant increase in generation of molasses, the Company decided to set up a 160 KLPD molasses based distillery adjacent to its already operational sugar unit at Sabitgarh. The decision was also aligned to the Company's participation in the 'Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity' introduced by the Central Government. The distillery has been commissioned subsequent to the year in the last week of April 2019. This new distillery will start supplies to OMC from June 2019.

In line with the new directives and guidelines of the GoI regarding effluent treatment, and to ensure zero liquid discharge, the Company has set up the new distillery with a concentrated spent wash (termed as SLOP) fired incineration boiler. Also, the existing bio-composting based effluent treatment system at the Muzaffarnagar based distillery is under upgradation to incineration-based effluent treatment system.

Performance Overview

Ethanol, also known as fuel alcohol, is blended with petrol as a green fuel. Apart from augmenting the country's fuel self-sufficiency with cost advantage, it helps in reducing the nation's carbon footprint and 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 OMCs has been steadily improving. Triveni has aggressively participated in all tenders issued by the OMCs for procurement of ethanol, and has secured sizeable quantities.

The distillery unit continued to operate efficiently and achieved high levels of the fermentation and distillation efficiencies during the year. During the year under review, approximately 97% sales of the distillery was of ethanol, with the balance 3% being ENA. The total production of the distillery for FY 19 has been 48.035 million litres, while sales stood at 51.279 million litres.

Outlook

The Central Government has embarked on an ambitious ethanol blending programme under its National Biofuel Policy, and is keeping a strong focus on enhancing the ethanol blending percentage, with the aim of going to over 20% in future. Various financial assistance schemes have also been announced by the Central Government to promote new capacity additions.

In view of continued higher sugarcane crush in the state of Uttar Pradesh in SS 2018 -19, there has been a glut of molasses. Since the introduction of the scheme by GoI to promote production of ethanol, many new distillery projects have been announced, set up and commissioned, leading to increased distillation capacity in UP. The Company's new distillation capacity, operationalised in Q1 FY 20, would lead to increased ethanol supplies to OMCs and thus additional revenue. The additional capacities will also help the Company to produce ethanol from B-heavy molasses, if required and found viable.

ENGINEERING BUSINESS

The Industrial Gears industry

The Gears Industry in India is categorised into Industrial Gears and Automotive Gears. The Industrial Gears segment manufactures Gears, Gearboxes, Geared Motors and Gear Assemblies. Industrial gearboxes are a common type of power transmission devices, used as a component in various varieties 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, both in terms of design 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 experienced and 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 - is 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 vis-à-vis global OEMs to bring down product life cycle costs. Further, considerable demand may arise from the Defence sector as a result of opening the sector to private players and due to the focus on Make in India.

Business Opportunities

There are some indications of fresh capital investment in industrial segments like steel, cement, sugar and oil & gas, which are customers of the Triveni Gears business. 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 such indigenous development projects.

The Defence Procurement Policy 2016 focusses on self-reliance for various equipment in Design, Development and Manufacture by the Indian industry. Most of the new projects envisaged by the Defence sector are customised to the requirement for critical equipment, offering substantial value to the existing portfolio of Triveni Gears' rotating machinery. Triveni Gears is initially focussing on Naval Defence markets and has gained some foothold in the critical turbo pumps space.

Industry Outlook

The key demand sectors for gearboxes are Power, Cement, Steel, Refinery, Fertiliser and Petrochemical. In 2018-19, the overall power sector started showing signs of improvement and fresh investments led to a growth in demand. The order booking and enquiries have increased during the year. Government schemes like DDUGJY (Deen Dayal Upadhyay Gram Jyoti Yojana) and Integrated Power Development Scheme (IDPS) under GoI's

There are some indications of fresh capital investment in industrial segments like steel, cement, sugar and oil & gas, which are customers of the Triveni Gears business.

focus of attaining 'POWER FOR ALL' is also helping to boost momentum in the sector.

Similarly, the cement industry has shown growth through brownfield expansions and requirement for efficiency enhancements. Infrastructure development, including development of smart cities, highways etc., is giving the much-needed push to the sectoral demand. This is also leading to growth in the steel industry. Greenfield expansions in the steel sector have resulted in increased orders in the past year.

The Government's guidelines for compliance to Euro VI norms emission from April 2020 is driving investments in the Refinery segment. Similarly, the Government is also planning to revive the Fertiliser sector, which should show demand in the coming quarters. Complete revamping of current Petroleum, Petro-Chemical Investments in Regions (PCPIR) policy seeks to encourage long-term investments in the segment. This in turn shall see foreign investments in the segment. Free trade agreement is being promoted to directly aid this sector, which shall aid exports from the country.

Market Overview

The order booking for gearbox for steam turbines has shown an encouraging growth in the financial year under review, both from domestic and exports regions. In the Oil and Gas sector, the market witnessed announcement of expansions, which may result in new orders from FY 20 onwards. The expected growth from Fertiliser market has increased Triveni's order flow for many high speed applications through Indian and Global OEMs. This trend is likely to continue in the coming years, both for Fertilisers and Oil & Gas segments.

Thermal plant segment had very few brownfield expansions and greenfield projects, which is going to affect the orders for Booster pump applications and also for Gears used in Hydraulic couplings in the coming years. Due to high prices and low availability of gas, gas turbine power generation is still operating at very low capacity.

Business Overview

OEM

During FY19, both domestic and export markets have shown positive growth, which has resulted in increased order booking (excluding long tenure order) and turnover.

Major OEMs for high-speed turbo applications, such as Steam Turbine, Pumps and Compressors, have shown growth in the domestic as well as in export markets. Gears business has witnessed good growth in turnover and bookings except long term orders. The business is actively focussing on supply of Gearboxes to global OEMs for integrally geared compressor, a foray into very high speed applications. The growth in order booking includes diversification into machining of Wind gear components to utilise excess capacity.

Being one of the leading global players in industrial gearboxes with a fleet of over 8,500 Triveni Gears and 900 replacements of more than 80 global brands, there is an increasing acceptance by multinational OEMs and industries for Triveni products for their global projects.

Triveni Gears is a dominant player in High speed Gears segment and has considerable acceptance by OEMs for high power applications, including the Oil and Gas segment. Triveni has been maintaining over 80% market share in this segment in the

Triveni's order flow for many high speed applications through Indian and Global OEMs. This trend is likely to continue in the coming years, both for Fertilisers and Oil & Gas segments.

domestic market and has started expanding the market reach to select overseas markets for select applications.

Triveni also supplies gearboxes for Hydel application and other low-speed applications, including reciprocating pumps and compressors, mill drives and pump drives.

Replacement, Refurbishing and Spares

Retrofitting business segment has witnessed growth of 15% in turnover, pre-dominantly contributed by Oil & Gas, Petrochemical, Steel, Cement & Fertiliser sectors.

Triveni is exploring additional avenues of growth, and thus utilising its existing infrastructure for component manufacturing aligned to customer's drawing on a serial production basis. Rate Contracts for these are being modified to reflect the same.

This segment contributes 35% to the overall turnover of Gears business.

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.

Exports

Having appointed international agents across select geographies, the business has witnessed a growth of 7% in order book – a trend that is likely to continue in the coming years.

Performance Overview

The performance of Triveni Gears has been good during the year under review. The turnover and outstanding order book has witnessed a growth of 19% and 31% respectively.

In the Non-Geared business for Defence sector, the Company is working towards aligning itself to the Make in India initiatives for various products, which should augur well for the business in coming years.

Key Highlights of FY 19

Domestic:

- Received global repeat order for Gas turbine load gearboxes
- 100% market share in Oil & Gas and Fertiliser segments for all applications supplied through domestic OEMs and for boiler feed pump segment
- Repeat orders for Integrally Geared compressor gears
- Multiple large orders in Retro segment from O&G, Steel & Petro-chemical sectors

Exports:

- Triveni has witnessed 7% increase in the order book as compared to FY 18.
- Approved as supplier to major global Pump OEMs and received multiple orders for overseas installations.
- OEM & Retrofitting business has witnessed 9.4% & 24% growth in order book respectively.

Indian Water Industry

Over the past one year, the Government has paid greater attention to improving water supply and wastewater treatment practices, especially in urban areas. However, urban local bodies have not yet been completely successful in addressing inherent issues, such as delays in project implementation, lack of financial autonomy, technical expertise, and high level of non-revenue water. There is a great scope of improving service delivery and scaling up infrastructure investment. Water sector has witnessed a surge in activity in terms of launch of new programmes and schemes, as well as projects uptake, during FY 19.

Market Analysis

India, home to 16% of the world's population, has only 2.5% of the world's land area and 4% of the world's water resources at its disposal. Precipitation in the form of rain and snowfall provides over 4,000 trillion litres of fresh water to India.

1. The demand for water has been increasing at a high pace in the past few decades. The current consumption in the country is approximately 581 trillion litres, with irrigation requirements accounting for a staggering 89% followed by domestic use at 7% and industrial use at 4%.
2. The rapid increase in population, urbanisation and industrialisation has led to a significant increase in water requirement. In the next decade, the demand in water is expected to grow by 20%, fuelled primarily by the industrial requirements, which are projected to double from 23.2 trillion litres at present to 47 trillion litres. Domestic demand is expected to grow by 40% from 41 to 55 trillion litres while irrigation will require only 14% – these will push up the requirements to 592 trillion litres, up from 517 trillion litres currently.
3. The per capita availability of water has significantly come down and is likely to decline further with the growing population and demand. As per the Ministry of Water Resources, per capita water availability in 2025 and 2050 is estimated to come down by almost 36% and 60% respectively.
4. It is believed that these issues can be resolved by implementing innovative solutions for more efficient water management and wastewater recycling & reuse.

Demand Drivers

The wastewater reuse is rising up the agenda for many industries, including power, refining & petrochemicals, pharmaceuticals and steel. This is being driven by stricter regulations around freshwater consumption and wastewater discharge. Municipal sector contributes about 60% revenues in the market.

There is an imminent need to deepen our understanding of our water resources and usage, and put in place interventions that make water use efficient and sustainable. The Central Government's focus on Namami Gange for cleaning of Ganga, JICA funded projects in Delhi & Karnataka, AMRUT programmes for Pollution abatement, Recycling and Re-use, Stricter Vigil by National Green Tribunal will be key demand drivers going forward.

Anticipated CAGR & Business Growth Potential 2020

Sector*	CAGR 2020	Investment USD Billions
Water & Wastewater	15.3%	16.2
Industrial Water	9.7%	2

**Includes all types of investments in respective sectors*

Government Policy Framework

The Central Government has unveiled initiatives that promise to transform India's ever-expanding cities and large towns to rival those in developed nations. In order to speed up the construction of water and wastewater projects across the country, the Government is adding new incentive tools – such as priority release of budget allocations on the basis of reforms implemented by states in the previous year, besides also undertaking a review of water tariffs.

The Government has vigorously worked for cleaning the Ganga River, providing safe drinking water to all Indians, and efficient use of water in irrigation using micro-irrigation techniques.

Unveiling the development vision for the next decade, it would focus on 10 key areas, including job creation, physical and social infrastructure building, pollution-free nation and clean rivers. The Budget also saw allocation of ₹ 8,041 crore for 2019-2020 compared to ₹ 7,612 crore in 2018-19. The development of 100 Smart Cities will also catalyse significant opportunities in water and wastewater management.

Business Opportunities

Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and 'Smart Cities' Mission worth ₹ 9,000 crore will create significant business opportunities. These two schemes will create basic infrastructure services in water supply and sanitation, drainage, solid waste management and sewage treatment. Smart Cities programme, with a budget of over ₹ 6,000 crore, and AMRUT scheme with another ₹ 6,000 crore are expected to boost the business opportunities.

'Namami Gange' programme of ₹ 20,000 crore will create Hybrid Annuity Model (HAM) based projects, with focus on arresting the municipal and industrial pollution entering into the rivers, along with creation of 2,500 MLD municipal sewage treatment capacity. This programme will also implement zero liquid discharge (ZLD). All the industries have to install real-time online effluent monitoring stations.

As water availability and quality declines, and pressure grows on industries to build CETPs and re-use water, Triveni Water will focus on CETPs, recycling and re-use projects with latest technologies.

There is an imminent need to deepen our understanding of our water resources and usage, and put in place interventions that make water use efficient and sustainable.

TRIVENI WATER – BUSINESS PERFORMANCE

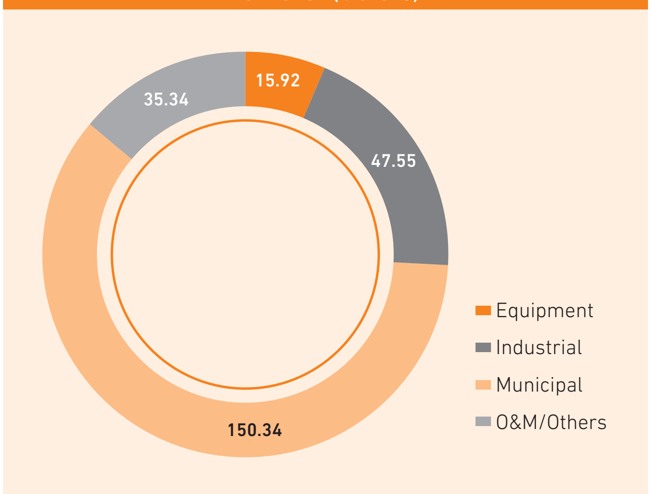
Performance Overview

Water business has witnessed significant growth in terms of order booking during the year. The Company recorded historical highest annual turnover of ₹ 249.15 crore and entered into positive P&L zone after a gap of 5 years. With focus on water & wastewater treatment and management, it has been successful in securing five new EPC orders in municipal and industrial segments in Delhi, Uttar Pradesh, Rajasthan and Punjab. Municipal segment has seen a surge of new orders in Hybrid Annuity Model (HAM), initiated by NMCG in cities like Mathura, Kanpur, Allahabad, Kolkata, Bhagalpur, Agra, etc.

At present, it is executing 14 EPC jobs located in Delhi, UP, Karnataka, Odisha, West Bengal, Tamil Nadu, Rajasthan and Punjab.

The total turnover of the business in FY 19 stood at ₹ 249.15 crore.

Turnover (₹ crore)



The Company is pursuing opportunities in desalination projects and hopefully will enter SWRO projects. Technology gap is being analysed and partnership with leading global players is being explored.

Going forward, majority of investments are expected from the Central Government through NMCG, besides state funding from Karnataka, UP, Delhi, MP, Rajasthan and Gujarat. The Company is well positioned to undertake more jobs in its chosen area of expertise and will continue to evaluate opportunities in neighbouring countries on case-to-case basis.

Key Highlights

1. Secured new EPC orders worth ₹ 687.71 crore (net of GST) and Equipment Orders of ₹ 30.26 crore (net of GST). All new EPC orders are with O&M component worth ₹ 312.42 crore, with duration ranging from 5 years to 15 years.

2. Secured Mathura Sewage Treatment Plants (STPs) and associated Infrastructure on Hybrid Annuity Model (HAM) funded by National Mission for Clean Ganga (NMCG) under One City One Operator concept. Major scope includes design & construction of 30MLD STP at Masani and 20MLD Tertiary Treatment Plant (TTP) at Trans Yamuna for supplying treated water to IOCL, Mathura Refinery for reuse. The O&M period is 15 years. This project is unique, wherein treated sewage is sold to IOCL and revenue is generated for Client (UPJN).

3. Secured Rehabilitation & Upgradation of Kondli Sewage Treatment Plant including Phase I (45.5 MLD), Phase II (113.7 MLD) & Phase III (45.5 MLD) capacities from Delhi Jal Board. This is a JICA funded project and is technically challenging, wherein existing old STP is to be demolished and upgraded for very stringent outlet parameters without disrupting the existing flow and quality of treatment. The entire facility will have O&M period of 10 years. This order has been secured in JV with Gharpure and GSJ, with the Company in lead with 80% share.

4. Secured 18MLD Balotra Zero Liquid Discharge (ZLD) project, including RO plant and Reject Management Facility, with O&M of 10 years. This plant will treat influent coming from textile dyeing units, and treated effluent will be re-used by industrial units, thereby reducing the dependence on fresh water.

5. Secured Barmer 15 MLD RO Plant from existing client Barmer Lignite Mining Company Limited (BLMCL). Water coming out of lignite mines containing high TDS levels is not suitable for disposal, and therefore, RO plant will be installed to bring down the TDS levels. The O&M on this plant will be for 15 years.

6. Won order for 50 MLD CETP from Punjab Dyers Association, Ludhiana, for treating wastewater coming from textile dyeing units. SBR technology will be used to treat the wastewater. The O&M period is 5 years. CETP of this capacity will be good for future reference perspective.

7. Completed well sinking of Bengaluru ISPS, using well-sinking methodology for 210 MLD capacity. This is one of the largest facilities in the city to be constructed with such construction methodology.

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Outlook

Water sector has been largely plagued by underfunding issues. The continuous thrust by Central Government agency NMCG is important for the sector. Projects on HAM model will be on test and successful commissioning within time, and will give boost to rolling out of more projects by NMCG. It is evident that investors have shown confidence in Water HAM projects and majority of projects have achieved Financial Closure.

AMRUT funding majorly from Central Government will catalyse significant opportunities in this sector. JICA is funding new water projects in Delhi and Karnataka, and new bids are expected from these states in the coming quarters. CETPs for Industrial clusters like textile and tannery are being built, mainly due to intervention of NGT, and it is expected that few more opportunities will arise in FY 20.

Sea Water Desalination projects are lined up in Gujarat on PPP/ HAM concept and expected to be rolled out in first quarter of FY 20. The Company will evaluate these opportunities and, if required, will bid in partnership with other players. The Desalination business is expected to have huge potential in future and may provide opportunities to the Company.

Initiatives of the new Government at Centre will be instrumental in driving the way forward for water and wastewater business for next five years.

FINANCIAL REVIEW

₹ lakh

Description	2018-19	2017-18	Change %
Income from Operations (Gross)	3,15,156	3,41,186	-8%
EBITDA	**37,668**	**30,013**	**26%**
Depreciation and Amortisation	5,695	5,536	3%
Finance Cost	6,799	8,534	-20%
Profit Before Exceptional / Non-Recurring Items and Tax	**25,174**	**15,943**	**58%**
Exceptional Income	2,035		
Tax	5,153	4,969	4%
Profit After Tax	**22,056**	**10,974**	**101%**
Other Comprehensive Income	-137	122	
Total Comprehensive Income	**21,919**	**11,096**	**98%**

The much improved financial performance of the Company is as a result of all businesses posting better performance as compared to the previous year, particularly distillery business and Engineering businesses. The improved productivity and efficiency level of the sugar operations as well as higher income from sugar linked businesses, Cogeneration and Distillery, have contributed significantly to the overall profitability.

The segment results of Sugar business include export losses of ₹ 81.25 crore (higher by ₹ 60.44 crore over previous year). The applicable subsidies (production subsidy, freight subsidy on exports and buffer stock subsidies) estimated at ₹ 102.07 crore will be accounted for after fulfilment of the prescribed conditions, including necessary export obligation under MIEQ. Apart from the increased productivity, the improved performance of the Sugar business is also due to several interventions by the Government, including introduction of Minimum Selling Price (MSP) of sugar prescribed by the Central Government with effect from June 2018 - it was initially prescribed at ₹ 29 / Kg and was increased to ₹ 31 / Kg in February 2019. Along with MSP of sugar, the Central Government also regulated supply of sugar by introducing monthly sale quota for each sugar mill. The aforesaid factors helped to maintain and support sugar prices. With a view to liquidate surplus sugar stocks, the Government also introduced the scheme of Minimum Indicative Export quantity (MIEQ) of 5 million tonnes for the Sugar Season 2018-19 pursuant to which every sugar mill was obligated to export prescribed quantity of sugar. The mandatory exports scheme was extremely vital in view of substantial surplus sugar stocks held in the country. .

The performance of distillery operations has been substantially better than the previous year in view of higher production, higher sale volume and lower raw material cost. The performance of cogeneration operations was satisfactory and the profitability was marginally lower than the last year as there was no income from Renewable Energy Certificates (RECs) as compared to an income of ₹ 10.11 crore in the previous year.

There was a significant rise in the profitability of Engineering business, particularly the Water business wherein there has been a marked turnaround due to increased activities emanating from significant new orders of ₹ 1,030.4 crore (including O&M) received during the year. In the case of Gears business, there has been healthy increase in turnover, profitability and orders inflow (excl. long tenure orders) which has led to much improved performance.

The Company was able to achieve reduction in the finance cost by 20% despite increased working capital requirements as a result of increase in sugar stocks (in quantitative terms) by 27% at the yearend. It has been made possible due to receipt of buffer stock subsidy to the extent of ₹ 11.23 crore and reduction in interest cost by 48% on term loans as average term loan utilisation has been lower by 27% during the year and the term loans availed during the year carried concessional interest rates under soft loans / interest subvention schemes of the Government.

RAW MATERIAL AND MANUFACTURING EXPENSES

₹ lakh

Description	2018-19	2017-18	Change %
Cost of material consumed	2,77,115	2,59,820	7%
Percentage to sales	88%	76%	
Manufacturing expenses	24,650	20,692	19%
Percentage to sales	8%	6%	

Raw Material Cost & Manufacturing expenses have increased by 7% and 19% respectively. In Sugar business, such costs are directly linked to the production undertaken rather than to the sales. The increase in such expenses is attributable to higher sugar cane crush in the Sugar business, higher production volumes in distillery business as well as increased turnover of Gear and Water business.

PERSONNEL COST, ADMINISTRATION EXPENSES AND SELLING EXPENSES

₹ lakh

Description	2018-19	2017-18	Change %
Personnel cost	22,387	20,240	11%
Percentage to sales	7%	6%	
Administration	7,768*	7,491	4%
Percentage to sales	2%	2%	
Selling expenses	2,551	2,035	25%
Percentage to sales	1%	1%	

*excluding loss on Third-party sugar exports.

The increase in personnel cost is reflective of annual salary increase. The increase in Administrative expenses is nominal. Selling expenses have increased by 25%, mainly due to higher sales volume in distillery business which takes place on FOR basis.

SEGMENT ANALYSIS

₹ lakh

	Revenue			PBIT*		
Description	**2018-19**	**2017-18**	**Change %**	**2018-19**	**2017-18**	**Change %**
Business Segments						
- Sugar	2,94,777	3,33,016	-11%	30,303	24,123	26%
- Engineering	38,223	28,744	33%	4,547	1,748	160%
- Others	6,200	6,088	2%	7	20	-65%
Unallocated/inter unit adjustment	-24,044	-26,662		-2,884	-1,414	
Total	**3,15,156**	**3,41,186**	**-8%**	**31,973**	**24,477**	**31%**

*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, 3 incidental cogeneration facilities at three of its Sugar mills and 3 Cogeneration plants located at two of its Sugar mills and a standalone Distillery, all located in the State of U.P. The Company has recently installed a new 160 KLD distillery in the State of U.P. at its sugar unit at Sabitgarh which has become operational in Q1FY 20. Cogeneration plants and Distillery source captive raw materials, namely, bagasse and molasses, from the Sugar mills. Engineering business comprises of Gears manufacturing at Mysore and Water and Waste Water Treatment business operating from Noida, UP.

SUGAR BUSINESS SEGMENTS

Sugar Operations

₹ lakh

Description	2018-19	2017-18	Change %
Turnover	2,53,100	2,99,923	-16%
PBIT	7,921	11,559	-31%
PBIT/Turnover (%)	3%	4%	
Cane crush (MT)	76,84,100	73,38,500	5%
Recovery (%)	11.78%	11.29%	0.49%
Cane cost (landed) (₹ /MT)	3,344	3,337	0%
Production of sugar (MT)	9,05,431	8,28,517	9%
Volume of sugar sold (MT)	7,59,067*	7,61,276	0%
Average domestic sugar realisation price (₹ /MT)	31,456	36,244	-13%

*including exports of 5,816 MT

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

In the previous year, the benefit of higher sugar realisation prices has largely been offset due to substantial inventory write down of ₹ 198.87 crore considered at the year end upon steep decline of sugar prices. The current year considers export losses of ₹ 81.25 crore (higher by ₹ 60.44 crore over previous year) in respect of export obligations of 86380 MT for the Season 2018-19 as against total obligation of 129465 MT. The entitlement of subsidies (production subsidy, freight subsidy on exports and buffer stock subsidies) estimated at ₹ 102.07 crore will be accounted for after fulfilment of the prescribed conditions, including necessary export obligation under MIEQ.

Co-generation Business

₹ lakh

Description	2018-19	2017-18	Change %
Turnover	20,279	20,493	-1%
Income from carbon credit/REC	0	1,011	-100%
Total turnover	20,279	21,504	-6%
PBIT	9,111	9,890	-8%
PBIT/ Total Turnover (%)	45%	46%	
Power Generation – million units	266	275	-3%
Power export (%)	66%	66%	

The profitability in the Cogeneration business is lower as previous year includes income from REC to the extent of ₹ 10.11 crore, whereas no such income accrued in the current year.

Distillery Business

₹ lakh

Description	2018-19	2017-18	Change %
Turnover	21,398	11,589	85%
PBIT	13,271	2,674	396%
PBIT/Turnover (%)	62%	23%	
Operating days	312	256	21%
Production (KL)	48,035	26,624	80%
Sales Volume (KL)	51,279	28,093	83%
Avg. realisation price of alcohol ₹ /litre (net of excise duty)	41.51	39.36	5%

The improved profitability in FY 19 is due to increase in operating days and higher capacity utilisation which resulted in higher production by 80% and corresponding increase in sales volume. The higher profitability is also contributed by lower raw material prices.

The Company's new 160 KLD distillery at its Sabitgarh sugar unit will further increase its distillation capacity and is also setting up an incineration boiler at its existing distillery which will enable it to operate for 330 days while ensuring zero liquid discharge.

ENGINEERING BUSINESS SEGMENT

Gears business

₹ lakh

Description	2018-19	2017-18	Change %
Turnover	13,308	11,177	19%
PBIT	3,814	3,142	21%
PBIT/Turnover (%)	29%	28%	

The Gear business has performed well, both in terms of turnover and profitability, and has received orders of ₹ 177.76 crore during the year, including long tenure orders of ₹ 26.00 crore. The outstanding order book as on March 31, 2019 stood at ₹ 176.18 crore including orders of ₹ 74.90 crore executable beyond FY 2019-20. 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

₹ lakh

Description	2018-19	2017-18	Change %
Turnover	24,915	17,567	42%
PBIT	733	-1,394	
PBIT/Turnover (%)	3%	-8%	

The turnaround in the performance of Water business during the current year was due to higher intake of orders, which enabled the business to achieve higher turnover by 42% and achieved profit of ₹ 7.33 crore as compared to loss of ₹ 13.94 crore in the previous year.

During the year, orders of ₹ 1,030.4 crore (including O&M) were booked as against orders of ₹ 161.50 crore (including O&M) in FY 18. Orders in hand were at ₹ 1,313.59 crore (including long term O&M contracts of ₹ 512.25 crore).

REVIEW OF BALANCE SHEET

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

NON-CURRENT ASSETS

Property, Plant and equipment

During the year, there have been additions to the extent of ₹ 53.15 crore. These mainly include construction of additional molasses tanks and additional sugar storage space for the Sugar business.

Capital Work-in-Progress

The Capital Work-in-Progress of ₹ 204.77 crore mainly include expenses incurred for the project of setting up a new 160 KLD distillery at the sugar unit situated at Sabitgarh (₹ 139.86 crore) and towards installation of incineration boiler in existing distillery at Muzaffarnagar (₹ 48.79 crore).

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.

CURRENT ASSETS

Inventories

Inventories are higher at ₹ 2,118.66 crore as on March 31, 2019 from ₹ 1579.19 crore as on March 31, 2018. The higher level of inventories held as on March 31, 2019 is due to 27% higher sugar inventories held in quantitative terms and due to higher rate of valuation. In view of excess production of sugar in the country, sugar is sold as per the monthly releases announced by the Government for sugar mills.

Other Current Assets

It has increased from ₹ 86.45 crore as on March 31, 2018 to ₹ 132.78 crore as on March 31, 2019, mainly due to higher amounts incurred by the Water business on the construction contracts in view of increased activities and such amounts remain recoverable from customers pending contractual milestone billing.

NON-CURRENT LIABILITIES

Equity

Share Capital

It has remained unchanged during the year.

Other Equity

During the year, the reserves and surplus increased by ₹ 197.42 crore (23%) to ₹ 1,052.49 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 ₹ 490.49 crore as against ₹ 165.78 crore as at the end of the previous year. During the year, repayments were made to the extent of ₹ 129.29 crore. The long-term borrowings comprise loans of ₹ 364.00 crore availed from the UP Government under Scheme for Extending Financial Assistance to Sugar Undertakings – 2018 (SEFASU -2018) in November 2018 at a simple interest rate of 5% p.a. & ₹ 90.00 crore availed in February/March 2019 under SEFASU-Distillery Projects (at 50% interest subvention from GoI for a loan period of 5 years, subject to a ceiling of 6%).

Other Non-Current Liabilities

Other Non-Current Liabilities are higher at ₹ 29.47 crore as on March 31, 2019 as against ₹ 1.41 crore as on March 31, 2018 mainly due to recognition of deferred grant in respect of concessional loan of ₹ 364.00 crore availed from the U.P. Government.

CURRENT LIABILITIES

Borrowings

Short-term borrowings are higher at ₹ 1,235.41 crore as on March 31, 2019 as against ₹ 1,076.47 crore as on March 31, 2018. The increase is mainly in view of higher sugar inventory held at the year end.

Trade Payables

Trade payables are marginally higher at ₹ 637.61 crore as on March 31, 2019 as against ₹ 628.05 crore as on March 31, 2018.

Other Financial Liabilities

Other Financial liabilities are lower at ₹ 126.09 crore as on March 31, 2019 as against ₹ 164.26 crore as on March 31, 2018. This is primarily due to lower current maturities of long term loans as on March 31, 2019.

Other Current Liabilities

Other Current liabilities are higher at ₹ 135.44 crore as on March 31, 2019 as against ₹ 79.90 crore as on March 31, 2018. The increase is primarily due to increase in advances from Customers on account of higher order booking in Water business Group.

RISK MANAGEMENT AND MITIGATION

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

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

SUGAR BUSINESS

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

It is the objective of the Company to be amongst the top performers in UP, way above the average, so that it remains less impacted by the cyclicality associated with this industry. During Season 2018-19, the Company has achieved recovery of 11.79% (41 basis points over the previous season), which is 31 basis points higher than the average recovery achieved in Uttar Pradesh.

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

Risk	Mitigations
Risk of over dependence on Government's policies and support: There has been excess production of sugar in the country in the last 3 years, with production outstripping demand and resultantly, sugar stocks in the country are estimated to increase to 14.5 MMT as on September 30, 2019 from 10.72 MMT as on September 30, 2018 and 3.88 MMTs as on September 30, 2017. In view of excessive supply of sugar, sugar prices had collapsed and the Government had to intervene with various schemes and policies to support the sugar prices and to regulate the supplies in the market. Besides providing soft loans to the industry to pay cane dues, the Government also introduced a policy for mandatory export of sugar by all sugar mills to liquidate surplus sugar stocks in the country. All these measures helped sugar industry to meet challenging conditions.	The Government is unlikely to withdraw support as it recognises that the cane prices are unrealistically high vis-à-vis prevailing sugar prices and any significant decline in sugar price may lead to non-payment of cane dues. For long-term solution, the Government has announced a new Biofuel Policy in which it has permitted production of ethanol from B-heavy molasses and sugarcane juice. It is also offering interest benefits on loan availed to set up distillation capacities for the production of ethanol. Subject to appropriate pricing of ethanol produced from various feedstocks, it could be a game changer for the industry and sugar mills will have the flexibility to regulate production of sugar in favour of ethanol.
Risk of Climatic factors: The climatic factors, such as, monsoon, flood, drought and crop diseases impact the yield and sugar recovery from cane. Lower yields result in lower cane availability to sugar mills whereas lower sugar recovery leads to higher cost of production.	In the State of U.P., in view of large irrigated areas, the impact of drought or lower rainfall is not very much pronounced as compared to other monsoon dependent sugarcane producing States such as Maharashtra and Karnataka. Further, cane staff of the Company are quite vigilant and after the sowing season, they closely monitor the growth of sugarcane and disease infestation so that timely action could be taken to avoid or minimise the damage.
Sugar Price Risk: The sugar prices vary based upon demand and supply position in the country. In the periods of over-production, due to excessive supplies, the sugar prices decline whereas during period of short-production, due to demand being more than the supplies, the sugar prices increase. Variation in sugar price has significant impact on the profitability of the Company.	The domestic sugar prices are presently not aligned with either international prices or domestic sugar stock position in view of Minimum Selling Price of sugar prescribed by the Government along with regulated monthly sales system limit the supplies. The Company endeavours to enhance overall realisation price by manufacturing refined sugar (which forms 40% of the total production) and pharmaceutical grade sugar, which fetch premium over normal sulphitation sugar.

Working Capital Risk Management: In view of excessive production in the last three years, the Company is holding inventories which are 27% higher than as on March 31, 2018 and 46% higher than as on March 31, 2017. Additional borrowings to meet increased working capital requirements would entail higher finance cost whereas reduction in the quantum of borrowings will increase the cane dues.	To meet the requirements of increased working capital, the company deploys a judicious mix of own funds and borrowed funds so that operations could be managed effectively without steep rise in the finance cost. Further, the Government also introduces maintenance of buffer stocks and provide subsidy to meet the inventory carrying cost associated with the buffer stock.

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	Mitigations
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. **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.	**Gears business** While generally the position of slow down still continues, buoyance in demand has been witnessed in certain business segments relating to our business. – in Products as well as in services. The Company is also working towards aligning to 'Make in India' initiative in the Defence sector in various products which is expected to gradually result in increased sales and product diversification in the coming years. **Water business** In the case of Water business, we had been affected by slow pace of finalisation of orders for which we had tendered but during the year, we have received substantial orders which would allow us to operate profitably. We have also secured a prestigious order for setting up a sewage treatment plant at Mathura under 'Namami Gange' programme on hybrid annuity terms.
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.	Being associated with world premier gear manufacturing companies, best technology is available with the Company. Additionally, the Company is actively engaged in R&D activities to develop its own products to broad-base its product offerings. In respect of water business, the Company has access to almost all technologies currently being used, including through its Israeli associate.
Project delays and payment risks: On account of financial problems with customers, including non-achievement of financial closure, the project may get delayed, resulting in credit risks, cost overruns and blockage of working capital.	The Company does proper diligence on its customers 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. In view of financial stress in certain sectors, the water business is generally not inclined to accept orders from those sectors except in cases with special merit.

Directors' Report

Your Directors have pleasure in presenting the 83rd Annual Report and audited financial statements for the Financial Year (FY) ended March 31, 2019.

FINANCIAL RESULTS

(₹ in lakhs)

	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations (Gross)	315156.34	341186.08	315173.69	341186.08
Operating Profit (EBITDA)	37668.07	30012.83	37251.70	29131.21
Finance cost	6798.78	8533.87	6798.71	8533.97
Depreciation and Amortisation	5695.14	5535.56	5695.14	5535.56
Profit before exceptional items & tax	25174.15	15943.40	24757.85	15061.68
Exceptional Items	2034.85	--	--	--
Profit before Tax (PBT)	27209.00	15943.40	24757.85	15061.68
Tax Expenses	5152.65	4969.02	5152.65	4969.68
Profit after Tax (PAT), before Share of Net Profit of Associates	22056.35	10974.38	19605.20	10092.00
Share of net profit of Associates	-	-	2022.85	1822.01
Profit for the year	22056.35	10974.38	21628.05	11914.01
Other comprehensive income (net of tax)	(137.34)	121.72	(41.01)	120.57
Total comprehensive income	21919.01	11096.10	21587.04	12034.58
Earning per equity share of ₹ 1 each (in ₹)	8.55	4.25	8.39	4.62
Retained Earnings brought forward	5371.58	(4954.46)	9774.25	(1498.45)
Appropriation:				
- Equity Dividend (including dividend distribution tax)	2176.78	776.20	2176.77	776.20
- Transfer to/ (withdrawn) from molasses storage fund reserve (net)	20.08	(6.14)	20.08	(6.14)
-Share of associates- buyback adjustments during the year	--	--	(1537.69)	--
Retained earnings carried forward	25093.73	5371.58	30599.11	9774.25

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:

After achieving an all India production of 32.5 million tonnes in the Sugar Season 2017-18, the estimated production in sugar season 2018-19 is estimated to be at 33 million tonnes, a record production for India, which has resulted in huge surplus of sugar inventory in the country. Under this background of over-hang of sugar stocks, our Sugar business has made segment profit of ₹ 79.21 crore as against ₹ 115.59 crore in the previous year.

In view of estimated high sugar production in sugar season 2017-18, the sugar prices had collapsed by the year end to about ₹ 28 /Kg. If the situation was allowed to continue unchecked, the sugar sector would have incurred colossal losses. However, in June 2018, the Central Government came to rescue of the sugar sector and introduced a scheme under which the Minimum Selling Price of sugar (MSP) was prescribed at ₹ 29/ Kg. and also introduced monthly sugar mill wise releases from June' 2018 to regulate the quantity of sugar to be sold in the domestic market. It resulted in healthy recovery of sugar prices and subsequently in February, 2019, based on the economics of the sugar sector, MSP for sugar was raised to ₹ 31/Kg.

Both the Government of UP (GoUP) and the Central Government (GoI) have come forward to help the sugar industry to provide financial assistance to pay cane dues, maintain sugar prices and take definitive steps to correct the position of surplus sugar stocks in the country. These are enumerated hereunder:

- To help the sugar mills to pay the cane dues for the sugar season 2017-18, the GoUP offered soft term loan for a period of 5 years at a concessional interest rate of 5% p.a. The entitlement of our Company was for ₹ 364 crore and the same was availed in November 2018 and the loan proceeds were used for the payment of cane dues for sugar season 2017-18.

- To help payment of cane dues of the Sugar Season 2018-19, the GoI has offered interest subvention of 7% for a period of one year on the loans to be arranged through commercial banks. The entitlement of such loans to the Company was to the extent of ₹ 310 crore and the Company has fully availed such loans in April / May '2019 and paid cane dues from the loan proceeds.

- The GoI introduced buffer stock of 3 million tonnes with reimbursement of inventory carrying cost (finance cost and insurance cost). The buffer stock was introduced with effect from July '2018 for a period of one year and the share of the company was for 99584 MT.

- In order to correct the surplus stock position in the country, the Government came out with a directive to export 5 million tonnes of sugar in the sugar season 2018-19 and prescribed export quotas for all sugar mills for mandatory export. Alongside, the GoI also prescribed assistance in payment of cane price subject to complying with various directives of Directorate of Food and Public Distribution (DFPD) as well as other prescribed conditions. Based on the sugar cane crush in the Sugar Season 2018-19, the Company is expected to have export obligations of around 129,465 tonnes and the Company is in the process of fulfilling export obligations of its sugar mills. It is generally felt that export losses in fulfilling such export obligations will be by and large met by various benefits being offered by the GoI towards assistance in cane price and other freight subsidies.

Apart from the aforesaid positive interventions by the State and Central Government, a major change has taken place in the form of much increased sugar recovery, much above industry average, which has helped the Company to rationalize its cost of production of sugar; it will help the Company to withstand adversarial conditions. The sugar recovery during the current season up to March 31, 2019 is at 11.73% as compared to 11.24% in the corresponding period of the previous sugar season. The Company has been able to substantially prune down its old term loans and majority of the long-term debts outstanding at the year-end have been contracted at concessional rates under various schemes of the government to provide soft loans. It will help in containing overall finance cost in future.

Co-generation & Distillery

Co-generation business has earned segment profit of ₹ 91.11 crore during the year as against ₹ 98.90 crore in the previous year. The operations were conducted satisfactorily with high plant capacity utilization. The Segment profitability is lower than last year due to non-accrual of REC income during the year.

During the year, Distillery operations resulted in segment profit of ₹ 132.71 crore as against ₹ 26.74 crore in the previous year. Better profitability has resulted from uninterrupted operations as well as due to much lower cost of raw material.

During the year, the GoI introduced a 'Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity' under which interest subvention @ 6% p.a. or 50% of the rate of interest charged by the bank, whichever is lower, on the loans to be extended by bank shall be borne by the GoI. Further, instead of conventional C-molasses, B-Heavy molasses and cane juice were also permitted to be used in the manufacture of ethanol and accordingly, higher price of ethanol was specified for B-Heavy molasses and sugar cane juice.

The aforesaid Scheme of the Government may be a game changer and will provide flexibility to the sugar industry to change product mix of sugar and ethanol based upon the market economics. Pursuant to the above Scheme, the Company has set up 160 KLPD Distillery at its sugar unit at Sabitgarh, which commissioned in the first quarter of FY 20 and is in the process of installing Incineration Boiler at its existing distillery at Muzaffarnagar.

Engineering Business:

The turnover of Gears business has increased by 19% and segment profit by 21%. During the year, it has received 11% higher orders (excluding long tenure order) and accordingly its order book at the year-end is at ₹ 87.8 crore, higher by 5% as compared to previous year. In addition to above, Gears business has got long term orders worth ₹ 26 crore which will be serviced over a period of 2 to 3 years and aggregate such orders in hand are ₹ 88.4 crore as at the year end. The aforesaid orders include orders of ₹ 13.0 crore from Defence; the Gears Business is actively aligning with 'Make in India' initiatives for various products which have potential of significant volumes in future.

The Water business had been suffering because of lack of steady flow of orders and the position has largely corrected as the Water business received record orders worth ₹ 1,030.39 crore (including O&M) during the year and the orders on hand at the year end are at ₹ 1,313.59 crore, which is 129% higher than the previous year. The orders received during the year include an order of ₹ 223.81 crore (excluding O&M) under Hybrid Annuity Model for Mathura City under the Namami Gange Programme being undertaken by the National Mission of Clean Ganga awarded to our wholly owned subsidiary, Mathura Wastewater Management Private Ltd. As a result of satisfactory order position, the Company has been able to achieve much higher turnover of ₹ 249.15 crore (+42%) and after a gap of 5 years, it has turned profitable; during the year, it has made segment profit of ₹ 7.33 crore as against a loss of ₹ 13.94 crore in the previous year.

Overall, both the Engineering businesses are looking up and are on growth trajectory even during period of slowdown in the capital goods industry.

DIVIDEND

An interim dividend of ₹ 0.70 per equity share of ₹ 1/- each (70%) was declared and paid by the Company during the financial year ended on March 31, 2019. The Board has refrained from declaring any final dividend for the financial year 2018-19 and hence, the interim dividend declared by the Board of Directors is being proposed to be confirmed as the final dividend for the year. The total dividend for the year involved outgo of ₹ 21.77 crore, including dividend distribution tax of ₹ 3.71 crore.

DIVIDEND DISTRIBUTION POLICY

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

SUBSIDIARY AND ASSOCIATE COMPANIES PERFORMANCE

Associate Companies

Triveni Turbine Ltd. (TTL)

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

The Company holds 21.85% stake in the equity shareholding of TTL. On a consolidated basis, TTL has achieved net turnover and profit after tax (PAT) of ₹ 839.99 crore and ₹ 100.23 crore respectively registering an increase of 12% in turnover and 4% in PAT. The lower increase in profitability is primarily due to development and initial cost of manufacturing series of new products launched during the year.

The Company has been successfully operating globally and is assisted by international subsidiaries and overseas offices in promoting and marketing the products and services of the Company. During the year, export sales constituted 47% of the total sales and orders in hand as on March 31, 2019 comprised export orders of ₹ 361 crore (50% of total order book).

Aqwise-Wise Water Technologies Ltd. (Aqwise)

The Company holds 25.04% in the equity capital of Aqwise. As per the audited financial statements, Aqwise has performed much better in the calendar year 2018 with consolidated turnover increasing by 26% to USD 25.3 million and consolidated net profit at USD 0.1 million as against a consolidated loss of USD 0.5 million during the previous calendar year. During the year, Aqwise achieved a total consolidated order booking of USD 39 million and the order booking is primarily focused on turnkey projects but the company has also secured orders in the area of project packaging and providing professional services. With a strong order booking and carry forward order book, the company is expected to register good growth in the coming years.

Subsidiary Companies

During the year under review, the Company has incorporated a new wholly owned subsidiary, Mathura Wastewater Management Pvt Ltd. (MWMPL) under the Companies Act 2013 on June 12, 2018 as a Special Purpose Vehicle (SPV) for implementation of a project/order awarded by Yamuna Pollution Control Unit, U.P. Jal Nigam, Agra (UJN) to the Company for "Development of Sewage Treatment Plants and Associated Infrastructure on Hybrid Annuity PPP basis at Mathura Uttar Pradesh" under the Namami Gange Programme, in terms of the Letter of Award issued by the UJN.

In addition to the above, the Company has six wholly owned subsidiaries, namely, Triveni Industries Ltd., Triveni Engineering Ltd., Triveni Entertainment Ltd., Triveni Energy Systems Ltd., Svastida Projects Ltd., and Triveni Sugar Ltd. in which the Company had 99.99% equity stake till last year and has become a wholly owned subsidiary during the year. 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, 2019, 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 Nikhil Sawhney, 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.

During the period under review, with the approval of the shareholders by a special resolution passed at the last Annual General Meeting held on September 28, 2018, Mr Tarun Sawhney has been re-appointed as Managing Director (designated as Vice Chairman & Managing Director) of the Company for a further period of five years with effect from October 1, 2018 on the remuneration and terms and conditions set out in the said special resolution.

Further, the terms of appointment of Mr Shekhar Datta, Ms Homai A. Daruwalla and Dr. Santosh Pande, Independent Directors, were due to expire on March 31, 2019, March 31, 2019 and April 15, 2019 respectively. With the approval of the shareholders by three separate special resolutions dated March 28, 2019 passed through postal ballot, all of them have been re-appointed as Independent Directors for another terms of five years with effect from their respective due dates.

The Board of Directors had, on recommendation of the Nomination & Remuneration Committee, appointed Mr Jitendra Kumar Dadoo as Additional Director in the capacity of Independent Director for initial term of three years w.e.f. May 21, 2019, subject to approval of the shareholders.

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

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

EMPLOYEES STOCK OPTION

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

AUDITORS

Statutory Audit

M/s S.S. Kothari Mehta & Company (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 2019-20. The Company has been maintaining cost accounts and records in respect of the applicable products. Mr Rishi Mohan Bansal and M/s GSR & Associates, Cost Accountants have been appointed as Cost Auditors to conduct the cost audit of the Sugar businesses (including cogeneration and distillery) and Gears business respectively of the Company for the FY 2019-20, 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 20.

COMMENTS ON THE AUDITOR'S REPORT

Statutory Audit

The Auditors report for FY 19 does not contain any qualification, reservation or adverse remark. Further pursuant to section 143(12) of the Act, the Statutory auditors of the Company has not reported any instances of fraud committed in the Company by its officers or employees, the details of which are required to be mentioned in the Board's Report.

In Para i (c) of **Annexure-A** to the Auditors Report, the auditor has reported that in 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 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. Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the said Act. No compliant was received by the Internal Complaints Committee during FY19.

BOARD MEETINGS

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

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

Notes 6 and 9 of the standalone financial statements of the Company forming part of the Annual Report provide particulars of the investments made by the Company in the securities of other bodies corporate; Notes 8 and 47 provide details of loans advanced; and Note 38(v) provides details of guarantee given by the Company.

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

The particulars required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided in **Annexure-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 of every financial year, the inclusion of the Business Responsibility Report as part of the Directors' Report of the Company. While the Company was not in top 500 listed entities based on the market capitalization as at the end of last financial year, the Company has voluntarily chosen to include such business responsibility reports in the prescribed form 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, the extracts of the annual return in the prescribed form is annexed as **Annexure-I** to the Board's Report and shall be made available on website of the Company i.e. www.trivenigroup.com

SIGNIFICANT AND MATERIAL ORDERS

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

HUMAN RESOURCES

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board is available on the website of the Company at http://www.trivenigroup.com/investor/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 21, 2019

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)* Wholly Owned Subsidiary	Svastida Projects Ltd. (SPL) Wholly Owned Subsidiary	Triveni Industries Limited (TIL) Wholly Owned Subsidiary	Mathura Wastewater Management Pvt Ltd. (MWMPL) Wholly Owned Subsidiary
Date of becoming subsidiary/ acquisition	**15.02.2008**	**27.06.2006**	**20.03.2014**	**19.03.2014**	**19.03.2014**	**22.07.2015**	**12.06.2018**
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA	NA
3. Share capital	385.00	265.00	417.00	5.00	215	0.50	0.30
4. Reserves & surplus	(10.53)	124.94	(21.74)	(5.05)	(9.97)	(4.74)	(12.85)
5. Total assets	374.65	440.84	395.43	0.07	205.23	0.50	2,870.36
6. Total Liabilities	0.18	50.90	0.17	0.12	0.20	4.74	2,882.91
7. Investments	369.28	435.94	383.37	-	200.00	-	-
8. Turnover	-	-	-	-	-	-	17.36
9. Profit before taxation	(0.81)	(4.41)	(2.05)	(1.04)	(0.88)	(1.36)	(12.85)
10. Provision for taxation	0.07	0.06	-	0.01	0.08	-	-
11. Profit after taxation	(0.88)	(4.47)	(2.05)	(1.05)	(0.96)	(1.36)	(12.85)
12. Proposed Dividend	-	-	-	-	-	-	-
13. Extent of shareholding (in %age)	100.00%	100.00%	100.00%	100.00%	100.00%	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 except in MWMPL, which is a SPV for implementation of a project/order awarded by UP Jal Nigam, Agra.

* Till last year, the Company held 99.99% stake in TSL

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-19	31-Dec-18
2. Date on which the Associate or Joint Venture was acquired	01.10.2010	30.07.2012
3. Shares of Associate or Joint Ventures held by the company on the year end		
- No of shares	70627980	13008
- Amount of Investment in Associates/Joint Venture (₹ Lakhs)	706.35	3006.19
- Extent of Holding %	21.85	25.04
4. Description of how there is significant influence	Due to equity stake being more than 20%	Due to equity stake being more than 20%
5. Reason why the associate/joint venture is not consolidated	Being consolidated	Being consolidated
6. Networth attributable to Shareholding as per latest audited Balance Sheet (₹ Lakhs)	9467.57	847.16
7. Profit or Loss for the year (after tax) (₹ Lakhs) – as per consolidated financial statements	10022.46	110.95*
i. Considered in Consolidation (₹ Lakhs)**	1995.07	27.78
ii. Not Considered in Consolidation	–	–

* Based on unaudited consolidated results for the period 1.4.2018 to 31.12.2018.
** Net of tax on undistributed profits.

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 70% 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 ten (10) Directors - 7 (seven) 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 five times during the FY 19 ended on March 31, 2019. The interval between any two successive meetings did not exceed one hundred and twenty days. Board Meetings were held on May 24, 2018, August 1, 2018, September 5, 2018, November 2, 2018 and February 13, 2019.

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.

Regulation 25(3) of Listing Regulations read with Schedule IV of the Companies Act, 2013 and the rules under it mandate that the Independent Directors of the Company hold at least one meeting in a year without the attendance of Non-Independent Directors of the Company and members of the management. During the year, separate meeting of the Independent Directors was held on February 13, 2019 without the attendance of non-independent directors and members of the management. The independent directors, inter-alia reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

Board of Directors

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

Senior Management

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

COMPOSITION OF THE BOARD

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

Name of the Director	Category	No. of Board Meetings		Attendance at last AGM held on September 28, 2018	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	5	5	No	3	1	1
Mr. Tarun Sawhney*1 Vice Chairman and Managing Director DIN-00382878	Promoter & Executive Director	5	5	Yes	3	None	1
Mr. Nikhil Sawhney*1 DIN-00029028	Promoter & Non-Executive Director	5	4	Yes	3	None	3
Dr. F.C. Kohli DIN-00102878	Independent Non-Executive Director	5	1	No	1	None	None

Name of the Director	Category	No. of Board Meetings		Attendance at last AGM held on September 28, 2018	No. of other Directorships*2	No. of Committees positions held in other companies*3	
		Held	Attended			Chairman	Member
Lt. Gen. K.K. Hazari (Retd.) DIN-00090909	Independent Non-Executive Director	5	4	No	1	None	None
Mr. Shekhar Datta DIN- 00045591	Independent Non-Executive Director	5	4	No	2	None	None
Ms. Homai A. Daruwalla DIN-00365880	Independent Non-Executive Director	5	4	Yes	8	4	9
Dr. Santosh Pande DIN-01070414	Independent Non-Executive Director	5	4	Yes	2	None	2
Mr. Sudipto Sarkar DIN-00048279	Independent Non-Executive Director	5	4	No	4	1	5
Mr. J.K. Dadoo*4 DIN-02481702	Independent Non-Executive Director	NA	NA	NA	None	None	None

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

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

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

*4 Appointed w.e.f. May 21, 2019.

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

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

BOARD FUNCTIONING AND PROCEDURE

Key Board Qualifications, Expertise and Attributes

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

In view of the objectives and activities of our business, the Company requires skills/expertise/competencies in the areas of Crafting Business Strategies International and Domestic, Global Business Leadership, Experience of running large enterprise, Investor Relations, Information Technology, Administration, Finance, Audit, Legal, Strategy Planning, Risk Management, Corporate Governance/understanding of the changing regulatory framework, Formulating Policies and Processes.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

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.

Appointment/Re-appointment of Director

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

BOARD COMMITTEES

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

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

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

(I) Audit Committee

Composition, Meetings & Attendance

The Committee is headed by an Independent Director and consists of the members as stated below. During the year ended on March 31, 2019, the Audit Committee met five times on March 31, 2019 i.e. on May 24, 2018, August 1, 2018, September 10, 2018, November 2, 2018 and February 12, 2019. During the FY19, the committee was reconstituted by induction of Mr. Sudipto Sarkar as its member w.e.f. August 1, 2018. The composition and attendance of each Audit Committee Member is as under:-

Name of the Member	Category	No. of Meetings	
		Held	Attended
Ms. Homai A. Daruwalla – Chairperson	Independent Non-Executive Director	5	5
Mr Tarun Sawhney	Promoter & Executive Director	5	5
Mr Shekhar Datta	Independent Non-Executive Director	5	5
Lt. Gen. K.K. Hazari (Retd.)	Independent Non-Executive Director	5	4
Mr. Sudipto Sarkar*	Independent Non-Executive Director	3	2

*Appointed w.e.f. August 1, 2018.

The Chairperson of the Audit Committee attended the last AGM held on September 28, 2018 to answer the shareholders' queries.

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

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

- Reviewing the Company's financial reporting process and its financial statements.
- Reviewing the accounting and financial policies and practices and compliance with applicable accounting standards.
- Reviewing the efficacy of the internal control mechanism, monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.
- Reviewing reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.
- Examining accountancy and disclosure aspects of all significant transactions.
- Reviewing with management the quarterly, half yearly & annual financial statements including review of qualifications, if any, in the audit report before submission to the Board for approval.

- Recommending appointment of external and internal auditors and fixation of audit fees.
- Seeking legal or professional advice, if required
- Approval or any subsequent modifications of transactions of the Company with related parties.
- Scrutiny of Inter-Corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever required.
- Reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investment.

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

(II) Nomination and Remuneration Committee (NRC)

Composition, Meetings & Attendance

The NRC is headed by an Independent Director and consists of the members as stated below. The NRC met two times during the FY 19 ended on March 31, 2019 i.e. on August 1, 2018 and November 2, 2018. The composition and attendance of each Audit 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	2	1
Mr Nikhil Sawhney	Promoter & Non-Executive Director	2	2
Mr Shekhar Datta	Independent Non-Executive Director	2	2
Dr. Santosh Pande	Independent Non-Executive Director	2	2

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 19 ended on March 31, 2019, 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 19 ended on March 31, 2019 are as under:

(₹ in Lakhs)

Name of the Executive Director	Mr. Dhruv M. Sawhney CMD	Mr. Tarun Sawhney VCMD
No. of Equity Shares held	40130756	14695375
Service Period	31.03.2015 to 30.03.2020	01.10.2018*1 to 30.09.2023
Salary (in ₹)	Nil	246.90
Performance Bonus/ Commission	Nil	50.00
Contribution to PF & other funds	Nil	38.88*2
Other Perquisites	Nil	27.28
Total	**Nil**	**363.06**

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

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

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

Remuneration to Non-Executive Directors (NEDs)

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

The details of the remuneration paid/provided during the FY 19 ended on March 31, 2019 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	0.75	5.00	Nil
Lt. Gen. K. K. Hazari (Retd.)	11.80	5.00	Nil
Mr. Shekhar Datta	10.75	7.00	10000
Mr. Nikhil Sawhney	7.95	7.00	15277653
Ms. Homai A. Daruwalla	9.25	7.00	Nil
Dr. Santosh Pande	7.35	7.00	Nil
Mr. Sudipto Sarkar	8.25	7.00	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, Dr. Santosh Pande, and Ms Homai A. Daruwalla, Independent Directors have received sitting fee / commission as Director and Member of Board/Committees of Triveni Turbine Ltd. (Associate Company), whereas Mr. Nikhil Sawhney, Promoter & Non-Executive Director is the Vice Chairman and Managing Director of the said Associate Company and has drawn remuneration from that Company.

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

(III) Stakeholders' Relationship Committee

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 19 ended on March 31, 2019 i.e. on May 24, 2018, July 24, 2018, November 2, 2018 and February 12, 2019. During the FY 19 the committee was reconstituted by induction of Mr. Sudipto Sarkar as its member w.e.f. August 1, 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	4
Mr Tarun Sawhney	Promoter & Executive Director	4	4
Mr Nikhil Sawhney	Promoter & Non-Executive Director	4	4
Mr. Sudipto Sarkar*	Independent Non-Executive Director	2	2

*Appointed w.e.f. August 1, 2018

Function and term of reference

The functions and terms of reference/role of the Audit Committee, as specified in the Regulation 20 of the SEBI (LODR) Regulations and Section 178 of the Companies Act, 2013 as amended from time to time and broadly include:-

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

- Review of measures taken for effective exercise of voting rights by shareholders.

- Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.

- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

- Review of the report(s) which may be submitted by the Company Secretary/RTA relating to approval/ confirmation of requests for share transfer/ transmission/ transposition/ consolidation/issue of duplicate share certificates/sub-division, consolidation, remat, demat etc on quarterly basis.

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

Details of investor complaints

During the FY 19 ended on March 31, 2019, 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 19 are as follows:

Opening Balance	Received	Resolved	Pending
Nil	20	20	Nil

Further, there were no pending share transfers and requests for dematerialization as on March 31, 2019.

(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 19 ended on March 31, 2019, 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 five (5) 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 five times during the FY19 ended on March 31, 2019.

GENERAL BODY MEETINGS

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

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

POSTAL BALLOT

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

During the FY 19 ended on March 31, 2019, the Company sought approval from its shareholders for passing of four special resolutions as set out in the Postal Ballot Notice dated February 13, 2019 through the process of Postal Ballot. Mr Suresh Kumar Gupta, Practising Company Secretary conducted the postal ballot process. The detail of these special resolutions alongwith the snap shot of the voting results are as follows:

Date of Postal ballot Notice: February 13, 2019

Voting period: Wednesday, February 27, 2019 (9:00 a.m.) to Thursday, March 28, 2019 (5:00 p.m.)

Date of Result of Postal Ballot: March 29, 2019

Date of approval: March 28, 2019

Sr. No	Detail of Spl Resolution	Number of valid votes polled	Votes cast in favour of the Resolution	%	Votes cast against the Resolution	%
1	Re-appointment of Ms. Homai A Daruwalla as an Independent Director of the Company for another term of five year w.e.f. April 1, 2019 to March 31, 2024.	189647925	189637862	99.995	10063	0.005
2	Re-appointment of Mr. Shekhar Datta as an Independent Director of the Company for another term of five year w.e.f. April 1, 2019 to March 31, 2024.	189647611	189646058	99.999	1553	0.001
3	Re-appointment of Dr. Santosh Pande as an Independent Director of the Company for another term of five year w.e.f. April 16, 2019 to April 15, 2024.	189647741	189646128	99.999	1613	0.001
4	Alteration of Articles of Association of the Company pursuant to the provisions of Section 14 of the Companies Act, 2013	189647467	181960968	95.947	7686499	4.053

(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 conducted the postal ballot in accordance with the provisions of Section 110 of the Companies Act, 2013 (Act) read with relevant Rules. Mr Suresh Kumar Gupta, a Practicing Company Secretary was appointed as Scrutinizer for conducting the postal ballot process in a fair and transparent manner. The postal ballot notice alongwith postal ballot form etc. were sent through e-mail to those shareholder, who had registered their e-mail IDs with the Company/Depositories, and to other shareholders through Registered Post as permitted mode in physical form. A notice was published in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act. In compliance with the relevant provisions of the act and SEBI Listing Regulations, the Company had offered facility of e-voting to its member to cast their vote electronically. Upon completion of scrutiny, the Scrutinizer submitted his report to the Company and the results of the postal ballot were announced. All the above resolutions were passed with the requisite majority on March 29, 2019. The voting results were sent to the stock exchanges and also displayed on the Company's website.

MEANS OF COMMUNICATION

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

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

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

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

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

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

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

GENERAL SHAREHOLDER INFORMATION

(a) **Annual General Meeting**

Date : September 27, 2019

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 2019-20 (tentative)

Financial Reporting for the quarter ending June 30, 2019	:	By mid of August 2019
Financial Reporting for the quarter / half year ending September 30, 2019	:	By mid of November 2019
Financial Reporting for the quarter / nine months ending December 31, 2019	:	By mid of February 2020
Financial Reporting for the annual audited accounts for the financial year ending March 31, 2020		By the end of May 2020

(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

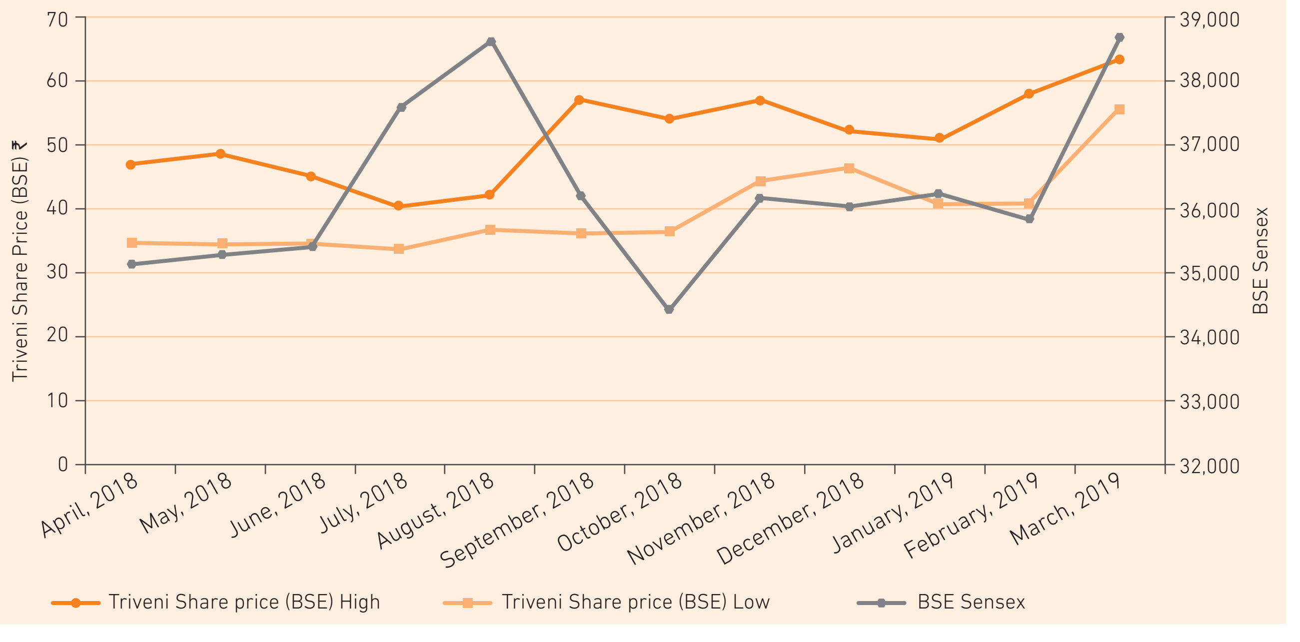
The Company has paid the listing fees for the Financial Year 2019-2020 to both the aforesaid Stock Exchanges.

(d) Market Price Data/Stock Performance: FY 19 ended on March 31, 2019

During the year under report, the trading in Company's equity shares was from April 1, 2018 to March 31, 2019. 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, 2018	47.35	35.00	47.40	33.20
May, 2018	48.80	34.65	47.90	35.70
June, 2018	45.25	34.95	45.15	34.80
July, 2018	40.50	34.05	40.50	34.05
August, 2018	42.30	37.00	42.20	36.80
September, 2018	57.55	36.50	57.40	36.50
October, 2018	54.45	36.85	53.15	37.00
November, 2018	57.40	44.75	58.30	44.70
December, 2018	52.30	46.80	52.25	46.80
January, 2019	51.30	41.00	51.50	41.20
February, 2019	58.30	41.05	58.35	41.70
March, 2019	63.60	56.05	62.95	56.00

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



(f) Registrar & Share Transfer Agent

M/s Karvy Fintech Pvt. Ltd.,
Unit: Triveni Engineering & Industries Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda,
Hyderabad – 500 032
Tel. :- Board No.: 040 6716 2222
Fax No.: 040 23001153
Email : einward.ris@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, 2019

Group of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to total shares
From 1-500	37373	81.786	5278991	2.047
501-1000	3787	8.287	3116010	1.208
1001-2000	1986	4.346	3086093	1.196
2001-3000	737	1.613	1920171	0.744
3001-4000	307	0.672	1105331	0.429
4001-5000	344	0.753	1635145	0.634
5001-10000	514	1.125	3885877	1.506
10001 & higher	648	1.418	237917492	92.236
Total	**45696**	**100.000**	**257945110**	**100.00**

(i) Shareholding Pattern of Equity Shares as on March 31, 2019

Category	Number of Shareholders	% to total shareholders
Promoters	175957229	68.214
Mutual Funds	5441760	2.110
Banks/Financial Institutions/Insurance Cos.	282443	0.109
Foreign Portfolio Investors	9522133	3.692
Bodies Corporate/NBF	14970672	5.804
Indian Public(*)	48873323	18.947
NRIs / Foreign Nationals	2287187	0.887
Others – Clearing Members/Trust/IEPF	610363	0.237
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, 2019, 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 40 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 2010-11 (Final Dividend) have been transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government.

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

Financial Year/ Period	Whether Interim/ Final	Date of declaration of Dividend	Due date for transfer to IEPF
2011-2012	Final Dividend	19.02.2013	18.02.2020
2017-18	Interim Dividend	10.08.2017	09.08.2024
2018-19	Interim Dividend	13.02.2019	12.02.2026

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

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

In compliance with the requirements laid down in Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred equity shares of all such shareholders whose dividends had remained unpaid or unclaimed for seven consecutive years or more, to the Demat Account of IEPF. However, the shareholders are entitled to claim their equity shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in prescribed Form IEPF-5 and sending a physical copy of the said Form duly signed by all the joint shareholders, if any, as per the specimen signatures recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's Registrar & Transfer Agent, M/s Karvy Fintech Pvt. Ltd., Hyderabad. The Rules and Form IEPF-5 for claiming back the equity shares are available on the website of IEPF www.iepf.gov.in. It may please be noted that no claim shall lie against the Company in respect of equity shares transferred to IEPF pursuant to the said Rules. The details of the shareholders whose equity shares had been transferred to the Demat Account of the IEPF and the details of unclaimed dividends lying with the Company as on the date of last AGM (i.e. Sept 28, 2018) are available on the website of the Company at www.trivenigroup.com/investor/shareholders-information. Further, shares in respect of which dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the IEPF as required by law. In the interest of shareholders, the Company send prior intimation to the concerned shareholders to claim their unclaimed dividends in order to avoid transfer of dividend/shares to IEPF and publish a notice to this effect in the newspapers.

Equity shares of the Company lying in IEPF suspense account

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

Particulars	Number of Shareholders	No of Equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	411	31499
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	866	77331

The voting rights on the shares outstanding in the said account as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

The Company does not have any equity shares in the demat suspense account/unclaimed suspense account, detail of which is required to be disclosed pursuant to Regulation 34(3) and Schedule V Part F of Listing Regulations.

p) **Locations**

Registered Office

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

Share Department

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

Plant Locations

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

Address for correspondence

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

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

Credit rating

During the financial year 2018-19, ICRA has, reaffirmed the rating for long term and short term facilities of the Company at AA- and A1+ respectively with stable outlook.

OTHER DISCLOSURES

- **Related Party Transactions**

  During the year, there was no materially significant related party transaction which may have potential conflict with the interest of the Company. The Company has formulated a Related Party Transaction Policy which has been uploaded on its website at http://www.trivenigroup.com/investor/corporate-governance/policies.html Details of related party information and transactions are being placed before the Audit Committee from time to time. The details of the related party transactions during the year have been provided in Note No.38 to the financial statements

- **Disclosures of Accounting Treatment**
  In the financial statements for the year ended March 31, 2019, the Company has followed the treatment as prescribed in the applicable Accounting Standards.

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

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

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

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

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

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

- **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, 2019. 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, 2019.

  Date: May 21, 2019 **Dhruv M. Sawhney**
  Place: Noida (U.P.) Chairman and Managing Director

- **Certification**
  The Chairman and Managing Director and Group CFO have certified to the Board of Directors, inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under Regulation 17 (8) of Listing Regulations, for the year ended March 31, 2019. The said certificate forms part of the Annual Report.

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

  Remuneration to Statutory Auditors
  M/s S S Kothari Mehta & Co (Firm Registration No. 000756N), are holding the office of Statutory Auditors of the Company and one of its wholly owned subsidiaries namely, Mathura Wastewater Management Pvt. Ltd.. The

particulars of payment of Statutory Auditors fees on consolidated basis is given below:

(₹)

Particulars	
Service as Statutory Auditor (including quarterly limited review)	5650000
Other matters	50000
Re-imbursement of out of pocket expenses	254190
Total	**5954190**

- **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, 2019 is unmodified.

- **Subsidiary Companies**

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

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

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

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

The certificate dated May 21, 2019 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 21, 2019.

For and on behalf of the Board of Directors

Dhruv M. Sawhney
Chairman and Managing Director
DIN: 00102999

Place : Noida (U.P.)
Date : May 21, 2019

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 March 31, 2019, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2019.

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 March 31, 2019.

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

RESTRICTION ON USE

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

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

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida
Dated : May 21, 2019

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, 2019 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 21, 2019

Certificate of Non-Disqualification of Directors

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment in Company
1	MR. DHRUV MANMOHAN SAWHNEY	00102999	20/09/1992
2	MR. TARUN SAWHNEY	00382878	19/11/2008
3	MR. NIKHIL SAWHNEY	00029028	19/11/2008
4	MR. KANWAL KISHAN HAZARI	00090909	03/04/2000
5	MR. FAQIR CHAND KOHLI	00102878	27/05/2000
6	MS. HOMAI ARDESHIR DARUWALLA	00365880	07/11/2013
7	MR. SANTOSH PANDE	01070414	16/04/2014
8	MR. SHEKHAR DATTA	00045591	25/04/2009
9	MR. SUDIPTO SARKAR	00048279	07/11/2015

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

For **Suresh Gupta & Associates**
Company Secretaries

Suresh Kumar Gupta
C. P. No 5204
FCS. No. 5660

Place : Delhi
Date : May 21, 2019

Annexure-D

Form No. MR-3

Secretarial Audit Report

For The Financial Year Ended March 31, 2019

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

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

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

WE REPORT THAT-

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

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

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2019 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 to the extent applicable; 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 21, 2019
Place : Delhi

Annexure-E

A) CONSERVATION OF ENERGY

a) The steps taken or impact on conservation of energy

1. Installed VFDs at clear juice and sulphited juice pumps resulting in saving of power at Deoband unit.
2. Electrical and Thermal efficiency increased due to better loading on TG Set resulting in increase in power generation by approx 4% at Chandanpur sugar mill.
3. Modifications done in evaporator system and vapour bleeding system to reduce process steam consumption at Chandanpur unit.
4. Replaced a 45 KW vertical turbine type borewell with energy efficient 7.5 KW submersible pump set after assessing the reduced water requirement at Sabitgarh unit.
5. Installed VFDs at blower motor and decanter at ETP at Milaknarayanpur unit resulting saving of power.
6. Installed digital AVR on 10 MW TG set to arrest tripping due to grid fluctuations and replaced old ID fan with new ID fan of higher efficiency at Milaknarayanpur unit.
7. Quality of insulation improved through lagging on damaged / exposed steam, vapour and condensate lines at Khatauli unit.
8. Replaced air pre-heater tubes at boiler in order to maximize the heat utilization at cogeneration unit Khatauli.
9. Replaced existing metal halide lamps with energy efficient induction lamp resulting in appx. 40% saving on shop floor energy consumption at gear unit, Mysuru.
10. Conducted internal air leakage arresting drive and created awareness on electric power, like fine tuning of temperature setting, switch off machine/lights/ fans/ computers when not in use to save energy at Gears unit, Mysuru.

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

- At Gears Business, arrangements have been made to source upto 82% of its power requirement, generated from wind energy, an alternate renewable source of power.
- At Ramkola unit, solar cells are being utilised 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 for captive use.

c) The capital investment on energy conservation equipment

The Company has incurred ₹ 67.70 lakhs towards energy conservation equipment during the year.

B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption;

All our businesses use mostly indigenous technology except for Gear Business, which apart from own technology up to 7.5 MW, gets technology under 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 to also improve upon existing range of products.

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

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

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

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

*The Gear Business has a License Agreement with an overseas party under which limited information by way of drawings is provided to undertake manufacture of the product and as such, the underlying technology is not passed.

C) Foreign Exchange Earnings & Outgo

Earnings in foreign exchange	₹ 1566.48 lakhs
Foreign exchange outgo	₹ 19210.54 lakhs *

*include repayment of borrowings of ₹ 15280.24 lakhs and a loan amounting to ₹ 282.74 lakhs granted to an associate foreign company during the year.

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 19, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 19

Name of Director/KMP and Designation	Ratio of remuneration to Median remuneration	% increase of remuneration in FY 19
Mr. Dhruv M. Sawhney ** Chairman and Managing Director (CMD)	N.A.	NIL
Mr. Tarun Sawhney* Vice Chairman and Managing Director (VCMD)	90	51.45%
Mr. Nikhil Sawhney Non-Executive Director	3.70	304.05%
Dr. F.C. Kohli Non-Executive Independent Director	1.42	360.00%
Lt. Gen. K.K. Hazari (Retd.) Non-Executive Independent Director	4.16	205.45%
Mr. Shekhar Datta Non-Executive Independent Director	4.39	195.83%
Ms. Homai A. Daruwalla Non-Executive Independent Director	4.02	170.83%
Dr. Santosh Pande Non-Executive Independent Director	3.55	258.75%
Mr. Sudipto Sarkar Non-Executive Independent Director	3.77	281.25%
Mr. Suresh Taneja* Group Chief Financial Officer	51	7.13%
Ms. Geeta Bhalla* Group Vice President & Company Secretary	19	9.69%

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

** No salary is being drawn by the CMD.

Note: (i) The increase in remuneration to Non-Executive Independent Directors is on account of revision in sitting fee payable to them for attending Board and Committee meetings during FY19 and includes commission in accordance with the relevant provisions of the Companies Act, 2013 due to better profitability, to which they were not entitled during FY18.

(ii) In the Financial year 2018-19, there was an increase of 15.29% in the median remuneration of the employees as compared to last year (The salaries of seasonal employees in sugar units have not been considered herein as they are deployed only for the duration of the Sugar season and not for the entire year).

(iii) There were 3966 permanent employees (817 officers, 3149 workmen including 1847 seasonal employees) on the rolls of the Company as on March 31, 2019.

(iv) The average percentage salary increase of employees other than managerial personnel was 10.15% against 51.45% in the managerial remuneration. In view of inadequacy of profit during previous year, the managerial remuneration had to be constrained. However, due to substantial profitability achieved by the Company during the year, the managerial remuneration was revised on reappointment and included performance bonus/commission in accordance with the provisions of the Companies Act, 2013. The increase in managerial remuneration is commensurate with much improved performance of the Company and the management efforts required to manage well diversified and complex businesses.

(v) It is hereby affirmed that the remuneration paid during the financial ended March 31, 2019 is as per the Nomination and Remuneration policy of the Company.

For and on behalf of the Board of Directors

Dhruv M. Sawhney
Chairman and Managing Director
DIN: 00102999

Place : Noida (U.P.)
Date : May 21, 2019

Annexure-H

Business Responsibility Report – 2018-19

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	2018-19	
7	Sector(s) that the Company engaged in (industrial activity code-wise)	**NIC Code**	**Product Description**
		1072	Sugar
		35106	Cogeneration (Power)
		1101	Industrial Alcohol
		281	Industrial Gears
		360	Water & Waste water Treatment
8	List three key products/services that the Company manufactures/ provides	Sugar and Ethanol Industrial Gears (High speed Gears) Solutions relating to Wastewater, Sewage and Effluents	
9	Total number of location where business activity is undertaken by the Company	**(a) Number of International Locations (Provide details of major 5)** Not Applicable - the Company is majorly operating in domestic market **(b) Number of National Locations:** **Uttar Pradesh (UP)** • 03 Sugar manufacturing plants in West UP, 03 in Central UP and 01 in East UP; • 03 Cogeneration plants in two sugar units situated in West UP; • Distillery situated in District: Muzaffarnagar, West UP; • Water Business at Noida, with projects being executed all over India; and • Corporate and Registered Offices at NOIDA & 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*

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Triveni Engineering and Industries Limited

		FY-19 Standalone ₹ lakhs	FY-19 Consolidated ₹ Lakhs
1.	Paid-up Capital	**2579.47**	**2579.47**
2.	Total Turnover	**321917.83**	**321537.26**
	(a) Revenue from operations (gross)	**315156.34**	**315173.69**
	(b) Other income	**6761.49**	**6363.57**
3.	Profit for the year (after taxes and minority interest)	**22056.35**	**21628.05**
4.	Total Comprehensive Income	**21919.01**	**21587.04**
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.	
6.	List of activities in which expenditure in 5 above has been incurred	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.	

SECTION C: OTHER DETAILS

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

   Yes, the Company has seven subsidiaries as on March 31, 2019.

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. Kamal Verma CEO-Water Business
3.	Telephone number	0120-4308000; 0821-4286501; 0120-4748000
4.	e-mail id	ssinha@ho.trivenigroup.com rajivrajpal@gbg.trivenigroup.com kamal.verma@projects.trivenigroup.com

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

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

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

a. Details of compliance:

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

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

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
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.**
  The Board of Directors have adopted BR Policy in Feb 2018 and BR Performance of the Company is 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?**
  The Business Responsibility Report forms part of the Company’s annual report for the financial year 2018-19. 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 2018-19	Complaints resolved during 2018-19	%age resolved
Investors’ Complaints	20	20	100%
Customers’ Complaints (pertains to Engg. Businesses)	68	64	94%
Total	**88**	**84**	**95%**

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 from bagasse (a by-product produced during manufacture of sugar from sugarcane), which is a renewable source of energy.

   - 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 and is in the process of installing incineration boiler to ensure zero liquid discharge.

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

   - High speed gears manufactured by the Company inter-alia are used to operate steam turbines based on various renewable energy sources, such as, biomass, agricultural waste, waste heat recovery etc. The Company also supplies gear boxes for hydel applications and for wind gear components, both of which are used for renewable energy generation.

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

   a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain? b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

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

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

   - The Company has been focusing on enhancing raw material productivity in sugar operations by propagating appropriate sugarcane varieties which provide higher yield to the farmers, thereby 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 2018-19, the Company has achieved recovery of 11.78% as against 11.29% in the previous year and raw material cost per unit of sugar produced has reduced by 4%.

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 farmers. About 54% of the total requirement of sugarcane is supplied by the farmers at the sugar mill's gate and the balance about 46% is supplied at the cane centers which could be up to 100 km from the sugar mills. There are about 578 cane centers operated by our seven sugar mills. To avoid staling of cane, the Company employs an extensive and efficient arrangements as well as logistics services to transport cane from cane centers to the mill in a timely and cost effective manner.

   - 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 the 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 3,00,000 farmers for its seven sugar mills in the state of Uttar Pradesh. As a part of the cane development programme, the Company partners with the famers on an ongoing basis to improve sowing, cultivation and harvesting techniques in a mutually beneficial manner. The sugar business of the Company has been able to substantially change the sugarcane varietal balance in partnership with farmers which resulted in increase in recoveries and yields which has immensely helped the Company and the farmers.

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

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**
In respect of the Sugar Business, the Company has an effective system to treat the industrial effluents and it regularly monitors the efficacy of ETP. Further, it has installed well engineered 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	6597 as on 31st March 2019 (includes Permanent, Temporary, trainee and contractual employees)
2.	Total numbers of employees hired on temporary / contractual / casual basis	2631 as on 31st March 2019
3.	Total number of permanent women employees	32 as on 31st March 2019
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 34%
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	87%	62%
b.	Permanent Women Employees	75%	71%
c.	Casual / Temporary / Contractual employees	82%	34%
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. (a) **Out of the above has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

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

   The Company treats all the stakeholders important and endeavours to remedy hardships, if any, 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.

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?**
The Company, its directors and employees 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 2018-19, 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 environment friendly (manufacture of ethanol for blending with petrol; waste water / sewage / effluent treatment business being pursued by Water Business of the Company) and promote generation of power from renewable energy resources (Cogeneration Plants use bagasse as feedstock for producing power). The Company has associated with Confederation of Indian Industry (CII) and formed a center of excellence "CII Triveni Water Institute" which does extensive research and advise wide ranging interventions to improve the quality of water and restore adequate water tables.

   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)**
The Company is cognizant of the environment risks and continually evaluates the impact of its manufacturing operations on the environment and endeavours to improve its benchmarks for stringent compliance. Further, all decisions relating to development of new products duly incorporate implications, if any, to the environment. The Company is in the process of installing incineration boiler at its existing distillery and likewise, a new distillery is being set up with the same technology.

   (c) **Does the Company have any Project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed.**
   Yes, two of the Cogeneration Plants of the Company at Deoband and Khatauli (Phase I) are registered with UNFCCC under Clean Development Mechanism.

   (d) **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.**
   The Company generates green power from renewable energy sources and also manufactures green fuel (Ethanol) for blending with petrol, Additionally, the

Company is also engaged in segments relating to waste water, sewage and effluent treatment. Apart from the environment friendly products manufactured by the Company, the Company is conscious of its responsibility to conduct its operations in a manner to conserve energy and to achieve zero effluent discharge.

(e) **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").

(f) **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. Indian Sugar Mills Association (ISMA)

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas.**
   The Company is continuously in touch with various organization, namely, CII, FICCI, ISMA for improvement of various economic and social policies for sustainable growth in the Sugar and Water Industry. The company has also associated with Confederation of Indian Industry (CII) and formed a center of excellence "CII Triveni Water Institute" which does extensive research and advise wide ranging interventions to improve the quality of water and restore adequate water tables.

Principle 8: Supporting inclusive Growth & Equitable Development

1. **Does the Company have specified programs / initiatives/ projects in pursuit of the Policy related to Principle 8? If yes, details thereof.**
   - The Company deals with around 3,00,000 farmers across all its seven sugar mills relating to the procurement of sugarcane for the manufacture of sugar. The Company engages in meaningful cane development programme which aims to develop improved planting, cultivation and harvesting techniques and to improve crop and land productivity resulting in enhanced income in the hands of farmers. During the FY 2018-19, the Company has purchased cane worth ₹ 2461.38 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 03 schools in the vicinity of the sugar mills to provide education to the children residing in the vicinity.

2. **Are the Programs/ Projects undertaken through in house team / own foundation/ external NGO/ Government structures / any other organisation?**
   Most of the programmes are undertaken by the In-house team. The specialized services, wherever required, are procured from expert third parties, including through various tie-ups.

3. **Have you done any impact assessment of your initiatives?**
   While it is difficult to quantify, the results are visible through better income accruing in the hands of farmers and improved operational performance of the Company in terms of better sugar recovery and increased supply of sugarcane. The mutual cooperation with its farmers will help the Company to meet its social and commercial objectives.

4. **What is your Company's direct contribution to community development projects – amount in INR and the details of the project undertaken?**
   The Company has incurred ₹ 1.32 crore in the cane development activities and financial assistance, as required, is provided to the schools being maintained by the Sugar mills. The time spent in counselling, educating farmers, managing schools and providing other services are time extensive, and thus, are difficult to be quantified.

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

   The Company believes that if the activities are carried out in a structured manner as per well laid out plan with proper identification of the target segment of the community, it is bound to be received well and adopted by the community. The Company stringently follows this line of thinking and continually monitors community development initiatives through various parameters such as 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 31.03.2019, there were 6% 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 the Competition Commission of India (CCI),vide its order dated 18.09.2018, concluded that the Sugar Mills who participated in the bidding process in response to the joint tender dated 02.01.2013, colluded in submitting the bids and thereby contravened the provisions of the Act. Accordingly, a penalty of ₹ 174.16 lakhs was imposed based on average turnover from the sale of ethanol during the preceding three years. The order dated 18.09.2018 was challenged before the NCLAT and the Tribunal was pleased to stay the recovery of the order passed by CCI on the condition of depositing 10% of the penalty amount in the form of an FDR in favour of the Registrar, NCLAT, which has been complied by the company. The outcome of the said appeal before the Hon'ble NCLAT is pending at the end of the financial year under report

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 realistic feedback from customers. In the Engineering Businesses, wherein the number customers are not very large, the Company takes feedback directly from the customers by way of questionnaire, 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, 2019

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	July 27, 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 Fintech 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	76%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. NO.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Triveni Engineering Limited 8th Floor, Express Trade Towers, 15-16, Sector-16A, Noida-201 301 (U.P.)	U29119UP2006PLC032060	Subsidiary	100%	2(87)
2.	Triveni Energy Systems Limited 8th Floor, Express Trade Towers, 15-16, Sector-16A, Noida-201 301 (U.P.).	U40102UP2008PLC034648	Subsidiary	100%	2(87)
3.	Triveni Entertainment Limited H. No. 100, Street No. 2 Uttranchal Enclave, Kamalpur, Delhi - 110084	U52110DL1986PLC024603	Subsidiary	100%	2(87)
4.	Triveni Sugar Limited (formerly Bhudeva Projects Limited) A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	U45201UP2014PLC063454	Subsidiary	100%	2(87)
5.	Svastida Projects Limited A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	U45201UP2014PLC063455	Subsidiary	100%	2(87)

Sl. NO.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
6.	Triveni Industries Limited Sugar Unit, Deoband-247 554, Uttar Pradesh	U15122UP2015PLC072202	Subsidiary	100%	2(87)
7.	Mathura Wastewater Management Pvt. Limited A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	U41000UP2018PTC105231	Subsidiary	100%	2(87)
8.	Triveni Turbine Limited A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	L29110UP1995PLC041834	Associate	21.85	2(6)
9.	Aqwise-Wise Water Technologies Ltd., Israel	Foreign Company	Associate	25.04	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

	Category of shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Promoter**									
(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	4138970	0	4138970	1.605	5441760	0	5441760	2.110	0.505
(b)	Bank / FI	549357	0	549357	0.213	282443	0	282443	0.109	-0.103
(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)	10402817	0	10402817	4.033	9522133	0	9522133	3.692	-0.341
	Sub-Total (B)(1)	**15091144**	**0**	**15091144**	**5.851**	**15246336**	**0**	**15246336**	**5.911**	**0.060**
(2)	**Non-institutions**									
(a)	Bodies Corporate									
i)	Indian	14684301	1	14684302	5.693	14970671	1	14970672	5.804	0.111
ii)	Overseas									
(b)	Individuals -									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.*	30038717	250026	30288743	11.742	28502424	243141	28745565	11.144	-0.598
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	17385032	0	17385032	6.740	18282707	0	18282707	7.088	0.348
(c)	Any Other (specify)									
	[i] NRI	1599854	0	1599854	0.620	2287069	0	2287069	0.887	0.266
	[ii] HUF	2152915	0	2152915	0.835	1845051	0	1845051	0.715	-0.119
	[iii] Clearing Member	740574	0	740574	0.287	513492	0	513492	0.199	-0.088
	[iv] Trust	13700	0	13700	0.005	19540	0	19540	0.008	0.002
	[v] Foreign National	118	0	118	0.000	118	0	118	0.000	0.000
	[vi] IEPF	31499	0	31499	0.012	77331	0	77331	0.030	0.018
	Sub-Total (B)(2)	**66646710**	**250027**	**66896737**	**25.934**	**66498403**	**243142**	**66741545**	**25.874**	**-0.060**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**81737854**	**250027**	**81987881**	**31.785**	**81744739**	**243142**	**81987881**	**31.785**	**0.000**
(C)	**Shares held by Custodians for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**257695083**	**250027**	**257945110**	**100.000**	**257701968**	**243142**	**257945110**	**100.000**	**0.000**

* Includes 11000 equity share of ₹1 each held by some Directors and their relative.

(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	40130756	15.557	0	0.674
2	Mrs. Rati Sawhney	20358164	7.892	0	18619164	7.218	0	-0.674
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	STFL Trading & Finance Private Limited	82696056	32.060	0	82696056	32.060	0	0.000
2	Tarun Sawhney Trust	0	0.000	0	0	0.000	0	0.000
3	Nikhil Sawhney Trust	0	0.000	0	0	0.000	0	0.000
Total (b)		**82696056**	**32.060**	**0**	**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	Dhruv M Sawhney	38391756	14.883	08-03-2019	1739000	Purchase	40130756	15.557
2	Rati Sawhney	20358164	7.892	08-03-2019	-1739000	Sold	18619164	7.218

(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.	Anil Kumar Goel	5245000	2.033	June 8, 2018	5000	Transfer	5250000	2.035
				June 15, 2018	3736	Transfer	5253736	2.037
				June 22, 2018	26264	Transfer	5280000	2.047
				June 30, 2018	10000	Transfer	5290000	2.051
				January 25, 2019	15000	Transfer	5305000	2.057
				February 1, 2019	10000	Transfer	5315000	2.061
				February 22, 2019	35000	Transfer	5350000	2.074
				March 31, 2019		Transfer	5350000	2.074
2.	Government Pension Fund Global	5100000	1.977	October 26, 2018	300000	Transfer	5400000	2.093
				January 18, 2019	82000	Transfer	5482000	2.125
				January 25, 2019	218000	Transfer	5700000	2.210
				January 31, 2019		Transfer	5700000	2.210
3.	Indianivesh Capitals Limited	5533181	2.145	April 13, 2018	10000	Transfer	5543181	2.149
				April 20, 2018	70000	Transfer	5613181	2.176
				April 27, 2018	-10000	Transfer	5603181	2.172
				May 25, 2018	-1000	Transfer	5602181	2.172
				June 22, 2018	-1000	Transfer	5601181	2.171
				July27, 2018	-1053535	Transfer	4547646	1.763
				September 30, 2018	3000	Transfer	4550646	1.764
				October 5, 2018	27396	Transfer	4578042	1.775
				October 12, 2018	-715007	Transfer	3863035	1.498
				October 19, 2018	2000	Transfer	3865035	1.498
				October 26, 2018	-32396	Transfer	3832639	1.486

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
				March 8, 2019	-500	Transfer	3832139	1.486
				March 15, 2019	-450000	Transfer	3382139	1.311
				March 22, 2019	20000	Transfer	3402139	1.319
				March 29, 2019	24000	Transfer	3426139	1.328
				March 31, 2019		Transfer	3426139	1.328
4	DSP Blackrock Small Cap Fund	3714391	1.440	July 27, 2018	473621	Transfer	4188012	1.624
				August 3, 2018	138274	Transfer	4326286	1.677
				August 10, 2018	16478	Transfer	4342764	1.684
				August 17, 2018	72459	Transfer	4415223	1.712
				August 24, 2018	34214	Transfer	4449437	1.725
				December 21, 2018	276903	Transfer	4726340	1.832
				December 28, 2018	230779	Transfer	4957119	1.922
				December 31, 2018	32082	Transfer	4989201	1.934
				January 4, 2019	44834	Transfer	5034035	1.952
				March 31, 2019		Transfer	5034035	1.952
5	Anil Kumar Goel	1500000	0.582	March 31, 2019	0	Transfer	1500000	0.582
6	Seema Goel	1230000	0.477	March 15, 2019	100000	Transfer	1330000	0.516
				March 22, 2019	20000	Transfer	1350000	0.523
				March 31, 2019		Transfer	1350000	0.523
7	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG)	1082175	0.420	March 31, 2019	0	Transfer	1082175	0.420
8	SHRADHA GUPTA	1020000	0.395	May 11, 2018	50000	Transfer	1070000	0.415
				June 22, 2018	30000	Transfer	1100000	0.426
				June 30, 2018	10000	Transfer	1110000	0.430
				August 10, 2018	10000	Transfer	1120000	0.434
				August 24, 2018	10000	Transfer	1130000	0.438
				August 31, 2018	12897	Transfer	1142897	0.443
				September 7, 2018	10006	Transfer	1152903	0.447
				September 14, 2018	3500	Transfer	1156403	0.448
				October 5, 2018	40000	Transfer	1196403	0.464
				November 9, 2018	3597	Transfer	1200000	0.465
				March 31, 2019		Transfer	1200000	0.465
9*	UNIVERSAL GOLDEN FUND	1017300	0.394	June 1, 2018	-288000	Transfer	729300	0.283
				August 24, 2018	-108652	Transfer	620648	0.241
				August 31, 2018	-325181	Transfer	295467	0.115
				September 7, 2018	-24365	Transfer	271102	0.105
				September 14, 2018	-171102	Transfer	100000	0.039
				September 21, 2018	-50000	Transfer	50000	0.019
				October 26, 2018	-50000	Transfer	0	0.000
				March 31, 2019		Transfer	0	0.000

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
10*	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE OF BLACKROCK INDIA EQUITY FUND	952651	0.369	April 13, 2018	-18023	Transfer	934628	0.362
				June 15, 2018	-324259	Transfer	610369	0.237
				June 22, 2018	-220041	Transfer	390328	0.151
				June 30, 2018	-390328	Transfer	0	0.000
				March 31, 2019		Transfer	0	0.000
11**	Dhanpati Devi	815000	0.316	April 20, 2018	75545	Transfer	890545	0.345
				April 27, 2018	9455	Transfer	900000	0.349
				June 15, 2018	10000	Transfer	910000	0.353
				June 22, 2018	90000	Transfer	1000000	0.388
				June 30, 2018	45000	Transfer	1045000	0.405
				July 27, 2018	10000	Transfer	1055000	0.409
				August 10, 2018	20000	Transfer	1075000	0.417
				February 22, 2019	13368	Transfer	1088368	0.422
				March 22, 2019	1632	Transfer	1090000	0.423
				March 31, 2019		Transfer	1090000	0.423
12**	Indianivesh Securities Limited	105000	0.041	April 13, 2018	-5000	Transfer	100000	0.039
				May 25, 2018	5000	Transfer	105000	0.041
				June 1, 2018	-5000	Transfer	100000	0.039
				June 8, 2018	5000	Transfer	105000	0.041
				June 15, 2018	-5000	Transfer	100000	0.039
				June 22, 2018	5000	Transfer	105000	0.041
				August 3, 2018	-5000	Transfer	100000	0.039
				August 17, 2018	5000	Transfer	105000	0.041
				September 30, 2018	52000	Transfer	157000	0.061
				October 5, 2018	-49000	Transfer	108000	0.042
				October 12, 2018	713007	Transfer	821007	0.318
				October 19, 2018	-2000	Transfer	819007	0.318
				October 26, 2018	31396	Transfer	850403	0.330
				December 21, 2018	-5000	Transfer	845403	0.328
				January 4, 2019	5000	Transfer	850403	0.330
				January 25, 2019	2000	Transfer	852403	0.330
				February 1, 2019	-500	Transfer	851903	0.330
				February 22, 2019	-1000	Transfer	850903	0.330
				March 8, 2019	-500	Transfer	850403	0.330
				March 29, 2019	450000	Transfer	1300403	0.504
				March 31, 2019		Transfer	1300403	0.504

*Ceased to be in the list of top 10 shareholders as on 31.3.2019. However, the same has been reflected above since the shareholder was one of the top 10 shareholders as on 01.04.2018.

**Not in the list of top 10 shareholders as on 01.04.2018. However, the same has been reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2019.

(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	08-03-2019	1739000	Purchase	40130756	15.557
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	0.000
5	Lt. Gen. K.K. Hazari (Retd.)	0	0	-	0	-	0	0.000
6	Mr. Shekhar Datta	10000	0.004	-	0	-	10000	0.004
7	Ms. Homai A. Daruwalla	0	0	-	0	-	0	0.000
8	Mr Santosh Pande	0	0	-	0	-	0	0.000
9	Dr. Sudipto Sarkar	0	0	-	0	-	0	0.000
B.	**KEY MANAGERIAL PERSONNEL**							
10	Mr Suresh Taneja	14000	0.005	-	0	-	14000	0.005
11	Mrs Geeta Bhalla	0	0	-	0	-	0	0.000

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	122134.97	2090.00	-	124224.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	96.01	-	-	96.01
Total (i+ii+iii)	**122230.98**	**2090.00**	**-**	**124320.98**
Change in Indebtedness during the financial year				
• Addition	63650.52	-	-	63650.52
• Reduction	13264.80	2090.00	-	15354.80
Net Change	**50385.72**	**-2090.00**	**-**	**48295.72**
Indebtedness at the end of the year				
i) Principal Amount	172590.40	-	-	172590.40
ii) Interest due but not paid	-	-	-	0.00
iii) Interest accrued but not due	26.30	-	-	26.30
Total (i+ii+iii)	**172616.70**	**-**	**-**	**172616.70**

*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	–	246.90	246.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	27.28	27.28
	(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	–	50.00	50.00
5.	Others (Retiral Benefits)	–	38.88*	38.88*
	Total (A)	**–**	**363.06**	**363.06**
	Ceiling as per the Act	10% of the net profit, calculated as per Section 198 of the Companies Act, 2013.		

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

B. Remuneration to other directors:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1.	**Independent Directors**				
	Dr F. C. Kohli	0.75	5.00	–	5.75
	Lt. Gen. K.K. Hazari (Retd.)	11.80	5.00	–	16.80
	Mr Shekhar Datta	10.75	7.00	–	17.75
	Ms. Homai A. Daruwalla	9.25	7.00	–	16.25
	Dr Santosh Pande	7.35	7.00		14.35
	Mr Sudipto Sarkar	8.25	7.00		15.25
	Total (1)	**48.15**	**38.00**	**–**	**86.15**
2.	**Other Non-Executive Directors**				
	Mr Nikhil Sawhney	7.95	7.00	–	14.95
	Total (2)	**7.95**	**7.00**	**–**	**14.95**
	Total (B) = (1+2)	**56.10**	**45.00**		**101.10**
	Total Remuneration (A+B)				**464.16**
	Overall ceiling as per the Act	11% of the net profit, calculated as per Section 198 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	196.83	71.33	268.16
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	NA	0.83	0.70	1.53
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	–	–	–
2	Stock Option	NA	–	–	–
3	Sweat Equity	NA	–	–	–
4	Commission - as % of profit - others, specify	NA	–	–	–
5	Others (Retiral benefits)*	NA	8.45	3.23	11.68
	Total	**NA**	**206.11**	**75.26**	**281.37**

*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					

FINANCIAL STATEMENTS

Independent Auditor's Report

To
The Members of
Triveni Engineering & Industries Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the Standalone financial statements of **TRIVENI ENGINEERING & INDUSTRIES LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2019, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Auditor's Response
1	**Net Realizable Value of Sugar:** Finished goods inventory are valued at lower of cost and net realizable value (estimated selling price less estimated cost to sell). We identified valuation of sugar as a key audit matter as it involves significant management judgement in determination of net realisable value of sugar. The total value of finished goods of sugar as at 31 March 2019 is Rs. 195486.84 lakhs. (Refer Note no. 1(l)(i) of the standalone financial statements for the accounting policy on valuation of finished goods)	Our audit procedures included the following: • Assessing the appropriateness of Company's accounting policy for valuation of sugar inventories and compliance to the policy with the requirements of applicable accounting standards (Ind AS 2 "Inventories"); • Obtaining an understanding of internal controls over valuation of sugar inventories and testing, on a sample basis, their design, implementation and operating effectiveness; • Obtaining an understanding and assessing reasonableness of the management's determination of net realizable value (NRV) and applicable government notification defining minimum selling price, monthly quota, provision for estimated cost for inventory produced for Minimum Indicative Exports Quota (MIEQ), costs necessary to make the sales and their basis and other relevant aspects. • Compared the actual realization at the year end and subsequent realization to assess the reasonableness of the net realisable value that was estimated and considered by the management.

Sr. No.	Key Audit Matters	Auditor's Response
		• Compared the cost of the finished goods with the estimated net realisable value and checked to ensure finished goods were recorded at net realisable value where the cost was higher than the net realisable value.
2	**Recognition of Subsidies:** We identified Recognition of subsidy as the key audit matter as it involves significant management judgement. The area of management judgement includes management risk assessment with respect to recognition of subsidies based on substantive compliance of the conditions and reasonable certainty of receipt of subsidy. (Refer Note no. 2(a)(iii) of the standalone financial statements)	Our audit procedures included the following: • Obtaining policy from the Company defining the management perspective and basis for recognition of Government subsidies in the books of accounts. • Obtaining an understanding of internal controls over recognition and recoverability of subsidy claims and testing, on a sample basis, their design, implementation and operating effectiveness. • Considered the relevant circulars/notification issued by various authorities. • Evaluated the management's assessment regarding the reasonable certainty for complying with the relevant conditions as specified in circulars/notification issued by various authorities.
3	**Appropriateness of cost to complete the project:** The Company recognizes revenue from construction contracts on percentage of completion method as specified in Indian Accounting Standards (Ind AS) 115- Revenue from Contract with Customers. (Refer Accounting policy Note no. 1(b)(iii)) We identified this matter as a Key Audit matter as it involves significant judgement by the management in estimation of cost to complete the project and any variation may have consequential impact on revenue.	Our audit procedures included the following: • Obtaining an understanding of internal controls over estimation of cost of completion of projects and testing, on a sample basis, their design, implementation and operating effectiveness. • Agreed the total project revenue estimates to contracts with customers. • Obtained computation of estimated costs to complete and the percentage of project completion and verified the same against the contracts on sample basis and also checked arithmetic accuracy of the same. • Performed the walkthrough procedure and verified the invoices, purchase orders etc. for actual cost incurred till the year end. • Compared the management estimates revised during the year with the estimate made in earlier years and obtained reasons/ approval for such revision.

Information other than the Standalone financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Director's Report, Corporate Governance report and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for Standalone Financial Statements

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

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its Standalone financial statements – Refer Note no. 45 to the Standalone financial statements.

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

      iii. There 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 31 March 2019.

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta
Partner
Membership No.: 093214

Place: Noida
Date: May 21, 2019

Annexure A" to the Independent Auditors' Report

The Annexure **as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements** of our Independent Auditors' Report to the members of **TRIVENI ENGINEERING & INDUSTRIES LIMITED** on the standalone financial statements for the year ended 31 March 2019, we report that:

i. (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this program, all major items of fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.

(c) According to the information and explanation given to us and on the basis of examination of title deeds / sale deeds / transfer deeds / conveyance deeds / possession letters / allotment letters and other relevant records evidencing title/ possession provided and legal opinion obtained by the Company, we report that the title deeds of the immovable properties are held in the name of the Company as at the balance sheet date except for 3 cases having gross book value of Rs. 13.13 lakhs in respect of freehold land as disclosed in Note no. 3 on Property, Plant & Equipment and 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 the Standalone financial statements, where the title deeds are not held in the name of the Company.

ii. The physical verification of the inventory has been conducted at reasonable intervals by the management during the year. As far as we could ascertain and according to information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.

iii. According the information and explanations given to us, the Company has granted loans to two body corporates, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to body corporates covered in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In respect of aforesaid loans, repayment of principal and payment of interest has been stipulated and principal is not due for repayment and payment of interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

iv. According to the information and explanations given to us, the Company has not provided any 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, loans granted and guarantee provided.

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 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 31March 2019 for a period of more than six months from the date they became payable.

(c) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and services tax, duty of 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 to 2004-05, 2006-07 to 2010-11	116.75	13.82	High Court
The Central Excise Act,1944	Penalty	1998 to 2004-05, 2006-07 to 2010-11	348.86	266.00	High Court
The Central Excise Act,1944	Excise Duty	1995-96 to 1996-97, 2005-06, 2014-15 to 2015-16	73.16	4.11	Custom, Excise and Service Tax Appellate Tribunal
The Central Excise Act,1944	Penalty	1995-96 to 1996-97, 2005-06, 2014-15 to 2015-16	0.07	0.07	Custom, Excise and Service Tax Appellate Tribunal
The Central Excise Act,1944	Excise Duty	1995-96, 2010-11 to 2016-17 & 2017-18 (Q1)	179.99	15.76	Commissioner (Appeal)
The Central Excise Act,1944	Penalty	1995-96, 2010-11 to 2016-17 & 2017-18 (Q1)	76.26	-	Commissioner (Appeal)
The Finance Act, 1994 (Service Tax)	Service Tax	2016-17 & 2017-18	3.22	0.24	Commissioner (Appeal)
The Finance Act, 1994 (Service Tax)	Penalty	2016-17 & 2017-18	3.22	-	Commissioner (Appeal)
The Custom Act, 1962	Penalty	2004-05	19.93	6.19	Custom, Excise and Service Tax Appellate Tribunal
Central Sales Tax Act, 1956 & State VAT Act	Sales Tax	1993-94 to 1995-96 & 1999-00 & 2010-11 to 2011-12	75.45	49.04	High Court
Central Sales Tax Act, 1956 & State VAT Act	Sales Tax	1998-99 to 2000-01, 2009-10, 2012-13 & 2013-14	262.73	96.93	Tribunal
Central Sales Tax Act, 1956 & State VAT Act	Sales Tax	1992-93 & 2013-14 to 2015-16	245.73	60.44	Addl/ Joint Commissioner
Central Sales Tax Act, 1956 & State VAT Act	Penalty	1992-93 & 2013-14 to 2015-16	127.16	-	Addl/ Joint Commissioner
Goods and Service Tax	GST	2017-18 & 2018-19	0.84	0.84	Commissioner (Appeal)
Goods and Service Tax	Penalty	2017-18 & 2018-19	0.84	0.84	Commissioner (Appeal)
The Income Tax Act, 1961	Income Tax	2002-03, 2004-05, 2005-06, 2007-08 & 2010-11	2766	1414	Income Tax Appellate Tribunal
The UP Sugarcane (Purchase Tax) Act, 1961	Purchase Tax	2016-17	482.00	-	High Court

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 Standalone 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 & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta
Partner
Membership No.: 093214

Place: Noida
Date: May 21, 2019

"Annexure B" to the Independent Auditor's Report

of even date on the Standalone Financial Statements of TRIVENI ENGINEERING & INDUSTRIES LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT") AS REFERRED TO IN PARAGRAPH 2(F) OF 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS'

We have audited the internal financial controls over financial reporting of **TRIVENI ENGINEERING & INDUSTRIES LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta
Partner
Membership No.: 093214

Place: Noida
Date: May 21, 2019

Standalone Balance Sheet

as at March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	As at 31-Mar-19	As at 31-Mar-18
ASSETS			
Non-current assets			
Property plant and equipment	3	82992.00	83456.99
Capital work-in-progress	3	20477.27	1004.75
Investment property	4	821.14	821.14
Intangible assets	5	47.71	35.84
Investments in subsidiaries and associates	6 (a)	4987.36	5000.78
Financial assets			
i. Investments	6 (b)	415.18	455.51
ii. Trade receivables	7	59.77	50.32
iii. Loans	8	81.35	2.98
iv. Other financial assets	9	956.87	733.25
Income tax assets (net)	21	5006.62	5733.97
Other non-current assets	10	887.51	576.48
Total non-current assets		**116732.78**	**97872.01**
Current assets			
Inventories	11	211865.90	157918.64
Financial assets			
i. Trade receivables	7	29604.38	31140.07
ii. Cash and cash equivalents	12 (a)	1367.60	338.70
iii. Bank balances other than cash and cash equivalents	12 (b)	18.17	273.02
iv. Loans	8	312.94	53.55
v. Other financial assets	9	206.24	424.31
Other current assets	10	13277.62	8645.08
Total current assets		**256652.85**	**198793.37**
Total assets		**373385.63**	**296665.38**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2579.47	2579.47
Other equity	14	105249.33	85507.10
Total equity		**107828.80**	**88086.57**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	15	37349.54	3495.28
Provisions	16	4323.69	3969.48
Deferred tax liabilities (net)	22	3238.67	4171.76
Other non-current liabilities	17	2946.77	141.45
Total non-current liabilities		**47858.67**	**11777.97**
Current liabilities			
Financial liabilities			
i. Borrowings	18	123540.95	107647.23
ii. Trade payables	19		
(a) total outstanding dues of micro enterprises and small enterprises		92.00	43.42
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		63669.21	62762.15
iii. Other financial liabilities	20	12608.90	16425.65
Other current liabilities	17	13544.03	7990.30
Provisions	16	3227.16	1932.09
Income tax liabilities (net)	21	1015.91	-
Total current liabilities		**217698.16**	**196800.84**
Total liabilities		**265556.83**	**208578.81**
Total equity and liabilities		**373385.63**	**296665.38**

The accompanying notes 1 to 51 form an integral part of these standalone financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 21, 2019

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, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	Year ended 31-Mar-19	Year ended 31-Mar-18
Revenue from operations	23	315156.34	341186.08
Other income	24	6761.49	2407.34
Total income		**321917.83**	**343593.42**
Expenses			
Cost of materials consumed	25	275190.34	258145.53
Purchases of stock-in-trade	26	1924.82	1674.24
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(53981.66)	(866.12)
Excise duty on sale of products		-	4167.99
Employee benefits expense	28	22386.65	20240.34
Finance costs	29	6798.78	8533.87
Depreciation and amortisation expense	30	5695.14	5535.56
Impairment loss on financial assets (including reversals of impairment losses)	31	14.40	(296.41)
Other expenses	32	38715.21	30515.02
Total expenses		**296743.68**	**327650.02**
Profit before exceptional items and tax		**25174.15**	**15943.40**
Exceptional items	33	2034.85	-
Profit before tax		**27209.00**	**15943.40**
Tax expense:			
- Current tax	34	6011.97	3203.97
- Deferred tax	34	(859.32)	1765.05
Total tax expense		**5152.65**	**4969.02**
Profit for the year		**22056.35**	**10974.38**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	37	(211.11)	186.13
		(211.11)	**186.13**
A (ii) Income tax relating to items that will not be reclassified to profit or loss	34	(73.77)	64.41
		(137.34)	**121.72**
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	34	-	-
Other comprehensive income for the year, net of tax		**(137.34)**	**121.72**
Total comprehensive income for the year		**21919.01**	**11096.10**
Earnings per equity share (face value ₹ 1 each)			
Basic	35	8.55	4.25
Diluted	35	8.55	4.25

The accompanying notes 1 to 51 form an integral part of these standalone financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 21, 2019

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, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 1 each issued, subscribed and fully paid up (including paid up value of ₹ 0.02 lakhs pertaining to forfeited shares)

As at 31 March 2017	**2579.47**
Changes during the year	-
As at 31 March 2018	**2579.47**
Changes during the year	-
As at 31 March 2019	**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 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**
Profit for the year	-	-	-	-	-	-	22056.35	22056.35
Other comprehensive income, net of income tax	-	-	-	-	-	-	(137.34)	(137.34)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**21919.01**	**21919.01**
Transferred to molasses storage fund reserve	-	-	-	-	-	35.76	(35.76)	-
Withdrawal from molasses storage fund reserve	-	-	-	-	-	(15.68)	15.68	-
Transactions with owners in their capacity as owners								
- Dividends paid	-	-	-	-	-	-	(1805.63)	(1805.63)
- Dividend distribution tax	-	-	-	-	-	-	(371.15)	(371.15)
Balance as at 31 March 2019	**397.40**	**2855.85**	**26546.93**	**926.34**	**49212.72**	**216.36**	**25093.73**	**105249.33**

The accompanying notes 1 to 51 form an integral part of these standalone financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 21, 2019

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, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-19	Year ended 31-Mar-18
Cash flows from operating activities		
Profit before tax	**27209.00**	**15943.40**
Adjustments for		
Depreciation and amortisation expense	5695.14	5535.56
Bad debts written off - trade receivables carried at amortised cost	501.56	594.86
Bad debts written off - other financial assets carried at amortised cost	2.98	12.26
Impairment loss allowance on trade receivables and other financial assets (net of reversals)	(490.14)	(903.53)
Bad debts written off - non financial assets	69.59	83.00
Impairment loss allowance on non financial assets (net of reversals)	(39.31)	20.95
Provision for non moving / obsolete inventory	97.79	77.24
Loss on sale /write off of inventory	27.03	33.57
Net fair value (gains)/losses on investments	(17.79)	(23.16)
Mark-to-market losses / (gains) on derivatives	(65.10)	(87.85)
Credit balances written back	(187.05)	(156.99)
Exceptional items - profit on disposal of investments	(2034.85)	-
Unrealised losses / (gains) from changes in foreign exchange rates	6.37	12.99
Loss on sale / write off / impairment of property, plant and equipment	53.31	32.88
Net (profit)/loss on sale / redemption of investments	0.32	(0.60)
Interest income	(377.95)	(121.35)
Dividend income	(399.03)	(868.66)
Finance costs	6798.78	8533.87
Working capital adjustments :		
Change in inventories	(54072.08)	9452.24
Change in trade receivables	1517.43	(3110.85)
Change in other financial assets	168.95	531.71
Change in other assets	(4662.41)	4322.00
Change in trade payables	1056.90	37265.07
Change in other financial liabilities	376.23	(721.46)
Change in other liabilities	4454.27	(8376.98)
Change in provisions	1438.17	892.27
Cash generated from / (used in) operations	**(12871.89)**	**68972.44**
Income tax (paid)/ refund (net)	(4268.71)	(6283.44)
Net cash inflow / (outflow) from operating activities	**(17140.60)**	**62689.00**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(23888.08)	(5199.90)
Proceeds from sale of property, plant and equipment	66.29	29.16
Refund of advance received against assets held for sale	-	(200.00)
Purchase of investments in subsidiaries	(0.30)	(380.00)
Proceeds from disposal of investments in associate	2048.57	-
Proceeds from disposal / redemption of investments (other than subsidiaries and associate)	58.52	60.00
Loans to subsidiary and associate	(347.06)	-
Decrease / (increase) in deposits with banks	169.84	(59.18)
Interest received	366.78	170.89
Dividend received	399.03	868.66
Net cash outflow from investing activities	**(21126.41)**	**(4710.37)**

Standalone Statement of Cash Flows (Contd.)

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-19	Year ended 31-Mar-18
Cash flows from financing activities		
Proceeds from long term borrowings	45666.79	159.64
Repayment of long term borrowings	(13195.09)	(32447.39)
Increase / (decrease) in short term borrowings	15893.72	(16568.91)
Interest paid	(6891.24)	(8657.00)
Dividend paid to Company's shareholders	(1805.63)	(644.91)
Dividend distribution tax	(371.15)	(131.29)
Payment of unclaimed dividend	(1.49)	(1.52)
Net cash inflow / (outflow) financing activities	**39295.91**	**(58291.38)**
Net increase / (decrease) in cash and cash equivalents	1028.90	(312.75)
Cash and cash equivalents at the beginning of the year (refer note 12 (a))	338.70	651.45
Cash and cash equivalents at the end of the year (refer note 12 (a))	**1367.60**	**338.70**

Reconciliation of liabilities arising from financing activities:

	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 (including interest capitalised)	-	-	8533.87	-	-
Dividend distributions (including DDT) accruals	-	-	-	-	776.20
Balance as at 31 March 2018	**16577.74**	**107647.23**	**96.00**	**3.48**	**-**
Cash flows	32471.70	15893.72	(6891.24)	(1.49)	(2176.78)
Finance costs accruals (including interest capitalised)	-	-	6821.54	-	-
Dividend distributions (including DDT) accruals	-	-	-	-	2176.78
Balance as at 31 March 2019	**49049.44**	**123540.95**	**26.30**	**1.99**	**-**

The accompanying notes 1 to 51 form an integral part of these standalone financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 21, 2019

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, 2019

CORPORATE INFORMATION

Triveni Engineering & Industries Limited ("the Company") is a company limited by shares, incorporated and domiciled in India. The Company's equity shares are listed at two recognised stock exchanges in India (BSE and NSE). The registered office of the Company is located at Deoband, Distt. Saharanpur, Uttar Pradesh – 247554. The Company is engaged in diversified businesses mainly categorised into two segments – Sugar & allied businesses and Engineering business. Sugar & allied businesses primarily comprises manufacture of sugar, co-generation of power and distillation of alcohol. Engineering business primarily comprises manufacture of high speed gears, gearboxes and providing water/waste-water treatment solutions.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these 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 (as amended)] 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 from contracts with customers is recongised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Transaction price at which revenue is recognised is net of variable consideration (viz. returns, trade allowances, rebates and other similar allowances), goods & services tax and amounts collected on behalf of third parties, if any. Variable consideration is estimated based on the expected value of outflow.

Recognising revenue from major business activities

(i) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods are transferred to the customer (i.e. satisfaction of performance obligation), generally on dispatch of the goods. The Company, in its engineering business, generally provides warranties to its customers in the nature of assurance, which is considered as an obligation and provided for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note 1(n)).

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(ii) Rendering of services

The Company provides engineering services that are either sold separately or bundled together with the sale of goods to a customer.

Contracts for bundled sales of goods and engineering services are comprised of two performance obligations because the promises to transfer goods and provide engineering services are capable of being distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on relative stand-alone selling prices of such goods and engineering services.

The Company recognises revenue from engineering services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. The progress towards complete satisfaction of the service is determined as follows:

- erection & commissioning / servicing revenue - based on technical estimate of completion of physical proportion of the contract work;
- operation & maintenance revenue - as the proportion of the total period of services contract that has elapsed at the end of the reporting period

(iii) Construction contracts

Construction contracts are analysed to determine combination of contracts and identification of performance obligations and accordingly transaction price is allocated amongst performance obligations based on stand-alone selling prices. Performance obligations, in construction contracts, generally includes construction/ turnkey related activities and operation & maintenance related activities which are satisfied over time with the customer receiving benefits out of the activities being performed by the Company.

When the progress towards complete satisfaction of performance obligations of a construction contract can be estimated reliably, revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, because the customer simultaneously receives and consumes the benefits provided by the Company, 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 performance obligations of a construction contract cannot be estimated reliably, but the Company expects to recover the costs incurred in satisfying the performance obligation, contract revenue is recognised only to the extent of the contract costs incurred until such time that it can reasonably measure the outcome of the performance obligation. Contract costs are recognised as expenses in the period in which they are incurred.

(iv) 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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 deducted from its gross value and are recognised in profit or loss on a systematic and rational basis over the expected useful lives of the related assets by way of reduced depreciation.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The Government grants by way of a benefit of a Government loan at a below market rate of interest is measured as the difference the between proceeds received and the fair value of the loan based on prevailing market interest rates.

See note 42 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 the 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

Notes to the Standalone Financial Statements
for the year ended March 31, 2019

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 or other expenses, as the case may be.

(f) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. 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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2019

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) **Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(i) **Property, plant and equipment**

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price after deducting trade discounts/rebates, government grants related to assets and including import duties and non-refundable purchase taxes, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and costs of dismantling/removing the item and restoring the site on which it was located under an obligation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/period of operation, insurance spares and cost of inspection/overhauling are depreciated separately based on their specific useful life provided these are of significant amounts commensurate with the size of the Company and scale of its operations. The carrying amount of any equipment / inspection / overhauling accounted for as separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are available for their intended use. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives as stated in Schedule II along with residual values of 5% except for the following:

- On the basis of technical assessment and past experience:
  - o the useful lives of mill rollers, instrumentation and control devices

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

installed at sugar plants is considered at ten years as against prescribed life of twenty five years in respect of continuous process plant.

- o mobile phones costing ₹ 5,000/- or more are depreciated over two years.
- o patterns, tools, Jigs etc. are depreciated over three years.
- o machinery spares are depreciated over a life ranging from five to ten years.

- Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

Estimated useful lives considered are as follows:

Assets	Estimated useful life
Buildings	3 - 60 years
Roads	3 - 10 years
Plant & equipment	3 - 25 years
Furniture & fixtures	10 years
Vehicles	8 - 10 years
Office equipment	2 - 5 years
Computers	3 - 6 years
Laboratory equipment	10 years
Electrical installations and equipment	10 years

Fixture and fittings and improvements to leasehold buildings not owned by the Company are amortised over the unexpired lease period or estimated useful life of such fixture, fittings and improvements, whichever is lower.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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, government grants related to assets and including duties and taxes, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling/ removing the item and restoring the site on which it was located under an obligation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment property being building is depreciated using the straight-line method over their estimated useful lives as stated in Schedule II at 30 years along with residual values of 5%.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(k) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Costs comprises purchase price after deducting trade discounts/rebates, government grants related to assets and including import duties and non-refundable purchase taxes, borrowing costs and any directly attributable cost of preparing the asset for its intended use. Subsequent

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for the year ended March 31, 2019

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 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

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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.

(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:

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- defined benefit plans towards payment of gratuity and employees' provident fund (set-up by the Company and administered through trust); and
- defined contribution plans towards employees' provident fund & employee pension scheme, employees' state insurance, superannuation scheme and national pension scheme.

Defined benefit plan

- **Gratuity**

  The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/termination of employment or death of an employee, based on the respective employees' salary and years of employment with the Company.

  The liability or asset recognised in the 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.

- **Provident fund (set-up by the Company and administered through trust)**

  The Company makes contribution towards provident fund, which was set-up by the Company and administered through trust for the benefit of certain employees, which is administered by the concerned trustees. 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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

- **National Pension Scheme**

  The Company makes contributions to the National Pension Scheme fund in respect of certain employees of the Company.

(p) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed by the end of the reporting period.

(q) Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For assets in the nature of debt instruments, this will depend on the business model. For assets in the nature of equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the 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.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 Revenue from Contracts with Customers, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-months ECL.

ECL represents expected credit loss resulting from all possible defaults and is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate. While determining cash flows, cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms are also considered.

ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. Note 40(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

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the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(r) Financial liabilities and equity instruments

(i) Classification

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial liabilities

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost.

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL, other financial liabilities are measured at amortised cost at the end of subsequent accounting periods.

(ii) Measurement

Equity instruments

Equity instruments issued by the Company are recognised at the proceeds received. Transaction cost of equity transactions shall be accounted for as a deduction from equity.

Financial liabilities

At initial recognition, the Company measures a financial liability at its fair value net of, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of financial liabilities depends on the classification of financial liabilities. There are two measurement categories into which the Company classifies its financial liabilities:

- Fair value through profit or loss (FVTPL): Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.
- Amortised cost: Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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(iii) **Derecognition**

Equity instruments

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iv) **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability.

(v) **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

(s) **Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

(t) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the 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

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weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(y) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 36 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) **Incentives under the U.P. Sugar Industry Promotion Policy, 2004**

In a writ petition filed by the Company against the illegal withdrawal of U.P. Sugar Industry Promotion Policy, 2004 ("the Policy") by the State Government of Uttar Pradesh, the Hon'ble Allahabad High Court has recently decided the matter in favour of the Company and directed the State Government to quantify and pay all the incentives that were promised under the said Policy. The State Government has however filed a Special Leave Petition before the Hon'ble Supreme Court challenging the decision of the Hon'ble High Court against it.

While the case was sub-judice, the Company continued to avail the remissions of statutory levies and duties aggregating to ₹ 4158.38 lakhs, which it was entitled to under the Policy, in accordance with the interim directions of the High Court. Based on the aforesaid decision of Hon'ble Allahabad High Court in its favour, the Company shall pursue its claims towards one time capital subsidy and other incentives by way of reimbursements against specified expenses aggregating to ₹ 10470 lakhs and ₹ 13015.88 lakhs respectively, by filing necessary documents for the verification of the State Government authorities. The aforesaid amounts do not include any interest towards delayed settlement.

In view of uncertainties involved on account of the fact that the State Government has challenged the decision rendered against it and since the process of verification and quantification of claims by the State Government for the incentive period of 10 years is yet to commence, the Company has not recognised the above benefits/incentives receivable under the Policy.

(ii) **Society commission**

In the cane price package offered by the State Government of Uttar Pradesh ("State Government") to sugar mills, the State Government had reduced the rate of commission payable to cane societies for sugar season 2012-13 and 2014-15 by way of notification dated 12 June 2015 and for 2015-16 vide notification dated 5 February 2016, to provide relief to the Sugar Industry in view of disparity in the cane price and the market outlook of the sugar prices. In the writ petitions filed by certain cane societies against such reduction in commission rates, the Hon'ble Allahabad High Court has held that these notifications cannot have retrospective applicability. The reduction in the rate of commission payable being part of the relief package announced by the State Government, the 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

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of the Court. Accordingly, no provision to this effect has been considered necessary.

(iii) Central Government subsidies

As a measure of relief to the sugar industry and for speedy cane payments, the Central Government has announced certain incentives to the sugar industry for the sugar season 2018-19, comprising production subsidy on sugar cane purchased, freight subsidy on exports of sugar and reimbursement of interest and storage cost (including insurance) on buffer stock prescribed to be held in stock by the sugar factories. The respective schemes provide conditions and stipulations, on fulfilment of which the subsidies prescribed thereunder shall be made available. In addition, the Central Government has the power to withdraw/amend the scheme at any time, based upon its monitoring of prevailing sugar prices and consequential assessment of operational viability of the sugar industry.

Upon assessment of the conditions prescribed and present level of uncertainties, these subsidies have not been accounted for in the standalone financial statements on consideration of prudence. The estimated amount of subsidies involved are ₹ 10206.95 lakhs comprising production subsidy of ₹ 7179.33 lakhs, freight subsidy on export of sugar of ₹ 2327.62 lakhs and buffer stock subsidy (from January 2019 onwards) of ₹ 700 lakhs for the reporting period ended 31 March 2019.

(iv) Provident Fund

The Hon'ble Supreme Court of India has passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on 28 February 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier periods, the Company has made provision for provident fund contribution from the date of order. The Company will evaluate its position and update provision, if required, after receiving further clarity in the regard.

(v) 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.

(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 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 41 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.

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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 intervals in response to demographic changes. See note 37 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 40(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 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) Current taxes and deferred taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(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 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	2956.52	12.24	235.84	60.51	168.35	4423.45	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**	**73836.77**	**276.26**	**974.62**	**334.39**	**449.71**	**100306.75**	**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	4482.22	43.15	120.09	35.91	88.18	5484.66	-
Disposals	-	-	(13.72)	(35.21)	(3.98)	(12.09)	(4.82)	(0.62)	(70.44)	-
Closing accumulated depreciation and impairment	**-**	**13.92**	**2060.03**	**14019.58**	**137.91**	**301.33**	**121.53**	**195.46**	**16849.76**	**56.31**
Net carrying amount	**3567.74**	**746.32**	**18046.99**	**59817.19**	**138.35**	**673.29**	**212.86**	**254.25**	**83456.99**	**1004.75**
Year ended 31 March 2019										
Gross carrying amount										
Opening gross carrying amount	3567.74	760.24	20107.02	73836.77	276.26	974.62	334.39	449.71	100306.75	1061.06
Additions	-	23.00	590.28	4142.09	25.09	362.32	55.15	116.70	5314.63	21167.76
Disposals	-	-	(14.58)	(97.25)	(1.17)	(97.86)	(7.86)	(4.88)	(223.60)	-
Transfers *	-	-	-	-	-	-	-	-	-	(1695.24)
Closing gross carrying amount	**3567.74**	**783.24**	**20682.72**	**77881.61**	**300.18**	**1239.08**	**381.68**	**561.53**	**105397.78**	**20533.58**
Accumulated depreciation and impairment										
Opening accumulated depreciation and impairment	-	13.92	2060.03	14019.58	137.91	301.33	121.53	195.46	16849.76	56.31
Depreciation charge during the year	-	4.64	768.90	4580.78	30.59	137.39	37.75	99.95	5660.00	-
Disposals	-	-	(2.36)	(26.80)	(0.85)	(66.40)	(5.79)	(1.78)	(103.98)	-
Closing accumulated depreciation and impairment	**-**	**18.56**	**2826.57**	**18573.56**	**167.65**	**372.32**	**153.49**	**293.63**	**22405.78**	**56.31**
Net carrying amount	**3567.74**	**764.68**	**17856.15**	**59308.05**	**132.53**	**866.76**	**228.19**	**267.90**	**82992.00**	**20477.27**

* 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 15(i) & 18(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 44 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 new distillery plant being constructed at Sabitgarh and new incineration boiler under process of installation at existing distillery at Muzaffarnagar.

(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 and loss considering no possible future economic benefits flowing from the project.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 4: INVESTMENT PROPERTY

	Year ended 31-Mar-19	Year ended 31-Mar-18
Gross carrying amount		
Opening gross carrying amount	821.14	702.23
Additions/deletions (see (v) below)	-	118.91
Closing gross carrying amount	**821.14**	**821.14**
Accumulated depreciation and impairment		
Opening accumulated depreciation	-	-
Depreciation charge/impairment losses	-	-
Closing accumulated depreciation and impairment	**-**	**-**
Net carrying amount	**821.14**	**821.14**

(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 and loss

	Year ended 31-Mar-19	Year ended 31-Mar-18
Rental income from office flat at Mumbai	14.16	14.16
Direct operating expenses on property that generated rental income	-	-
Direct operating expenses on property that did not generate rental income	(10.14)	(9.56)
Profit from investment properties before depreciation	**4.02**	**4.60**
Depreciation	-	-
Profit from investment properties	**4.02**	**4.60**

(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-19	As at 31-Mar-18
Investment properties		
- Land at Digrauli, District 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 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 Village Dhanot, District 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 valuation thereof.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Estimation of fair value of office flat at Mumbai

The valuation of the office flat situated at Mumbai has been carried by a registered approved valuer, conversant with and having knowledge of real estate activities in the concerned area, based on prevalent rates and other observable market inputs (Level 2 fair value).

(v) The addition during previous year represents portion of land in the state of Uttar Pradesh which was reclassified from "assets classified as held for sale" to "Investment property" during previous year on account of change in purposes of holding.

NOTE 5: INTANGIBLE ASSETS

	Computer software
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**
Year ended 31 March 2019	
Gross carrying amount	
Opening gross carrying amount	240.19
Additions	47.01
Disposals	(0.02)
Closing gross carrying amount	**287.18**
Accumulated amortisation	
Opening accumulated amortisation	204.35
Amortisation charge for the year	35.14
Disposals	(0.02)
Closing accumulated amortisation	**239.47**
Closing net carrying amount	**47.71**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 6: INVESTMENTS

(a) Investments in subsidiaries and associates

	As at 31-Mar-19	As at 31-Mar-18
At Cost		
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Associate		
70,627,980 (31 March 2018: 72,000,000) Equity shares of ₹ 1/- each of Triveni Turbine Limited)	706.35	720.07
Total aggregate quoted investments	**706.35**	**720.07**
Unquoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Subsidiaries		
26,500,000 (31 March 2018: 26,500,000) Equity shares of ₹ 1/- each of Triveni Engineering Limited	265.00	265.00
38,500,000 (31 March 2018: 38,500,000) Equity shares of ₹ 1/- each of Triveni Energy Systems Limited	385.00	385.00
500,000 (31 March 2018: 499,950) Equity shares of ₹ 1/- each of Triveni Sugar Limited	5.00	5.00
21,500,000 (31 March 2018: 21,500,000) Equity shares of ₹ 1/- each of Svastida Projects Limited	215.00	215.00
4,170,000 (31 March 2018: 4,170,000) Equity shares of ₹ 10/- each of Triveni Entertainment Limited	404.02	404.02
50,000 (31 March 2018: 50,000) Equity shares of ₹ 1/- each of Triveni Industries Limited	0.50	0.50
30,000 (31 March 2018: Nil) Equity shares of ₹ 1/- each of Mathura Wastewater Management Private Limited	0.30	-
- of Associate		
13,008 (31 March 2018: 13,008) Equity shares of New Israeli Shekel 0.10 each of Aqwise-Wise Water Technologies Limited (Israel)	3006.19	3006.19
Total aggregate unquoted investments	**4281.01**	**4280.71**
Total investments in subsidiaries and associates	**4987.36**	**5000.78**
Total investments in subsidiaries and associates	**4987.36**	**5000.78**
Aggregate amount of quoted investments	706.35	720.07
Aggregate amount of market value of quoted investment	76136.96	72360.00
Aggregate amount of unquoted investments	4281.01	4280.71
Aggregate amount of impairment in the value of investments	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Details of the Company's subsidiaries and associates at the end of the reporting period are as follows:

Name of Subsidiaries / Associates	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
		As at 31-Mar-19	As at 31-Mar-18
Subsidiaries			
Triveni Engineering Limited	India	100%	100%
Triveni Energy Systems Limited	India	100%	100%
Svastida Projects Limited	India	100%	100%
Triveni Entertainment Limited	India	100%	100%
Triveni Industries Limited	India	100%	100%
Triveni Sugar Limited	India	100%	99.99%
Mathura Wastewater Management Private Limited	India	100%	-
Associates			
Triveni Turbine Limited	India	21.85%	21.82%
Aqwise-Wise Water Technologies Limited	Israel	25.04%	25.04%

(b) Non-current investments

	As at 31-Mar-19	As at 31-Mar-18
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 41)		
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
13,500 (31 March 2018: 13,500) Equity shares of ₹ 2/- each of Housing Development Finance Corporation Limited	265.71	246.46
2,500 (31 March 2018: 2,500) Equity shares of ₹ 2/- each of HDFC Bank Limited	57.97	47.15
24,175 (31 March 2018: 24,175) Equity shares of ₹ 2/- each of Punjab National Bank	23.09	23.04
76 (31 March 2018: 76) Equity shares of ₹ 10/- each of Central Bank of India	0.03	0.05
3,642 (31 March 2018: 3,642) Equity shares of ₹ 5/- each of NBI Industrial Finance Co. Limited	37.88	49.74
Total aggregate quoted investments	**384.68**	**366.44**
Unquoted Investments (fully paid-up)		
Investments in Bonds		
Nil (31 March 2018: 2) 11% bonds of ₹ 10 lakhs each of Power Finance Corporation Limited	-	21.37
Nil (31 March 2018: 1) 9.81% bonds of ₹ 10 lakhs each of Power Finance Corporation Limited	-	10.53
Nil (31 March 2018: 1) 10.60% bonds of ₹ 10 lakhs each of Indian Railway Finance Corporation Limited	-	10.57

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-19	As at 31-Mar-18
Nil (31 March 2018: 1) 8.55% bonds of ₹ 10 lakhs each of Indian Railway Finance Corporation Limited	-	10.41
2 (31 March 2018: 2) 8.90% bonds of ₹ 10 lakhs each of UCO Bank	19.94	20.16
1 (31 March 2018: 1) 8.57% bonds of ₹ 10 lakhs each of Central Bank of India	10.53	10.74
Nil (31 March 2018: 5) 8% bonds of ₹ 1 lakh each of IDBI Bank Limited	-	5.26
Total aggregate unquoted investments	**30.47**	**89.04**
Total non-current investments carried at FVTPL [B]	**415.15**	**455.48**
Total non-current investments ([A]+[B])	**415.18**	**455.51**
Total non-current investments	**415.18**	**455.51**
Aggregate amount of quoted investments	384.68	366.44
Aggregate amount of market value of quoted investment	384.68	366.44
Aggregate amount of unquoted investments	30.50	89.07
Aggregate amount of impairment in the value of investments	-	-

NOTE 7: TRADE RECEIVABLES

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non- current	Current	Non- current
Trade receivables (at amortised cost)				
- Trade receivables - Unsecured	29785.87	1169.95	31674.40	1296.80
Less: Allowance for bad and doubtful debts	(181.49)	(1110.18)	(534.33)	(1246.48)
Total trade receivables	**29604.38**	**59.77**	**31140.07**	**50.32**

(i) Refer note 40(i) for credit risk, impairment of trade receivables under expected credit loss model and other related disclosures.

(ii) Current trade receivable include ₹ 3951.86 lakhs (31 March 2018 : ₹ 3906.99 lakhs) expected to be received after twelve months within the operating cycle.

NOTE 8: LOANS

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non- current	Current	Non- current
At amortised cost				
Loan to related parties (refer note 38)				
- Loans receivables considered good - Unsecured	267.06	80.00	-	-
Loan to employees				
- Loans receivables considered good - Unsecured	45.59	1.35	53.26	2.98
Loan to others				
- Loans receivables considered good - Unsecured	0.29	-	0.29	-
- Loans receivables - Credit impaired	-	44.53	-	44.53
Less: Allowance for bad and doubtful loans	-	(44.53)	-	(44.53)
	0.29	**-**	**0.29**	**-**
Total loans	**312.94**	**81.35**	**53.55**	**2.98**

(i) Loan to related parties includes loan of ₹ 80 lakhs provided to a wholly owned subsidiary company, Mathura Wastewater Management Private Limited (MWMPL), as part of promoter's contribution in terms of the term lender's stipulations for financing a project to be executed by MWMPL and loan of ₹ 267.06 lakhs provided to an Israeli based associate company, Aqwise-Wise Water Technologies Limited, for meeting its working capital requirements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 9: OTHER FINANCIAL ASSETS

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non- current	Current	Non- current
At amortised cost				
Security deposits (see (i) below)	44.66	595.49	41.74	455.28
Earnest money deposits	13.90	2.00	162.47	2.00
Less: Allowance for bad and doubtful debts	(0.15)	-	(1.15)	-
	13.75	**2.00**	**161.32**	**2.00**
Bank balances:				
Earmarked balances with banks:				
- Deposit against molasses storage fund (refer note 14(vi))	-	260.52	-	233.72
Balances under lien/margin/kept as security:				
- Post office savings account	-	0.19	-	0.19
- Fixed / margin deposits (original maturity more than one year)	-	93.39	-	36.66
Other balances:				
- Fixed deposits (original maturity more than one year)	-	4.20	-	4.20
	-	**358.30**	**-**	**274.77**
Accrued interest	25.76	1.08	32.26	1.20
Insurance claim recoverable	42.62	-	86.00	-
Miscellaneous other financial assets	7.73	14.90	11.17	14.90
Less: Allowance for bad and doubtful debts	-	(14.90)	-	(14.90)
	7.73	**-**	**11.17**	**-**
Total other financial assets at amortised cost [A]	**134.52**	**956.87**	**332.49**	**733.25**
At fair value through Profit or Loss (FVTPL) (refer note 41)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps	71.72	-	91.82	-
Total other financial assets at FVTPL [B]	**71.72**	**-**	**91.82**	**-**
Total other financial assets ([A]+[B])	**206.24**	**956.87**	**424.31**	**733.25**

(i) Investment of ₹ 65.48 lakhs in equity shares of Atria Wind Power (Bijapur1) Private Limited, as part of Group Captive arrangement to secure power, has been considered as security deposit in accordance with applicable accounting standards.

NOTE 10: OTHER ASSETS

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non- current	Current	Non- current
Capital advances	-	342.00	-	30.56
Advances to suppliers	780.88	18.06	622.24	19.89
Less: Allowance for bad and doubtful debts	(54.00)	(18.06)	(26.89)	(19.89)
	726.88	**-**	**595.35**	**-**
Advances to related parties (refer note 38)	2.13	-	2.13	-
Indirect tax and duties recoverable	2534.37	339.37	1433.44	357.60
Less: Allowance for bad and doubtful debts	(13.82)	(1.46)	(40.32)	(21.38)
	2520.55	**337.91**	**1393.12**	**336.22**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-19		As at 31-Mar-18	
	Current	**Non- current**	**Current**	**Non- current**
Deposit with sales tax authorities	131.35	43.55	130.35	43.55
Less: Allowance for bad and doubtful debts	-	(37.00)	-	(37.00)
	131.35	**6.55**	**130.35**	**6.55**
Bank guarantee encashment recoverable	-	200.00	-	200.00
Less: Allowance for bad and doubtful debts	-	(200.00)	-	(200.00)
	-	**-**	**-**	**-**
Export incentives receivable	17.56	-	43.12	-
Less: Allowance for bad and doubtful debts	(4.21)	-	(15.26)	-
	13.35	**-**	**27.86**	**-**
Government grant receivables (refer note 42)	693.07	-	-	-
Advances to employees	22.31	1.45	16.05	1.45
Prepaid expenses	646.90	84.01	549.16	98.81
Due from customers under construction contracts [refer (i) below]	8294.60	-	5702.70	-
Unbilled revenue	174.08	-	191.96	-
Miscellaneous other assets	52.40	137.19	36.40	131.61
Less: Allowance for bad and doubtful debts	-	(21.60)	-	(28.72)
	52.40	**115.59**	**36.40**	**102.89**
Total other assets	**13277.62**	**887.51**	**8645.08**	**576.48**

(i) Contract balances

	As at 31-Mar-19	As at 31-Mar-18
Contract assets		
- Amounts due from customers under construction contracts	8294.60	5702.70
- Unbilled revenue	174.08	191.96
Contract liabilities		
- Amounts due to customers under construction contracts	2612.71	1034.35
- Advance from customers	7399.77	3478.22

(a) Contract assets are initially recognised for revenue earned as receipt of consideration is conditional on successful achievement of milestones. Upon achievement of milestones, billing is done and contract assets are reclassified to trade receivables. Different businesses of the Company have their different credit terms (refer note 40 (i)).

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.

(b) Significant changes in contract assets and liabilities:

Increase in contract assets (Due from customers under construction contracts) mainly pertains to a new sewage treatment project in the municipal segment, where substantial work has been performed by the Company pending billing on the customer upon achievement of contractual milestones.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Increase in contract liabilities (Amount due to customers under construction contracts) mainly pertains to a water treatment project in the municipal segment, where major billing done based on achievement of contractual milestones is in excess of revenue recognised in accordance with Ind AS 115 Revenue from Contracts with Customers.

Increase in contract liabilities (Advances from Customers) mainly pertains to mobilisation advances received under new water/ waste-water treatment projects.

(c) Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	Year ended 31-Mar-19	Year ended 31-Mar-18
Revenue recognised that was included in the contract liability balance at the beginning of the period	3921.98	2153.19
Revenue recognised from performance obligations satisfied in previous periods	-	-

NOTE 11: INVENTORIES

	As at 31-Mar-19	As at 31-Mar-18
Raw materials and components	2144.99	2698.80
Less: Provision for obsolescence/slow moving raw materials and components	(197.24)	(199.22)
Work-in-progress	4247.69	3157.30
Finished goods [including stock in transit ₹ 1379.99 lakhs as at 31 March 2019 (31 March 2018: ₹ Nil)]	201739.45	148847.59
Stock in trade	31.65	31.47
Stores and spares [including stock in transit ₹ 10.93 lakhs as at 31 March 2019 (31 March 2018: ₹ 14.09 lakhs)]	4131.83	3507.80
Less: Provision for obsolescence/slow moving stores and spares	(284.90)	(185.13)
Certified emission reductions/renewable energy certificates	-	0.77
Others - Scrap & low value patterns	52.43	59.26
Total inventories	**211865.90**	**157918.64**

(i) The cost of inventories recognised as an expense during the year was ₹ 261964.60 lakhs (31 March 2018: ₹ 279641.05 lakhs)

(ii) Refer note 18(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 32.

(vi) In addition to the cost of inventories recognised as expense as mentioned in (i) above, there are write-downs of inventories to net realisable value amounting to ₹ 6983.97 lakhs (31 March 2018: ₹ 21970.87 lakhs) 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 12: CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at 31-Mar-19	As at 31-Mar-18
At amortised cost		
Balances with banks	1125.28	310.81
Cheques / drafts on hand	210.27	3.58
Cash on hand	32.05	24.31
Total cash and cash equivalents	**1367.60**	**338.70**

(b) Bank balances other than cash and cash equivalents

	As at 31-Mar-19	As at 31-Mar-18
At amortised cost		
Earmarked balances with banks:		
- unpaid dividend and preference share redemption accounts	2.00	3.49
Balances under lien/margin/kept as security:		
- in fixed/margin deposits (original maturity upto one year)	12.04	265.35
Other balances:		
- in fixed deposits (original maturity exceeding three months but upto one year)	4.13	4.18
Total bank balances other than cash and cash equivalents	**18.17**	**273.02**

NOTE 13: SHARE CAPITAL

	As at 31-Mar-19		As at 31-Mar-18	
	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
Subscribed and Paid Up				
Equity shares of ₹ 1 each, fully paid up	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
		2579.47		**2579.47**

(i) Movements in equity share capital

	Number of shares	Amount
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**
Movement during the year	-	-
As at 31 March 2019	**25,79,45,110**	**2579.45**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(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-19		As at 31-Mar-18	
	Number of shares	**% holding**	**Number of shares**	**% holding**
Dhruv M. Sawhney	4,01,30,756	15.55	3,83,91,756	14.88
Rati Sawhney	1,86,19,164	7.22	2,03,58,164	7.89
STFL Trading and Finance Private Limited	8,26,96,056	32.06	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-19	As at 31-Mar-18
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	216.36	196.28
Retained earnings	25093.73	5371.58
Total other equity	**105249.33**	**85507.10**

(i) Capital redemption reserve

	Year ended 31-Mar-19	Year ended 31-Mar-18
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-19	Year ended 31-Mar-18
Opening balance	2855.85	2855.85
Movement during the year	-	-
Closing balance	**2855.85**	**2855.85**

Capital reserve majorly comprises reserve created consequent to business combination in earlier years, in accordance with then applicable accounting standard as on that date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Securities premium

	Year ended 31-Mar-19	Year ended 31-Mar-18
Opening balance	26546.93	26546.93
Movement during the year	-	-
Closing balance	**26546.93**	**26546.93**

Securities premium is used to record the premium received 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-19	Year ended 31-Mar-18
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 then applicable accounting standard as on that date.

(v) General reserve

	Year ended 31-Mar-19	Year ended 31-Mar-18
Opening balance	49212.72	49212.72
Movement during the year	-	-
Closing balance	**49212.72**	**49212.72**

General reserve represents amount kept by the Company out of its profits for future purposes. It is not earmarked for any specific purpose.

(vi) Molasses storage fund reserve

	Year ended 31-Mar-19	Year ended 31-Mar-18
Opening balance	196.28	202.42
Amount transferred from retained earnings	35.76	32.96
Amount transferred to retained earnings	(15.68)	(39.10)
Closing balance	**216.36**	**196.28**

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 ₹ 260.52 lakhs (31 March 2018: ₹ 233.72 lakhs) is earmarked against molasses storage fund (refer note 9).

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(vii) Retained earnings

	Year ended 31-Mar-19	Year ended 31-Mar-18
Opening balance	5371.58	(4954.46)
Net profit for the year	22056.35	10974.38
Other comprehensive income arising from the remeasurement of defined benefit obligation net of income tax	(137.34)	121.72
Withdrawn from molasses storage fund reserve	15.68	39.10
Transfer to molasses storage fund reserve	(35.76)	(32.96)
Dividends paid	(1805.63)	(644.91)
Dividend distribution tax	(371.15)	(131.29)
Closing balance	**25093.73**	**5371.58**

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

(b) Details of dividend distributions made:

	Year ended 31-Mar-19	Year ended 31-Mar-18
Cash dividends on equity shares declared and paid:		
Interim dividend for the year ended 31 March 2019: 70% (₹ 0.70 per equity share of ₹ 1/- each) [31 March 2018: 25% (₹ 0.25 per equity share of ₹ 1/- each)]	1,805.63	644.91
Dividend distribution tax on interim dividend	371.15	131.29
Total cash dividends on equity shares declared and paid	**2176.78**	**776.20**

NOTE 15: NON-CURRENT BORROWINGS

	As at 31-Mar-19		As at 31-Mar-18	
	Current maturities	Non-current	Current maturities	Non-current
Secured- at amortised cost				
Term loans				
- from banks	3425.87	9211.82	12607.56	3483.54
- from other parties	4118.38	28137.72	224.03	11.74
	7544.25	**37349.54**	**12831.59**	**3495.28**
Less: Amount disclosed under the head "Other financial liabilities- current" (refer note 20)	(7544.25)	-	(12831.59)	-
Total non-current borrowings	**-**	**37349.54**	**-**	**3495.28**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 15: 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-19	31-Mar-18			31-Mar-19	31-Mar-18		
Secured- at amortised cost								
Term loans from banks (₹ loans)								
1 RBL Bank Limited	4975.00	-	The effective interest rate as on 31.03.2019 range between 10% to 10.25% per annum.	At MCLR plus applicable spread. The interest rate as on 31.03.2019 range between 8.50% to 10.25% per annum.	16	N/A	16 equal quarterly installments from September 2020 to June 2024.	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company and second pari-passu charge on current assets of the Company.
2 Central Bank of India	3990.00	-			16	N/A	16 equal quarterly installments from June 2020 to March 2024	
3 Yes Bank	-	468.57			Nil	1	-	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
4 RBL Bank Limited	-	899.23			Nil	3	-	
5 RBL Bank Limited	527.03	2628.08			1	5	Equal quarterly installments upto June 2019	
6 Central Bank of India	1102.28	2769.95			8	20	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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(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-19	31-Mar-18			31-Mar-19	31-Mar-18		
7	Axis Bank	157.53	989.21			1	5	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.
8	Central Bank of India	249.25	873.75			2	7	Equal quarterly installments upto September 2019	Secured by first pari-passu charge on the fixed assets of the Company
9	Punjab National Bank (Excise Duty Loan)	-	2556.08		Interest free loan (see note 42)	Nil	11	-	Secured by second charge on fixed assets of all business units except Khatauli and Ramkola units.
10	Central Bank of India (Excise Duty Loan)	-	1161.59			Nil	4	-	Secured by second charge on fixed assets of all business units except Khatauli and Ramkola units.
11	Axis Bank (Vehicle loan)	305.09	138.59	Ranging from 9.37 % to 11% p.a.	At fixed rates ranging from 8.45% to 10.75% p.a.	3 to 50 months	4 to 62 months	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
12	ICICI Bank (Vehicle loan)	-	2.88						
13	PNB Bank (Vehicle loan)	23.75	28.93						
14	Yes Bank (Vehicle loan)	55.78	48.69						
		11385.71	**12565.55**						

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(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-19	31-Mar-18			31-Mar-19	31-Mar-18		
Term loans from banks (US$ loans)								
1 RBL Bank Limited (FCTL)	1251.98	3525.55	8.50% p.a.	At USD 6M Libor +1.95% p.a.	2	6	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.
	1251.98	**3525.55**						
Total term loans from banks	**12637.69**	**16091.10**						
Term loans from other parties (₹ loans)								
1 Daimler Financial Services Pvt. Ltd. (Vehicle loan)	11.75	19.88	6.86% p.a.	At fixed rate of 6.86% p.a.	16	28	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	12.5% p.a.	2% below the Bank Rate at present 4% (see note 42)	Nil	Yearly - 1 Half yearly - Nil	-	Secured by exclusive second charge created over moveable/ immoveable assets of Ramkola unit.
3 Govt. of Uttar Pradesh through RBL Bank Ltd. under SEFASU 2018	32244.35	-	10% p.a.	5% p.a.	60	N/A	60 monthly installments starting from July 2019 to June 2024	Secured by first pari-passu charge on the fixed assets of the Company
Total term loans from other parties	**32256.10**	**235.77**						
Total loans	**44893.79**	**16326.87**						

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 16: PROVISIONS

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Gratuity (refer note 37)	313.88	3432.15	203.63	3078.47
Compensated absences	487.93	891.54	321.49	891.01
Other Provisions				
Warranty	1307.65	-	838.49	-
Cost to completion	1024.47	-	314.29	-
Arbitration/Court case claims	93.23	-	254.19	-
Total provisions	**3227.16**	**4323.69**	**1932.09**	**3969.48**

(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-19			Year ended 31-Mar-18		
	Warranty	Cost to completion	Arbitration/ Court case claims	Warranty	Cost to completion	Arbitration/ Court case claims
Balance at the beginning of the year	838.49	314.29	254.19	491.25	20.00	278.79
Additional provisions recognised	507.29	914.47	8.37	376.04	314.29	10.40
Amounts used during the year	(28.94)	-	(169.33)	(13.55)	-	(35.00)
Unused amounts reversed during the year	(9.19)	(204.29)	-	(15.25)	(20.00)	-
Balance at the end of the year	**1307.65**	**1024.47**	**93.23**	**838.49**	**314.29**	**254.19**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 17: OTHER LIABILITIES

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non-current	Current	Non-current
Advance from customers	7399.77	-	3478.22	-
Deferred revenue arising from government grant related to assets (refer note 42)	-	141.45	-	141.45
Deferred revenue arising from government grant related to income (refer note 42)	1350.33	2805.32	250.87	-
Amount due to customers under construction contracts [refer note 10(i)]	2612.71	-	1034.35	-
Statutory remittances	2109.36	-	3174.84	-
Miscellaneous other payables	71.86	-	52.02	-
Total other liabilities	**13544.03**	**2946.77**	**7990.30**	**141.45**

NOTE 18: CURRENT BORROWINGS

	As at 31-Mar-19	As at 31-Mar-18
Secured- at amortised cost		
Repayable on demand		
- Cash credits/working capital demand loans from banks (see (i) below)	123540.95	105557.23
Unsecured- at amortised cost		
Other loans		
- Foreign currency loans (buyers' credits) from banks	-	2090.00
Total current borrowings	**123540.95**	**107647.23**

(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 includes working capital demand loans of ₹ 5000 lakhs availed during the current year and outstanding as at 31 March 2019 (31 March 2018: ₹ Nil), which are 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 8.35% to 9.95% (weighted average interest rate : 8.46% p.a.).

NOTE 19: TRADE PAYABLES

	As at 31-Mar-19	As at 31-Mar-18
Trade payables (at amortised cost)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 46)	92.00	43.42
- Total outstanding dues of creditors other than micro enterprises and small enterprises	63669.21	62762.15
Total trade payables	**63761.21**	**62805.57**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 20: OTHER FINANCIAL LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18
At amortised cost		
Current maturities of long-term borrowings (refer note 15)	7544.25	12831.59
Accrued interest	26.30	96.00
Capital creditors	1979.37	744.60
Employee benefits & other dues payable	2653.96	2371.67
Security deposits (see (i) below)	396.42	374.35
Unpaid dividends (see (ii) below)	1.99	3.48
Total other financial liabilities at amortised cost [A]	**12602.29**	**16421.69**
At fair value through Profit or Loss (FVTPL) (refer note 41)		
Derivatives financial instruments carried at fair value		
- Foreign-exchange forward contracts/Currency swaps/Interest rate swaps	6.61	3.96
Total other financial liabilities at FVTPL [B]	**6.61**	**3.96**
Total other financial liabilities ([A]+[B])	**12608.90**	**16425.65**

(i) Security deposits as at 31 March 2019 include ₹ 332 lakhs (31 March 2018 : ₹ 316 lakhs) deposits from sugar selling agents which are interest bearing subject to fulfillment of terms and conditions. These deposits are repayable on cessation of contractual arrangements. Interest payable is normally settled annually.

(ii) There are no amounts as at the end of the year which are due and outstanding to be credited to the Investors Education and Protection Fund.

NOTE 21: INCOME TAX BALANCES

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non-current	Current	Non-current
Income tax assets				
Tax refund receivable (net)	-	5006.62	-	5733.97
	-	**5006.62**	**-**	**5733.97**
Income tax liabilities				
Provision for income tax (net)	1015.91	-	-	-
	1015.91	**-**	**-**	**-**

NOTE 22: DEFERRED TAX BALANCES

	As at 31-Mar-19	As at 31-Mar-18
Deferred tax assets	13064.96	12357.06
Deferred tax liabilities	(16303.63)	(16528.82)
Net deferred tax assets/(liabilities)	**(3238.67)**	**(4171.76)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Movement in deferred tax balances

For the year ended 31 March 2019

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Difference in carrying values of property, plant & equipment and intangible assets	(16528.82)	225.19	-	(16303.63)
Difference in carrying values of investment property	265.09	13.43	-	278.52
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	1585.43	296.70	73.77	1955.90
- Statutory taxes and duties	184.70	46.69	-	231.39
- Other contractual provisions	437.63	426.24	-	863.87
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	811.77	(150.84)	-	660.93
Other temporary differences	3.16	53.61	-	56.77
Unutilised tax credits	9069.28	(51.70)	-	9017.58
Net deferred tax assets/(liabilities)	**(4171.76)**	**859.32**	**73.77**	**(3238.67)**

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)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(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-19	As at 31-Mar-18
Tax effect on unused tax losses (long term capital loss) (see table below for expiry)	12.34	569.50
Net deferred tax assets/(liabilities)	**12.34**	**569.50**
Expiry profile of unrecognised unused tax losses		
Unused tax losses (long term capital loss) shall expire on -		
March 31, 2019	-	557.16
March 31, 2020	0.57	0.57
March 31, 2021	11.77	11.77
	12.34	**569.50**

NOTE 23 : REVENUE FROM OPERATIONS

	Year ended 31-Mar-19	Year ended 31-Mar-18
Sale of products [refer note 36(vii) and note 50(i)]		
Finished goods	289621.96	321559.67
Stock-in-trade	1864.51	1627.41
Sale of services		
Erection and commissioning	67.38	22.90
Servicing	226.96	262.65
Operation and maintenance	3346.53	3927.25
Construction contract revenue	19794.35	12324.57
Other operating revenue		
Income from sale of renewable energy certificates	11.50	1311.48
Export incentives (refer note 42)	89.63	78.03
Income from scrap	133.52	72.12
Total revenue from operations	**315156.34**	**341186.08**

(i) Unsatisfied long-term construction contracts:

The transaction price allocated to all contracts (viz. water/wastewater treatment and turnkey projects relating to steam turbine) that are partially or fully unsatisfied as at reporting date alongwith expected period of its revenue recognition, are as follows:

	As at 31-Mar-19#	As at 31-Mar-18
Within one year	32369.71	*
More than one year	41098.75	*
Total	**73468.46**	*

* As permitted under the transitional provisions in Ind AS 115, the transaction price allocated to unsatisfied performance obligations as of 31 March 2018 is not disclosed.

As permitted under Ind AS 115, all contracts having original expected duration of one year or less or which are billed based on time incurred are not disclosed.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Reconciliation of revenue recognised with contract price:

	As at 31-Mar-19	As at 31-Mar-18
Contract price	315227.18	341238.37
Adjustments for Discounts/ Commissions to Customers	(70.84)	(52.29)
Total revenue from operations	**315156.34**	**341186.08**

NOTE 24: OTHER INCOME

	Year ended 31-Mar-19	Year ended 31-Mar-18
Interest income		
Interest income from bank deposits (at amortised cost)	96.95	57.85
Interest income from customers (at amortised cost)	20.83	31.03
Interest income from loans (at amortised cost)	5.94	-
Interest income from financial assets carried at amortised cost	17.06	15.12
Interest income from investments carried at FVTPL	5.45	12.28
Interest income from others	231.72	5.07
	377.95	**121.35**
Dividend income		
Dividend income from equity investments	399.03	868.66
	399.03	**868.66**
Other non-operating income (net of expenses directly attributable to such income)		
Rental income [refer note 4(ii)]	38.11	52.50
Subsidy from U.P. Government (refer note 42)	3088.25	-
Subsidy from Central Government (refer note 42)	1326.25	-
Miscellaneous income	1012.81	1067.50
	5465.42	**1120.00**
Other gains/(losses)		
Net fair value gains/(losses) on investments	17.79	23.16
Net gains/(losses) on derivatives	262.08	19.85
Credit balances written back	187.05	156.99
Net profit/(loss) on sale / redemption of investments	(0.32)	0.60
Excess provision of expenses reversed	52.49	96.73
	519.09	**297.33**
Total other income	**6761.49**	**2407.34**

NOTE 25: COST OF MATERIALS CONSUMED

	Year ended 31-Mar-19	Year ended 31-Mar-18
Stock at the beginning of the year	2698.80	3065.44
Add: Purchases	274636.53	257798.52
Less: Amount capitalised (included in the cost of property, plant and equipment)	-	(19.63)
Less: Stock at the end of the year	(2144.99)	(2698.80)
Total cost of materials consumed (refer note 42)	**275190.34**	**258145.53**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 26: PURCHASES OF STOCK-IN-TRADE

	Year ended 31-Mar-19	Year ended 31-Mar-18
Petroleum goods	1897.17	1635.88
Other consumer goods	27.65	38.36
Total purchases of stock-in-trade	**1924.82**	**1674.24**

NOTE 27: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	Year ended 31-Mar-19	Year ended 31-Mar-18
Inventories at the beginning 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 beginning of the year	**152037.13**	**161360.02**
Inventories at the end of the year:		
Finished goods	201739.45	148847.59
Stock-in-trade	31.65	31.47
Work-in-progress	4247.69	3157.30
Certified emission reduction	-	0.77
Total inventories at the end of the year	**206018.79**	**152037.13**
Add/(Less): Impact of excise duty on finished goods	-	(10189.01)
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(53981.66)**	**(866.12)**

NOTE 28: EMPLOYEE BENEFITS EXPENSE

	Year ended 31-Mar-19	Year ended 31-Mar-18
Salaries and wages	19822.30	17844.68
Contribution to provident and other funds (refer note 37)	1976.77	1874.96
Staff welfare expenses	638.37	528.89
	22437.44	**20248.53**
Less: Amount capitalised (included in the cost of property, plant and equipment)	(50.79)	(8.19)
Total employee benefit expense	**22386.65**	**20240.34**

NOTE 29: FINANCE COSTS

	Year ended 31-Mar-19	Year ended 31-Mar-18
Interest costs		
- Interest on loans with interest subvention (refer note 42)	6.46	216.52
- Interest on loans with below-market rate of interest (refer note 42)	627.72	12.74
- Interest on other borrowings	5875.38	8131.05
- Other interest expense	171.58	88.81
Total interest expense on financial liabilities not classified as at FVTPL	**6681.14**	**8449.12**
Less : Amount capitalised (included in the cost of property, plant and equipment)	(22.75)	-
	6658.39	**8449.12**
Exchange differences regarded as an adjustment to borrowing costs	119.16	76.36
Other borrowing costs		
- Loan monitoring and administration charges	21.23	8.39
Total finance costs	**6798.78**	**8533.87**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 30: DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31-Mar-19	Year ended 31-Mar-18
Depreciation of property, plant and equipment (refer note 3)	5660.00	5484.66
Amortisation of intangible assets (refer note 5)	35.14	56.00
	5695.14	**5540.66**
Less: Amount capitalised (included in the cost of property, plant and equipment)	-	(5.10)
Total depreciation and amortisation expense	**5695.14**	**5535.56**

NOTE 31: IMPAIRMENT LOSS ON FINANCIAL ASSETS (INCLUDING REVERSALS OF IMPAIRMENT LOSSES)

	Year ended 31-Mar-19	Year ended 31-Mar-18
Bad debts written off - trade receivables carried at amortised cost	501.56	594.86
Bad debts written off - other financial assets carried at amortised cost	2.98	12.26
Impairment loss allowance on trade receivables (net of reversals) (refer note 7)	(489.14)	(887.88)
Impairment loss allowance on other financial assets carried at amortised cost (net of reversals) (refer note 8 & 9)	(1.00)	(15.65)
Total impairment loss on financial assets (including reversals of impairment losses)	**14.40**	**(296.41)**

NOTE 32: OTHER EXPENSES

	Year ended 31-Mar-19	Year ended 31-Mar-18
Stores and spares consumed	3296.07	2869.21
Power and fuel	1754.03	1831.37
Design and engineering charges	64.17	122.07
Cane development expenses	132.06	280.59
Machining/fabrication expenses	108.15	79.26
Erection and commissioning expenses	380.01	426.21
Civil construction charges	6076.17	4176.06
Packing and stacking expenses	4539.00	3942.22
Repairs and maintenance		
- Machinery	4346.47	4039.99
- Building	412.72	380.32
- Others	321.59	346.49
Factory/operational expenses	2509.51	1903.80
Travelling and conveyance	1334.70	1334.70
Rent [refer note 43(ii)]	709.68	589.77
Rates and taxes	428.37	653.88
Insurance	339.83	269.41
Directors' fee	56.10	30.45
Directors' Commission	45.00	-
Legal and professional expenses	1042.72	932.10
Security service expenses	1275.24	1247.40
Net impairment loss allowance on non financial assets [includes amounts written off ₹ 69.59 lakhs (31 March 2018: ₹ 83.00 lakhs)] (refer note 10)	30.28	103.95
Net foreign exchange rate fluctuation losses	241.72	231.42

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-19	Year ended 31-Mar-18
Warranty expenses [includes provision for warranty (net) ₹ 498.10 lakhs 31 March 2018: ₹ 360.79 lakhs) (refer note 16)]	500.16	368.49
Liquidated damages charges	16.33	310.56
Provision for Arbitration/Court case claims (refer note 16)	8.37	10.40
Provision for cost to completion on construction contracts (net) (refer note 16)	710.18	294.29
Payment to Auditors (see (i) below)	63.42	70.03
Provision for non moving / obsolete inventory	97.79	77.24
Loss on sale /write off of inventory	27.03	33.57
Loss on sale / write off / impairment of property, plant and equipment	53.31	32.88
Loss under MIEQ obligation (third party exports)	3760.87	-
Selling commission	793.28	826.79
Royalty	296.52	236.99
Advertisement and sales promotion	32.05	30.78
Outward freight and forwarding	1175.52	638.41
Other selling expenses	253.49	302.26
Miscellaneous expenses	1575.23	1512.24
Less: Amount capitalised (included in the cost of property, plant and equipment)	(91.93)	(20.58)
Total other expenses	**38715.21**	**30515.02**

(i) Detail of payment to auditors

	Statutory Auditors		Branch Auditors		Cost Auditors	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
Audit fee	41.00	41.00	-	-	3.82	3.75
Limited review fee	15.00	17.01	-	0.91	-	-
Other services (Certification)	0.50	0.30	-	0.10	0.46	0.50
Reimbursement of expenses	2.54	4.36	-	1.71	0.10	0.39
Total payment to auditors	**59.04**	**62.67**	**-**	**2.72**	**4.38**	**4.64**

NOTE 33: EXCEPTIONAL ITEMS

	Year ended 31-Mar-19	Year ended 31-Mar-18
Profit on disposal of investment in equity shares of Triveni Turbine Limited under buyback scheme	2034.85	-
Total exceptional items	**2034.85**	**-**

NOTE 34: INCOME TAX EXPENSE

(i) Income tax recognised in profit or loss

	Year ended 31-Mar-19	Year ended 31-Mar-18
Current tax		
In respect of the current year	6004.41	3065.16
In respect of earlier years	7.56	138.81
Total current tax expense	**6011.97**	**3203.97**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-19	Year ended 31-Mar-18
Deferred tax		
In respect of current year origination and reversal of temporary differences *	(859.32)	1765.05
Total deferred tax expense	**(859.32)**	**1765.05**
Total income tax expense recognised in profit or loss	**5152.65**	**4969.02**

* includes utilisation of MAT credit of ₹ 51.70 lakhs (31 March 2018: MAT credit entitlement ₹ 3203.98 lakhs).

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

	Year ended 31-Mar-19	Year ended 31-Mar-18
Profit before tax	27209.00	15943.40
Income tax expense calculated at 34.944% (including surcharge and education cess) (2017-18: 34.608%)	9507.90	5517.69
Effect of changes in tax rate	-	145.75
Effect of income that is exempt from taxation	(143.50)	(311.93)
Effect of income that is taxable at lower rates	(713.00)	(3.11)
Effect of expenses that are non-deductible in determining taxable profit	118.13	83.92
Effect of tax incentives and concessions	(3239.76)	(1262.93)
Effect of changes in tax base of assets not considered in profit or loss	(13.42)	(46.03)
Effect of recognition of deferred tax assets/liabilities due to changes in estimates	(371.26)	706.85
Changes in estimates related to prior years	7.56	138.81
Total income tax expense recognised in profit or loss	**5152.65**	**4969.02**

(ii) Income tax recognised in other comprehensive income

	Year ended 31-Mar-19	Year ended 31-Mar-18
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	(73.77)	64.41
Total income tax expense recognised in other comprehensive income	**(73.77)**	**64.41**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(73.77)	64.41
Items that may be reclassified to profit or loss	-	-
Total income tax expense recognised in other comprehensive income	**(73.77)**	**64.41**

NOTE 35: EARNINGS PER SHARE

	Year ended 31-Mar-19	Year ended 31-Mar-18
Profit for the year attributable to owners of the Company [A]	22056.35	10974.38
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]	8.55	4.25
Diluted earnings per share (face value of ₹ 1 per share) [A/B]	8.55	4.25

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 36: 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 state 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. The Company, during the current year, has undertaken to expand its distillery operations by way of setting up a new 160 kilo-litres per day capacity distillery at Sabitgarh, Uttar Pradesh, which is under progress as at 31 March 2019.

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, 2019

(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-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
REVENUE																				
From external customers	240910.84	285263.40	8600.61	9721.04	21366.53	11534.06	270877.98	306518.50	13282.02	11112.49	24911.10	17566.96	38193.12	28679.45	6085.24	5988.13	-	-	315156.34	341186.08
From inter-segments sales	12189.04	14659.82	11678.29	11783.27	31.40	55.12	23898.73	26498.21	26.45	64.31	3.40	-	29.85	64.31	114.71	99.41	(24043.29)	(26661.93)	-	-
Total revenue from operations	**253099.88**	**299923.22**	**20278.90**	**21504.31**	**21397.93**	**11589.18**	**294776.71**	**333016.71**	**13308.47**	**11176.80**	**24914.50**	**17566.96**	**38222.97**	**28743.76**	**6199.95**	**6087.54**	**(24043.29)**	**(26661.93)**	**315156.34**	**341186.08**
RESULT																				
Segment Profit/(loss)	7920.66	11559.15	9111.49	9889.76	13271.11	2674.06	30303.26	24122.97	3814.28	3142.49	733.12	(1394.68)	4547.40	1747.81	6.30	20.05	-	-	34856.96	25890.83
Unallocated expenses (Net)																			(3661.01)	(2403.57)
Finance cost																			(6798.78)	(8533.87)
Interest income																			377.95	121.35
Dividend income																			399.03	868.66
Exceptional items																			2034.85	-
Profit before tax																			27209.00	15943.40
Current tax																			(6011.97)	(3203.97)
Deferred tax																			859.32	(1765.05)
Profit for the year																			22056.35	10974.38

- 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					
	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
ASSETS																				
Segment assets	275499.22	216818.05	13564.45	15914.66	29303.58	12356.93	318367.25	245089.64	14353.03	14340.02	28518.82	24229.55	42871.85	38569.57	1928.51	1708.98	-	-	363167.61	285368.19
Unallocated assets																			10218.02	11297.19
Total assets	**275499.22**	**216818.05**	**13564.45**	**15914.66**	**29303.58**	**12356.93**	**318367.25**	**245089.64**	**14353.03**	**14340.02**	**28518.82**	**24229.55**	**42871.85**	**38569.57**	**1928.51**	**1708.98**	**-**	**-**	**373385.63**	**296665.38**
LIABILITIES																				
Segment liabilities	63351.86	59545.65	430.52	420.90	2261.06	835.71	66043.44	60802.26	3159.88	3346.40	19571.06	12921.71	22730.94	16268.11	1444.75	1358.86	-	-	90219.13	78429.23
Unallocated liabilities																			175337.70	130149.58
Total liabilities	**63351.86**	**59545.65**	**430.52**	**420.90**	**2261.06**	**835.71**	**66043.44**	**60802.26**	**3159.88**	**3346.40**	**19571.06**	**12921.71**	**22730.94**	**16268.11**	**1444.75**	**1358.86**	**-**	**-**	**265556.83**	**208578.81**

- 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

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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-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
Amount considered in segment results																				
Depreciation and amortisation	3364.47	3230.29	696.87	686.09	510.41	509.30	4571.75	4425.68	832.35	822.47	177.43	186.50	1009.78	1008.97	4.78	6.66	-	-	5586.31	5441.31
Unallocated depreciation and amortisation																			108.83	94.25
Total depreciation and amortisation	**3364.47**	**3230.29**	**696.87**	**686.09**	**510.41**	**509.30**	**4571.75**	**4425.68**	**832.35**	**822.47**	**177.43**	**186.50**	**1009.78**	**1008.97**	**4.78**	**6.66**	**-**	**-**	**5695.14**	**5535.56**
Non cash items (other than depreciation and amortisation)	56.47	24.20	295.02	103.82	0.95	(26.09)	352.44	101.93	8.56	119.59	(64.68)	(453.78)	(56.12)	(334.19)	0.91	10.43	-	-	297.23	(221.83)
Unallocated non cash items (other than depreciation and amortisation)																			(109.74)	(127.82)
Total non cash items (other than depreciation and amortisation)	**56.47**	**24.20**	**295.02**	**103.82**	**0.95**	**(26.09)**	**352.44**	**101.93**	**8.56**	**119.59**	**(64.68)**	**(453.78)**	**(56.12)**	**(334.19)**	**0.91**	**10.43**	**-**	**-**	**187.49**	**(349.65)**
Amounts not considered in segment results																				
Interest expense	6263.60	7840.43	25.40	28.24	40.97	180.34	6329.97	8049.01	112.51	125.79	231.48	464.67	343.99	590.46	0.02	-	-	-	6673.98	8639.47
Unallocated interest expense																			124.80	(105.60)
Total interest expense	**6263.60**	**7840.43**	**25.40**	**28.24**	**40.97**	**180.34**	**6329.97**	**8049.01**	**112.51**	**125.79**	**231.48**	**464.67**	**343.99**	**590.46**	**0.02**	**-**	**-**	**-**	**6798.78**	**8533.87**
Interest income	40.38	47.88	3.89	3.61	2.40	1.72	46.67	53.21	3.18	4.47	32.95	20.92	36.13	25.39	-	-	-	-	82.80	78.60
Unallocated interest income																			295.15	42.75
Total interest income	**40.38**	**47.88**	**3.89**	**3.61**	**2.40**	**1.72**	**46.67**	**53.21**	**3.18**	**4.47**	**32.95**	**20.92**	**36.13**	**25.39**	**-**	**-**	**-**	**-**	**377.95**	**121.35**
Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated exceptional items																			2,034.85	-
Total exceptional items	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,034.85**	**-**
Capital expenditure	5249.11	2932.52	28.49	189.39	18889.71	902.48	24167.31	4024.39	202.33	836.82	186.44	188.83	388.77	1025.65	108.72	1.35	-	-	24664.80	5051.39
Unallocated capital expenditure																			169.36	175.04
Total Capital expenditure	**5249.11**	**2932.52**	**28.49**	**189.39**	**18889.71**	**902.48**	**24167.31**	**4024.39**	**202.33**	**836.82**	**186.44**	**188.83**	**388.77**	**1025.65**	**108.72**	**1.35**	**-**	**-**	**24834.16**	**5226.43**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(v) Break-up of revenue by geographical area

	Year ended 31-Mar-19	Year ended 31-Mar-18
India (country of domicile)	314009.28	339873.28
Foreign countries	1147.06	1312.80
	315156.34	**341186.08**

(vi) Non-current assets by geographical area

All non current assets of the Company are located in India except investment of ₹ 3006.19 lakhs in an Associate company located in Israel.

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

	Timing of revenue recognition	Year ended 31-Mar-19	Year ended 31-Mar-18
Sale of products			
Finished goods			
- Sugar	At a point in time	238497.07	279886.27
- Molasses	At a point in time	167.53	2217.95
- Bagasse	At a point in time	3816.77	4612.53
- Power	At a point in time	10930.79	10771.62
- Alcohol	At a point in time	21288.41	11446.52
- Mechanical equipment - Water/Waste-water	At a point in time	1667.81	1483.67
- Gears/Gear Boxes	At a point in time	10336.68	9292.12
- Bought outs and Spares	At a point in time	2589.77	1442.30
- Others	At a point in time	327.13	406.69
		289621.96	**321559.67**
Stock in trade			
- Petroleum goods (Diesel/Petrol/Lubricants)	At a point in time	1835.57	1575.22
- Other consumer goods	At a point in time	28.94	52.19
		1864.51	**1627.41**
		291486.47	**323187.08**
Sale of services			
Erection and commissioning	Over time	67.38	22.90
Servicing	Over time	226.96	262.65
Operation and maintenance	Over time	3346.53	3927.25
		3640.87	**4212.80**
Construction contract revenue			
Water, Waste-water and Sewage treatment	Over time	19788.71	12098.41
Power generation and evacuation system	Over time	5.64	226.16
		19794.35	**12324.57**
Other operating revenue			
Income from sale of renewable energy certificates	At a point in time	11.50	1311.48
Export incentives	At a point in time	89.63	78.03
Income from scrap	At a point in time	133.52	72.12
		234.65	**1461.63**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(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 2019 and 31 March 2018.

NOTE 37: 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 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 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-19	Year ended 31-Mar-18
Employers' Contribution to Employees' Provident Fund	774.86	732.39
Administration and other expenses relating to above	15.42	19.53
Employers' Contribution to Employees' State Insurance Scheme	13.60	16.01
Employers' Contribution to Superannuation Scheme	120.86	114.75
Employers' Contribution to National Pension Scheme	29.59	20.80

(ii) Defined benefit plan (Gratuity)

(a) The Company operates a defined benefit retirement plan under which the Company pays certain defined benefit by way of gratuity to its employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/termination of employment or upon death of an employee, based on the respective employees' salary and years of employment with the Company.

(b) Risk exposure

The plan typically exposes the Company to number of actuarial risks, the most significant of which are detailed below:

Investment risk: The plan liabilities are calculated using a discount rate set with references to government bond yields as at end of reporting period; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The investments in plan assets are made in accordance with pattern of investment prescribed by central government and ensures that the funds are invested in a balanced mix of investments comprising central government securities, state government securities, other debt instruments as well as equity instruments. Most of the plan investments is in fixed income securities with high grades and in government securities. The Company has a risk management strategy which defines exposure limits and acceptable credit risk rating.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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-19	**31-Mar-18**
Discounting rate	7.55%	7.69%
Future salary growth rate	8.00%	8.00%
Mortality Table *	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
Attrition rate	6.00% for Permanent employees 2.00% for Seasonal employees	6.00% for Permanent employees 2.00% for Seasonal employees
Method used	Projected unit credit method	Projected unit credit method

* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2006-08 Ultimate). These assumptions translate into an average life expectancy in years at retirement age.

(d) Amounts recognised in standalone statement of profit and loss in respect of the defined benefit plan (gratuity) are as follows:

	Year ended 31-Mar-19	**Year ended 31-Mar-18**
Current service cost	363.18	333.64
Net interest expense	232.48	220.47
Components of defined benefit costs recognised in profit or loss	**595.66**	**554.11**
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	15.50	(43.30)
- Actuarial gains and loss arising form changes in financial assumptions	44.80	36.60
- Actuarial gains and loss arising form experience adjustments	150.81	(179.43)
Components of defined benefit costs recognised in other comprehensive income	**211.11**	**(186.13)**
Total	**806.77**	**367.98**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the standalone statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(e) Amounts included in the standalone balance sheet arising from the entity's obligation in respect of the defined benefit plan (gratuity) is as follows:

	As at 31-Mar-19	As at 31-Mar-18
Present value of defined benefit obligation as at the end of the year	5294.33	4734.30
Fair value of plan assets	1548.30	1452.20
Funded status	**(3746.03)**	**(3282.10)**
Net asset/(liability) arising from defined benefit obligation recognised in the standalone balance sheet	**(3746.03)**	**(3282.10)**

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

	Year ended 31-Mar-19	Year ended 31-Mar-18
Present value of defined benefit obligation at the beginning of the year	4734.30	4558.14
Expenses recognised in profit or loss		
- Current Service Cost	363.18	333.64
- Interest Expense (Income)	344.08	321.08
Remeasurement (gains)/losses recognised in other comprehensive income		
- Actuarial (gain)/loss arising from:		
i. Financial Assumptions	44.80	36.60
ii. Experience Adjustments	150.81	(179.43)
Benefit payments	(342.84)	(335.73)
Present value of defined benefit obligation at the end of the year	**5294.33**	**4734.30**

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

	Year ended 31-Mar-19	Year ended 31-Mar-18
Fair value of plan assets at the beginning of the year	1452.20	1308.30
Recognised in profit or loss		
- Expected return on plan assets	111.60	100.61
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actual return on plan assets in excess of the expected return	(15.50)	43.29
Contributions by employer	342.84	335.73
Benefit payments	(342.84)	(335.73)
Fair value of plan assets at the end of the year	**1548.30**	**1452.20**

The fair value of the plan assets (gratuity) at the end of the reporting period for each category, are as follows:

	As at 31-Mar-19			As at 31-Mar-18		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	-	11.95	11.95	-	12.45	12.45
Debt instruments						
- Government securities	-	259.21	259.21	-	264.26	264.26
- State development loans	-	494.04	494.04	-	452.07	452.07
- Private sector bonds	-	116.29	116.29	-	123.24	123.24
- Public sector bonds	-	122.42	122.42	-	112.33	112.33
- Fixed deposits with banks	-	166.00	166.00	-	166.00	166.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-19			As at 31-Mar-18		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
- Special Deposit Scheme balance with RBI	-	102.13	102.13	-	102.13	102.13
- Debt mutual funds	-	70.01	70.01	-	64.95	64.95
Equity instruments						
- Index mutual funds	-	36.12	36.12	-	10.06	10.06
- Arbitrage mutual funds	-	13.42	13.42	-	12.58	12.58
Accrued interest and other recoverables	-	156.71	156.71	-	132.13	132.13
Total plan assets	**-**	**1548.30**	**1548.30**	**-**	**1452.20**	**1452.20**

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.

(h) Sensitivity analysis

The sensitivity of the defined benefit obligation (gratuity) to changes in the weighted principal assumptions is:

	Change in assumption by	Impact on defined benefit obligation (gratuity)				
		Increase/ decrease	Increase in assumption		Decrease in assumption	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Discounting rate	0.50%	in ₹ lakhs	(156.33)	(177.37)	(165.89)	190.36
		in %	-2.95%	-3.75%	3.13%	4.02%
Future salary growth rate	0.50%	in ₹ lakhs	164.39	187.87	(156.40)	(176.71)
		in %	3.11%	3.97%	-2.95%	-3.73%
Attrition rate	0.50%	in ₹ lakhs	(4.83)	(46.12)	5.04	48.81
		in %	-0.09%	-0.97%	0.10%	1.03%
Mortality rate	10.00%	in ₹ lakhs	(0.30)	(39.85)	0.30	42.54
		in %	-0.01%	-0.84%	0.01%	0.90%

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Defined benefit liability (gratuity) and employer contributions

The Company remains committed to fund all gratuity payments falling due and shall strive to gradually reduce the deficit in funding of its obligation in the coming years.

The Company expects to contribute ₹ 826.18 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 2019 is 7 years (31 March 2018: 9.2 years).

The expected maturity analysis of undiscounted defined benefit obligation (gratuity) as at 31 March 2019 is as follows:

	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
Defined benefit obligation (Gratuity)	1140.36	621.49	1549.82	6137.12	**9448.79**

(iii) Defined benefit plan (Provident Fund)

(a) Apart from the contributions made by the Company to defined contribution provident fund plan referred in (i) above, the Company has also set up a provident fund trust, to secure the provident fund dues in respect of certain employees of the Company, which is administered by the concerned trustees. The rules of the Company's provident fund 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.

(b) The details of fund and plan assets position are given below:

	Year ended 31-Mar-19	Year ended 31-Mar-18
Fair value of plan assets as at the end of the year	11878.88	10615.90
Present value of defined benefit obligation as at the end of the year	(11878.88)	(10615.90)
Excess of (obligations over plan assets) / plan assets over obligation	-	-

(c) The significant actuarial assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows

	Year ended 31-Mar-19	Year ended 31-Mar-18
Discount rate	7.77%	7.66%
Average remaining tenure of investment portfolio	5.61 years	5.63 years
Guaranteed rate of return	8.65%	8.55%

(d) For the year ended 31 March, 2019, the Company contributed ₹ 350.67 lakhs (31 March 2018: ₹ 336.59 lakhs) to the defined benefit provident fund plan.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 38: RELATED PARTY TRANSACTIONS

(i) Related parties where control exists

Subsidiaries (wholly owned)

Triveni Energy Systems Limited

Triveni Engineering Limited

Triveni Entertainment Limited

Svastida Projects Limited

Triveni Industries Limited

Triveni Sugar Limited (became wholly owned subsidiary w.e.f. 28 February 2019)

Mathura Wastewater Management Private Limited (incorporated on 12 June 2018)

(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-19	Year ended 31-Mar-18
Sales and rendering services			
Triveni Sugar Limited	Subsidiary	0.71	0.70
Svastida Projects Limited	Subsidiary	0.71	0.70
Triveni Entertainment Limited	Subsidiary	0.71	0.70
Triveni Energy Systems Limited	Subsidiary	0.71	0.70
Triveni Engineering Limited	Subsidiary	0.71	0.70
Triveni Industries Limited	Subsidiary	0.71	0.70
Triveni Turbine Limited	Associate	4310.02	4304.01
Purchases and receiving services			
Triveni Turbine Limited	Associate	1923.53	382.52
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	1.39	0.47
Interest income			
Mathura Wastewater Management Private Limited	Subsidiary	1.47	-
Aqwise-Wise Water Technologies Limited (Israel)	Associate	4.47	-
Rent paid			
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	51.40	48.76
Rati Sawhney	Relative of key managerial personnel	36.87	34.60
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	80.83	76.69
Rent & other charges received			
Triveni Turbine Limited	Associate	20.53	20.40

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for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-19	Year ended 31-Mar-18
Dividend received from Investment in Equity shares			
Triveni Turbine Limited	Associate	396.00	864.00
Dividend paid on Equity shares			
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	268.74	95.98
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	102.87	36.74
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	106.94	38.19
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.10	0.04
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	0.07	0.03
Manmohan Sawhney HUF	Relative of key managerial personnel	31.59	11.28
Rati Sawhney	Relative of key managerial personnel	142.51	50.90
Tarana Sawhney	Relative of key managerial personnel	0.18	0.06
Mira Hazari	Relative of key managerial personnel	0.01	-
Subhadra Trade & Finance Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	-	206.74
STFL Trading and Finance Private Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	578.87	-
Expenses incurred by the Company on behalf of party (net of expenses incurred by party on behalf of the Company) on reimbursable basis			
Mathura Wastewater Management Private Limited	Subsidiary	40.96	-
Triveni Turbine Limited	Associate	(19.53)	(18.76)
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	2.70	2.22
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	0.05	-
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	0.00	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-19	Year ended 31-Mar-18
Triveni Engineering Works Limited Employees' Provident Fund	Post employment benefit plan	0.00	-
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	0.04	0.03
Remuneration			
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	363.06	239.73
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	206.11	192.39
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	75.26	68.61
Directors fee paid			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	7.95	3.70
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	11.80	5.50
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	0.75	1.25
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	10.75	6.00
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	9.25	6.00
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	7.35	4.00
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	8.25	4.00
Directors Commission			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	7.00	-
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	5.00	-
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	5.00	-
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	7.00	-

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for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-19	Year ended 31-Mar-18
Contribution to Post employment benefit plans			
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	342.85	335.73
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	120.32	114.75
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	1064.00	1033.20
Investment made in shares			
Triveni Engineering Limited	Subsidiary	-	60.00
Triveni Energy Systems Limited	Subsidiary	-	180.00
Triveni Entertainment Limited	Subsidiary	-	130.00
Svastida Projects Limited	Subsidiary	-	10.00
Mathura Wastewater Management Private Limited	Subsidiary	0.30	-
Disposal of investment in equity shares under buyback scheme			
Triveni Turbine Limited	Associate	2,058.03	-
Advance paid against order			
Triveni Turbine Limited	Associate	-	35.00
Advance received against order			
Mathura Wastewater Management Private Limited	Subsidiary	1,908.30	-
Loans given			
Mathura Wastewater Management Private Limited	Subsidiary	80.00	-
Aqwise-Wise Water Technologies Limited (Israel)	Associate	267.06	-

Outstanding balances

	Relationship	As at 31-Mar-19	As at 31-Mar-18
Receivable			
Triveni Turbine Limited	Associate	895.39	1,082.03
Mathura Wastewater Management Private Limited	Subsidiary	81.33	-
Aqwise-Wise Water Technologies Limited (Israel)	Associate	271.53	-
Payable			
Mathura Wastewater Management Private Limited	Subsidiary	1908.30	-
Triveni Turbine Limited	Associate	1737.67	1,310.51
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	4.54	4.92
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	53.65	3.65
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.09	0.61
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	-	0.15
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	7.00	-
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	5.00	-

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for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Relationship	As at 31-Mar-19	As at 31-Mar-18
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	5.00	-
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	0.22	-
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	120.32	113.29
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	101.17	90.32

(iii) Remuneration of key managerial personnel:

	Year ended 31-Mar-19	Year ended 31-Mar-18
Short-term employee benefits	593.87	460.69
Post-employment benefits	50.56	40.05
Total	**644.43**	**500.74**

The remuneration of key managerial personnel is determined by the remuneration committee having regard to the performance of individuals, market trends and applicable provisions of Companies Act, 2013.

(iv) Remuneration and outstanding balances of 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:

(a) Transactions relating dividends, buyback of shares were on same terms and conditions that applied to other shareholders

(b) Loans to subsidiary and associate are given at normal commercial terms & conditions at prevailing market rate of interest

(c) Sales to and purchases from related parties, including rendering/availment of service, are made on terms equivalent to those that prevail in arm's length transactions. All other transactions were made on normal commercial terms and conditions and at market rates.

(d) The outstanding balances at the year-end are unsecured and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31 March 2019 and 31 March 2018.

(e) There have been no guarantees provided to or received for any related party receivable or payables.

(f) The Company, during the year, has given corporate guarantee amounting to ₹ 9915 lakhs in connection with a loan agreed to be granted by the lender to a wholly owned subsidiary of the Company, Mathura Wastewater Management Pvt. Ltd. (MWMPL), which will come into force upon availment of loan by MWMPL in subsequent year(s).

Notes to the Standalone Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 39: 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 to six 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-19	**As at 31-Mar-18**
Non-current borrowings (note 15)	37349.54	3495.28
Current borrowings (note 18)	123540.95	107647.23
Current maturities of long-term borrowings (note 20)	7544.25	12831.59
Total debt	**168434.74**	**123974.10**
Less: Cash and cash equivalents [note 12(a)]	(1367.60)	(338.70)
Net debt	**167067.14**	**123635.40**
Total equity (note 13 & note 14)	**107828.80**	**88086.57**
Net debt to equity ratio	1.55	1.40
Long term debt equity ratio	0.42	0.19

In addition to the above gearing ratio, the Company also looks at operating profit to total debt ratio (EBITDA/Total Debts) which gives an indication of adequacy of earnings to service the debts. The Company carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. With a view to arrive at the desired capital structure based on the financial condition of the Company, the Company normally incorporates a clause in loan agreements for prepayment of loans without any premium. During the year, majority of the long term debts have been contracted by the Company at concessional interest rates under various soft loan schemes of the Government.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2019 and 31 March 2018.

The Company is not subject to any externally imposed capital requirements.

NOTE 40: 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

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Company has specialised teams to undertake derivative activities for risk management purposes and such team has appropriate skills, experience and expertise. It is the Company policy not to carry out any trading in derivative for speculative purposes. The Audit Committee and the Board are regularly apprised of these risks every quarter and each such risk and mitigation measures are extensively discussed.

(i) Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company is exposed to credit risks from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are nominal.

(a) Credit risk management

The customer credit risk is managed by each business subject to the Company's established policy, procedure and controls relating to customer credit risk management. Various businesses require different processes and policies to be followed based on the business risks, industry practice and customer profiles.

In the case of Sugar business, majority of the sales are made either against advance payments or on very short credit period upto 7-10 days to established sugar agents whereas in Cogeneration and Distillery, most of the sales are made to Government customers, such as, State Electricity Board (UPPCL) and Oil Marketing Companies (OMCs). There may be delays, generally not exceeding one year, in receiving payments from UPPCL but the risk in respect of realisation of dues is minimal. In Gear business, it is the policy of the Company to receive payment prior to delivery of the material except in the case of some well established OEMs, including group companies and public sector undertakings, where the credit up to 90 days is extended. Water business is engaged in Engineering, Procurement and Construction (EPC) business in the municipal and industrial sectors where it is customary to have prescribed retentions which are payable upon completion of the project and after satisfactory performance of the plant.

In order to contain the business risk, creditworthiness of the customer is ensured through scrutiny of its financials, status of financial closure of the project, if required, market reports and reference checks. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of its diversified business profile and considering the size of the Company, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customers. In addition, a large number of receivables are grouped and assessed for impairment collectively. The calculation of impairment loss is based on historical data of losses, current conditions and forecasts and future economic conditions. The Company's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset as detailed in note 6, 7, 8 and 9.

The business wise receivable position as at the end of the year is provided here below:

	As at 31-Mar-19	As at 31-Mar-18
Sugar business	4125.88	4551.36
Cogeneration business	3337.56	4427.14
Distillery business	1537.74	2060.60
Water business	14631.01	13858.94
Gear business	4501.43	4837.04
Others	1530.53	1455.31
Total Receivables (note 7)	**29664.15**	**31190.39**
Receivables individually in excess of 10% of the business receivables	16879.72	16665.33
Percentage of above receivables to the total receivables of the Company	56.90%	53.43%

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Receivables in excess of 10% of individual business receivables majorly comprises receivables from UPPCL which forms 15.21% of total receivables of the Company as on 31 March 2019 and 16.85% as on 31 March 2018. 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.

(b) Provision for expected credit losses

Basis as explained above, life time expected credit loss ("ECL") is determined on trade receivables except in cases where advance payment terms are prescribed or payment is due from Central / State Government or Government Authorities / entities where there is no track record of short receipts. ECL arising from delays in receiving payments from the Government customers pursuant to sale of goods or under construction contracts are not considered if such delays are commonly prevalent in the industry and / or the delays are not exceeding one year. All other short receipts, other than arising from expense claims, are duly considered in determining ECL. In view of the business model of the Company's engineered-to-order products and the profile of trade receivables, the determination of provision based on age analysis may not be realistic and hence, the provision of expected credit loss is determined for the total trade receivables outstanding as on the reporting date. This provision for ECL is made in addition to the specific credit losses, if any, provided on specific financial assets.

Provision matrix (%, amounts) of ECL for trade receivables, other than specific credit losses separately recognised is as under:

Business	% ECL	ECL amount as at 31-Mar-19	ECL amount as at 31-Mar-18
Sugar	Nil	Nil	Nil
Co-generation	Nil	Nil	Nil
Distillery	Nil	Nil	Nil
Water	0.83%	115.99	115.99
Gear	1.17%	33.44	57.91

(c) Reconciliation of loss allowance provision

Trade receivables:

	Year ended 31-Mar-19	Year ended 31-Mar-18
Balance at beginning of the year	1780.81	2668.69
Provision for credit loss allowance made during the year	16.67	377.16
Provision reversed/utilised during the year	(505.81)	(1265.04)
Balance at the end of the year	1291.67	1780.81

Loans and other financials assets:

	Loans		Other financial assets	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
Balance at beginning of the year	44.53	44.53	16.05	31.70
Movement in expected credit loss allowance	-	-	(1.00)	(15.65)
Balance at the end of the year	44.53	44.53	15.05	16.05

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(ii) Liquidity risk

The Company uses liquidity forecast tools to manage its liquidity. The Company operates capital intensive sugar business and has obligation to timely make cane price payments within the statutory time period. The Company is able to organise liquidity through own funds and through working capital loans. The company has good relationship with its lenders and has not defaulted at any point of time in the past, as a result of which it does not experience any difficulty in arranging funds from its lenders. However, when the sugar fundamentals are unfavourable, either due to market forces or due to excessive cane pricing by the Government, the payment of cane price gets delayed. However, it is the endeavour of the Company to make cane payment on a priority basis. It is the objective and focus of the Company to reduce debts to be able to meet the cyclicalities of the sugar business.

Apart from cyclical sugar business, the Company has alternate revenue streams in the form of cogeneration, distillery and engineering business, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Company as at the year end

	As at 31-Mar-19	As at 31-Mar-18
Total current assets	256652.85	198793.37
Total current liabilities	217698.16	196800.84
Current ratio	1.18	1.01

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 2019							
Borrowings	123540.95	8810.46	18972.60	19084.00	2133.42	172541.43	168434.74
Trade payables	-	63391.08	370.13	-	-	63761.21	63761.21
Other financial liabilities	-	5058.04	-	-	-	5058.04	5058.04
	123540.95	**77259.58**	**19342.73**	**19084.00**	**2133.42**	**241360.68**	**237253.99**
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**

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 ₹ 65.11 lakhs as at 31 March 2019, which shall mature within one year from reporting date (31 March 2018 : derivative asset (net) ₹ 87.86 lakhs, all derivative assets/ liabilities shall mature within one year from

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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).

(iii) Market risk

The Company is exposed to following key market risks:

(a) Interest rate risk on loans and borrowings

(b) Sugar price risk

(c) Other market risks

(a) Interest rate risk

Most of the borrowings availed by the Company are subject to interest on floating rate basis linked to the MCLR (marginal cost of funds based lending rate) or LIBOR. In view of the fact that the total borrowings of the Company are quite substantial, the Company is exposed to interest rate risk.

The strategy of the Company to opt for floating interest rates is helpful in maintaining market related realistic rates. Further, most of the loans and borrowings have a prepayment clause through which the loans could be prepaid without any prepayment premium. The said clause helps the Company to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held. The interest rate risk is largely mitigated as 72% of the long term debts as at 31 March 2019 (31 March 2018 : 24% of long term debts), comprises loans carrying concessional interest rates.

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-19	Year ended 31-Mar-18
Total debt as at the end of the year	168434.74	123974.10
Debt at floating rate of interest as at the end of the year	134542.04	116276.02
Average annual utilisation of debts at floating rate of interest (%)	59%	73%
Average availment of borrowings at floating rate of interest	79427.21	85179.94
Impact of 1% interest rate variation	794.27	851.80

The above sensitivity has been computed after excluding the impact of change in interest rates of the floating interest rate foreign currency borrowing balance of USD 17,92,114.69 @ 4.833% p.a. (i.e. 6 months LIBOR plus 1.95%) [31 March 2018: USD 53,76,344.09 @ 4.1955% p.a. (i.e. 6 months LIBOR plus 1.95%)] 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 April/May. Sugar so produced during the season of around 150 to 170 days, is sold throughout the year. The sugar inventories are at the highest level around the end of the financial year and these are 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. Further, the Company is required to sell sugar only to the extent of monthly sales quota as prescribed by the Government. The sugar price risk is greatly mitigated as the Government has prescribed Minimum Selling Price for the sugar below which sugar cannot be sold. To increase overall realisation price, the Company produces refined sugar, to the extent of around 40% of its production and pharmaceutical grade sugar, which fetch premium over normal sulphitation sugar.

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

	Year ended 31-Mar-19	Year ended 31-Mar-18
Sugar inventory held (MT)	6,68,504	5,31,099
Impact of sugar price variation by ₹ 1000/MT	6,685.04	5,310.99

(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.

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	AUD
As at 31 March 2019					
Financial assets					
- Trade receivables	in foreign currency lakhs	0.06	0.95	-	-
	in equivalent ₹ lakhs	3.90	72.67	-	-
- Loans receivables	in foreign currency lakhs	3.97	-	-	-
	in equivalent ₹ lakhs	271.53	-	-	-
Derivatives (in respect of underlying financial assets)					
- Foreign exchange forward contracts/ Swaps sell foreign currency	in foreign currency lakhs	3.97	-	-	-
	in equivalent ₹ lakhs	271.53	-	-	-
Net exposure to foreign currency risk (assets)	in foreign currency lakhs	**0.06**	**0.95**	**-**	**-**
	in equivalent ₹ lakhs	**3.90**	**72.67**	**-**	**-**
Financial liabilities					
- Trade payables	in foreign currency lakhs	10.94	3.21	0.53	-
	in equivalent ₹ lakhs	765.38	253.66	49.20	-
- Borrowings (including interest)	in foreign currency lakhs	18.00	-	-	-
	in equivalent ₹ lakhs	1258.44	-	-	-
Derivatives (in respect of underlying financial liabilities)					
- Foreign exchange forward contracts/ Swaps buy foreign currency	in foreign currency lakhs	27.55	2.11	-	-
	in equivalent ₹ lakhs	1926.66	166.36	-	-
Net exposure to foreign currency risk (liabilities)	in foreign currency lakhs	**1.39**	**1.10**	**0.53**	**-**
	in equivalent ₹ lakhs	**97.16**	**87.30**	**49.20**	**-**

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		US$	EURO	GBP	AUD
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 buy foreign currency	in foreign currency lakhs	203.47	-	-	-
	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**	**-**

The Company's foreign currency derivatives outstanding (including for firm commitments) at the end of the reporting period are as follows:

		US$	EURO	GBP	AUD
As at 31 March 2019					
Foreign exchange forward contracts to sell foreign currency	in foreign currency lakhs	4.02	-	-	-
	in equivalent ₹ lakhs	275.10	-	-	-
Foreign exchange forward contracts/ Swaps to buy foreign currency	in foreign currency lakhs	29.49	2.11	-	5.63
	in equivalent ₹ lakhs	2062.31	166.36	-	282.21
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	-	-

All the above contracts as at 31 March 2019 are maturing within one year from the reporting date (31 March 2018 : all above contracts are maturing within one year from the reporting date 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).

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Sensitivity

The following table demonstrate the sensitivity of net unhedged foreign currency exposures relating to financial instruments to reasonably possible changes in foreign currency exchange rates, with all other variables held constant.

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
US$ sensitivity	5%	(4.66)	7.21	4.66	(7.21)
EURO sensitivity	5%	(0.73)	6.85	0.73	(6.85)
GBP sensitivity	5%	(2.46)	(2.54)	2.46	2.54
AUD sensitivity	5%	-	-	-	-

Further, the impact of change in foreign currency rates (assuming forward premium to remain unchanged) on the fair valuation of derivatives (excluding derivatives which have hedged the foreign currency denominated receivables and payables) as at the end of the year, is demonstrated in the table below. However, apart from the impact on the profit or loss due to fair value changes of the derivatives, the derivatives will help the Company in capturing the hedged rates including forward premium and the budgeted profitability will remain unaffected.

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
US$ sensitivity	5%	6.60	(0.80)	(6.60)	0.80
EURO sensitivity	5%	-	10.12	-	(10.12)
GBP sensitivity	5%	-	-	-	-
AUD sensitivity	5%	14.11	-	(14.11)	-

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

NOTE 41: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	As at 31-Mar-19		As at 31-Mar-18	
	FVTPL *	Amortised cost	FVTPL *	Amortised cost
Financial assets				
Investments				
- Equity instruments	384.68	-	366.44	-
- Bonds	30.47	-	89.04	-
- National Saving Certificates	-	0.03	-	0.03
Trade receivables	-	29664.15	-	31190.39
Loans	-	394.29	-	56.53
Cash and bank balances	-	1770.91	-	919.95
Security deposits	-	640.15	-	497.02
Earnest money deposits	-	15.75	-	163.32
Derivative financial assets	71.72	-	91.82	-
Other receivables	-	50.35	-	97.17
Total financial assets	**486.87**	**32535.63**	**547.30**	**32924.41**

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	As at 31-Mar-19		As at 31-Mar-18	
	FVTPL *	Amortised cost	FVTPL *	Amortised cost
Financial liabilities				
Borrowings	-	168434.74	-	123974.10
Trade payables	-	63761.21	-	62805.57
Capital creditors	-	1979.37	-	744.60
Security deposits	-	396.42	-	374.35
Derivative financial liabilities	6.61	-	3.96	-
Other payables	-	2682.25	-	2471.15
Total financial liabilities	**6.61**	**237253.99**	**3.96**	**190369.77**

*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 2019					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	384.68	-	-	384.68
- Investments in bonds at FVTPL	6	-	30.47	-	30.47
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	9	-	71.72	-	71.72
		384.68	**102.19**	**-**	**486.87**
Financial liabilities					
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	20	-	6.61	-	6.61
		-	**6.61**	**-**	**6.61**
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**
Financial liabilities					
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	20	-	3.96	-	3.96
		-	**3.96**	**-**	**3.96**

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Level 1: Level 1 hierarchy includes financial instruments measured using quoted unadjusted market prices in active markets for identical assets or liabilities. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year.

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of derivatives (viz. foreign exchange forward contracts, foreign currency swaps and interest rate swaps) is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.
- the fair value of bonds is determined using observable market data of yield to maturity and coupon rates of securities.

All of the resulting fair value estimates are included in level 2.

(iv) Valuation processes

The Corporate finance team has requisite knowledge and skills in valuation of financial instruments. The team headed by Group CFO directly reports to the audit committee on the fair value of financial instruments.

(v) Fair value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the standalone financial statements approximate their fair values

	As at 31-Mar-19		As at 31-Mar-18	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Trade receivables	29664.15	28939.43	31190.39	30495.00
	29664.15	**28939.43**	**31190.39**	**30495.00**
Financial liabilities				
Trade payables	63761.21	63715.49	62805.57	62753.23
	63761.21	**63715.49**	**62805.57**	**62753.23**

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
As at 31 March 2019				
Financial assets				
Trade receivables	-	-	28939.43	28939.43
	-	**-**	**28939.43**	**28939.43**
Financial liabilities				
Trade payables	-	-	63715.49	63715.49
	-	**-**	**63715.49**	**63715.49**

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	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**

(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 42: GOVERNMENT GRANTS

(i) Government grants recognised in the standalone financial statements

	Grants recognised in profit or loss			Grant recoverable	
	Year ended 31-Mar-19	**Year ended 31-Mar-18**	**Treatment in financial statements**	**As at 31-Mar-19**	**As at 31-Mar-18**
A Deferred government grants related to income					
a) Loans at below market interest rate aggregating to ₹ 36400 lakhs availed during financial year 2018-19 under the "Scheme for Extending Financial Assistance to Sugar Undertakings 2018" notified by the State Government of Uttar Pradesh.	441.97	-	Reduced from finance cost (note 29)	-	-
b) Interest subvention @ 12% per annum on loans aggregating to ₹ 12626 lakhs availed during financial year 2012-13 under the "Scheme of Extending Financial Assistance to Sugar Undertakings, 2013" notified by the Government of India.	242.33	683.45	Reduced from finance cost (note 29)	-	-
c) Loans at below market interest rate from Sugar Development Fund, Government of India	8.53	27.88	Reduced from finance cost (note 29)	-	-
Total deferred government grants	**692.83**	**711.33**		-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Grants recognised in profit or loss			Grant recoverable	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Treatment in financial statements	As at 31-Mar-19	As at 31-Mar-18
B Other revenue government grants					
a) Financial assistance of ₹ 4.50 per quintal of cane purchased during season 2017-18 by the State Government of Uttar Pradesh	3088.25	-	Depicted under "Other income" (note 24)	-	-
	679.42	-	Reduced from Raw material consumed (note 25)		
b) Financial assistance of ₹ 5.50 per quintal of cane purchased during season 2017-18 by the Government of India under the "Scheme for Assistance to Sugar Mills".	1116.00	-	Depicted under "Other income" (note 24)	-	-
	276.55	-	Reduced from Raw material consumed (note 25)		
c) Financial assistance by Government of India under the Scheme for Creation and Maintenance of Buffer Stock of 30 lakh MT of sugar.	210.25	-	Depicted under "Other income" (note 24)	693.07	-
	1112.83	-	Reduced from finance cost (note 29)		
d) Export incentives under Duty Draw back Scheme, Incremental Export Incentive Scheme and Merchandise Export Incentive Scheme.	89.63	78.03	Presented under "Other operating revenue" (note 23)	13.35	27.86
Total other revenue government grants	**6572.93**	**78.03**		**706.42**	**27.86**
Total government grants recognised in profit or loss	**7265.76**	**789.36**		**706.42**	**27.86**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Grants received			Grant recoverable	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Treatment in financial statements	As at 31-Mar-19	As at 31-Mar-18
C Government grants related to assets					
a) Grant in respect of Moist Hot Air Treatment Plants (MHAT) and Soil treatment plant received from the State Government of Uttar Pradesh under Rashtriya Krishi Vikas Yojna.	17.00	10.00	Reduced from gross value of PPE upon receipt. Recognised in profit or loss by way of reduced depreciation (refer note 3 and 30)	-	-
b) Grant of ₹ 141.45 lakhs in the form of duties saved upon import of machinery under Export Promotion Capital Goods (EPCG) scheme.	-	141.45	Reduced from gross value of PPE upon fulfilment of export obligation(s). Recognised in profit or loss by way of reduced depreciation (refer note 3 and 30)	-	-
Total government grants related to assets	**17.00**	**151.45**		**-**	**-**

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

	Year ended 31-Mar-19	Year ended 31-Mar-18
As at the beginning of the year	392.32	962.20
Recognised during the year	4597.61	141.45
Released to the standalone statement of profit and loss	(692.83)	(711.33)
As at the end of the year	**4297.10**	**392.32**
Current (refer note 17)	1350.33	250.87
Non-current (refer note 17)	2946.77	141.45
Total	**4297.10**	**392.32**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 43: 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 seven 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.

Payments recognised as expense

	Year ended 31-Mar-19	Year ended 31-Mar-18
Lease payments (refer note 32)	709.68	589.77
	709.68	**589.77**

Non-cancellable operating lease commitments

	As at 31-Mar-19	As at 31-Mar-18
Not later than one year	21.63	259.55
Later than one year and not later than five years	-	21.63
Later than five years	-	-
	21.63	**281.18**

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 24). 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 44: COMMITMENTS

		As at 31-Mar-19	As at 31-Mar-18
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (after adjusting advances aggregating to ₹ 317.97 lakhs (31 March 2018: ₹ 28.27 lakhs))	3279.00	50.30
(ii)	Commitments relating to non-cancellable operating leases	Refer note 43(ii)	

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 45: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

	As at 31-Mar-19	As at 31-Mar-18
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 ₹ 443.09 lakhs (31 March 2018: ₹ 414.94 lakhs), excluding interest, under protest pending final adjudication of the cases:	7840.17	1732.64

Sl. No.	Particulars	Amount of contingent liability		Amount paid	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Sales tax	301.82	245.59	77.05	86.38
2	Excise duty	465.74	773.95	291.83	294.55
3	GST	1.68	0.57	1.68	0.57
4	Others*	7,070.93	712.53	72.53	33.44

* Amount of contingent liability includes ₹ 5973.50 lakhs as at 31 March 2019 (31 March 2018: ₹ Nil) in respect of interest on delayed payment of cane price for the sugar seasons 2012-13, 2013-14 and 2014-15 in respect of which the Hon'ble Allahabad High Court had passed an order directing the Cane Commissioner of the State to decide the matter afresh, taking into consideration certain additional factors. The Cane Commissioner is understood to have filed an affidavit recently in a contempt proceeding, specifying interest rates on delayed cane price payments but no such order of the Cane Commissioner has been served on the Company or industry association and such order, which if served may be legally challenged.

	As at 31-Mar-19	As at 31-Mar-18
(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 2018: ₹ 3169.86 lakhs) against which ₹ 2063.71 lakhs (31 March 2018: ₹ 2844.62 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	3169.86
(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 2(a)(i)]	-	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.		

Contingent assets

Based on management analysis, there are no material contingent assets as at 31 March 2019 (31 March 2018: ₹ Nil).

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 46: DISCLOSURES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

Based on the intimation received by the Company from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the relevant information is provided here below:

	31-Mar-19	31-Mar-18
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	92.00	43.42
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

NOTE 47: 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			
- Mathura Wastewater Management Private Limited	31-Mar-19	80.00	80.00
- Triveni Engineering Limited (see (i) below)	31-Mar-18	-	13.76
Loans & advances to associates			
- Aqwise-Wise Water Technologies Limited	31-Mar-19	267.06	267.06
	31-Mar-18	-	-
Loans & advances to firms/companies in which directors are interested	31-Mar-19	-	-
	31-Mar-18	-	-
Investment by the loanee in the shares of Triveni Engineering & Industries Ltd. and its subsidiaries	31-Mar-19	-	-
	31-Mar-18	-	-

(i) Represents amount incurred/ advanced by the Company to support initial expenses of the Subsidiary, repayable on demand.

NOTE 48: CHANGES IN ACCOUNTING POLICIES

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, vide notification dated 28 March 2018, which had 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*. The Company has applied Ind AS 115 for the first time by using the modified retrospective method of adoption to all open contracts at the date of initial application of 1 April 2018. The application of Ind AS 115 has no material impact on the standalone financial statements.

The MCA has also issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2018, vide notification dated 20 September 2018, which has amended Ind AS 20 *Accounting for Government Grants and Disclosure of Government Assistance* to provide an alternative option to deduct the grant related to assets from the gross value of assets. The Company has applied such

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

alternative option for the first time and accordingly previous year figures has also been restated. The application of such alternative option has no material impact on the standalone financial statements.

NOTE 49: STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards when they become effective.

Ind AS 116 *Leases* was notified by Ministry of Corporate Affairs (MCA) on 30 March 2019 and it replaced Ind AS 17 *Leases*, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Company will adopt the aforesaid standard effective from April 1, 2019. As at the date of issuance of the Company's financial statements, the Company is in the process of evaluating the requirements of the aforesaid standard and the impact on its financial statements in the period of initial application.

NOTE 50: COMPARATIVES

(i) Goods and Services Tax ("GST") has been implemented with effect from 1 July 2017 and therefore, revenue from operations for the period thereafter are net of GST. Revenue from operations and expenses for and year ended 31 March 2018, being inclusive of excise duty till 30 June 2017, are not comparable with corresponding figures for the year ended 31 March 2019

(ii) The Company has reclassified certain items of financials of comparative year to conform to this year's classification, however, impact of these reclassification are not material.

NOTE 51: APPROVAL OF STANDALONE FINANCIAL STATEMENTS

The standalone financial statements were approved for issue by the Board of Directors on 21 May 2019 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 21, 2019

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 of
Triveni Engineering & Industries Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **TRIVENI ENGINEERING & INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associates as referred to in the Other Matters paragraph below, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associates as at 31 March 2019, and of consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Auditor's Response
Key audit matter reported by Principal Auditor		
1	**Net Realizable Value of Sugar:** Finished goods inventory are valued at lower of cost and net realizable value (estimated selling price less estimated cost to sell). We identified valuation of sugar as a key audit matter as it involves significant management judgement in determination of net realisable value of sugar.	Our audit procedures included the following: • Assessing the appropriateness of Group's accounting policy for valuation of sugar inventories and compliance to the policy with the requirements of applicable accounting standards (Ind AS 2 "Inventories"); • Obtaining an understanding of internal controls over valuation of sugar inventories and testing, on a sample basis, their design, implementation and operating effectiveness;

Sr. No.	Key Audit Matters	Auditor's Response
	The total value of finished goods of sugar as at 31 March 2019 is Rs. 195486.84 lakhs. (Refer to Note no. 1(l)(i) of the Consolidated financial statements for the accounting policy on valuation of finished goods)	• Obtaining an understanding and assessing reasonableness of the management's determination of net realizable value (NRV) and applicable government notification defining minimum selling price, monthly quota, provision for estimated cost for inventory produced for Minimum Indicative Exports Quota (MIEQ), costs necessary to make the sales and their basis and other relevant aspects. • Compared the actual realization at the year end and subsequent realization to assess the reasonableness of the net realisable value that was estimated and considered by the management. • Compared the cost of the finished goods with the estimated net realisable value and checked to ensure finished goods were recorded at net realisable value where the cost was higher than the net realisable value
2	**Recognition of Subsidies:** We identified Recognition of subsidy as the key audit matter as it involves significant management judgement. The area of management judgement includes management risk assessment with respect to recognition of subsidies based on substantive compliance of the conditions and reasonable certainty of receipt of subsidy. (Refer Note no. 2(a)(iii) of the Consolidated financial statements)	Our audit procedures included the following: • Obtaining policy from the Holding Company defining the management perspective and basis for recognition of Government subsidies in the books of accounts. • Obtaining an understanding of internal controls over recognition and recoverability of subsidy claims and testing, on a sample basis, their design, implementation and operating effectiveness. • Considered the relevant circulars/notification issued by various authorities. • Evaluated the management's assessment regarding the reasonable certainty for complying with the relevant conditions as specified in circulars/notification issued by various authorities.
3	**Appropriateness of cost to complete the project:** The Group recognizes revenue from construction contracts on percentage of completion method as specified in Indian Accounting Standards (Ind AS) 115- Revenue from Contract with Customers. (Refer Accounting policy Note no. 1(b)(iii)) We identified this matter as a Key Audit matter as it involves significant judgement by the management in estimation of cost to complete the project and any variation may have consequential impact on revenue.	Our audit procedures included the following: • Obtaining an understanding of internal controls over estimation of cost of completion of projects and testing, on a sample basis, their design, and implementation and operating effectiveness. • Agreed the total project revenue estimates to contracts with customers. • Obtained computation of estimated costs to complete and the percentage of project completion and verified the same against the contracts on sample basis and also checked arithmetic accuracy of the same. • Performed the walkthrough procedure and verified the invoices, purchase orders etc. for actual cost incurred till the year end. • Compared the management estimates revised during the year with the estimate made in earlier years and obtained reasons/ approval for such revision.

Sr. No.	Key Audit Matters	Auditor's Response
Key audit matter reported by Component Auditor		
4	**Write downs of inventories to net realisation value** Inventories are valued at lower of cost and net realization value. The Company has a policy for write-down of inventories to net realisable value on account of obsolescence and slow moving inventory which is recognised on a case to case basis based on the management's assessment. Write-down of inventories to net realisable value is subjective owing to the nature of inventories and is dependent on significant judgments around probability of decrease in the realisable value of slow moving inventory due to obsolesce or lack of alternative use as well as the consideration of the need to maintain adequate inventory levels for aftersales services considering the long useful life of the product. Assessing net realizable value of inventory and identification of slow moving and obsolete inventory are areas requiring the use of significant judgements and owing to the inherent complexities and materiality of the balances, we have considered this area to be a key audit matter for current year audit.	We have used the work of Component Auditor. The Component Auditor has reported that they have performed the following procedures: • Understood the management process for determining net realizable value of inventories and identification of slow moving or obsolete inventories and tested whether the same is consistently applied; • Evaluated and tested on a sample basis the design and operating effectiveness of key controls around inventory valuation operating within the Company; • Inquired with the management about the slow moving and obsolete inventories as at 31 March 2019 and evaluated the assessment prepared by the management including forecasted uses of these inventories on a test check basis; • Tested the computation for write down of inventories with the assessment provided by the management and performed independent ageing analysis of the inventory line-items along with specific inquiries with the management to evaluate completeness of the inventory identified as slow moving or obsolete; • Reviewed the historical trends of inventory write-downs to compare and assess the actual utilization or liquidation of inventories to the previous assessment done by the management to determine the efficacy of the process of estimation by the management; and • Assessed the appropriateness of disclosures in the financial statements in accordance with the applicable accounting standards.

Information other than the Consolidated financial statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Director's Report, Corporate Governance report and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of Rs. 1416.72 lakhs as at 31 March 2019 and total revenue (including other income) of Rs. 1.43 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs. (-) 10.77 lakhs and net cash out flows of Rs. (-) 21.07 lakhs for the year ended on that date, as considered in the Consolidated financial statements. The Consolidated financial statements also includes the Group's share of net profit (before other comprehensive income) of Rs. 1995.07 lakhs and other comprehensive income of Rs. 95.14 lakhs for the year ended 31 March 2019, in respect of one associate. These financial statements have been audited by the other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid 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 financial statements include the Group's share of net profit (before other comprehensive income) of Rs. 27.78 lakhs and other comprehensive income of Rs. 1.18 lakhs for the nine months ended 31 December 2018, in respect of one associate, as the financial statements for the quarter ended 31 March 2019 were not available and we have relied on the management representation that no significant transactions or events have occurred during the quarter ended 31 March 2019. This associate is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by the other auditors under generally accepted auditing standards accepted in its country. The Company's management has converted these financial statements of such associate located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. Our opinion, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the reports of other auditors and certified converted financial statements by management.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on consideration of the report of the other auditors on financial statements and the other financial information of subsidiaries and associates referred to in Other Matters paragraph, we report, to the extent applicable, that:

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

b) In our opinion, proper books of account as required by law, relating to preparation of the aforesaid Consolidated financial statements, have been kept so far as it appears from our examination of those books and reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated financial statements

d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31 March 2019 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 Group and its associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group and its associates, where applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on consideration of the report of the other auditors on financial statements and other financial information of subsidiaries and its associates referred to in the Other Matters paragraph:

   i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note no. 47 to the Consolidated financial statements.

   ii. The Group and its associates have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including long term derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate company incorporated in India.

   iv. The reporting on the disclosures relating to Specified Bank Notes is not applicable to the Group and its associates for the year ended 31 March 2019.

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta
Partner
Membership No.: 093214

Place: Noida
Date: May 21, 2019

"Annexure A" to the Independent Auditor's Report

of even date on the Consolidated financial statements of TRIVENI ENGINEERING & INDUSTRIES LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT") AS REFERRED TO IN PARAGRAPH (F) OF 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS'

In conjunction with our audit of the Consolidated financial statements of the Company as of and for the year ended 31 March 2019, 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 Act.

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 ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 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 Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS 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 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid reports under section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the six subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta
Partner
Membership No.: 093214

Place: Noida
Date: May 21, 2019

Consolidated Balance Sheet

as at March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	As at 31-Mar-19	As at 31-Mar-18
ASSETS			
Non-current assets			
Property, plant and equipment	3	82992.00	83456.99
Capital work-in-progress	3	20477.27	1004.75
Investment property	4	1170.12	1170.12
Intangible assets	5	47.71	35.84
Investments accounted for using the equity method	6 (a)	10852.41	11170.81
Financial assets			
i. Investments	6 (b)	415.18	455.51
ii. Trade receivables	7	59.77	50.32
iii. Loans	8	1.35	2.98
iv. Other financial assets	9	963.87	733.25
Income tax assets (net)	22	5058.14	5735.12
Other non-current assets	10	916.18	576.48
Total non-current assets		**122954.00**	**104392.17**
Current assets			
Inventories	11	211865.90	157918.64
Financial assets			
i. Trade receivables	7	29604.38	31140.07
ii. Cash and cash equivalents	12 (a)	1461.57	366.51
iii. Bank balances other than cash and cash equivalents	12 (b)	440.87	274.66
iv. Loans	8	312.94	53.55
v. Other financial assets	9	207.60	424.38
Other current assets	10	13656.68	8645.08
Total current assets		**257549.94**	**198822.89**
Total assets		**380503.94**	**303215.06**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2579.47	2579.47
Other equity	14	111473.01	92055.74
Equity attributable to owners of the Company		**114052.48**	**94635.21**
Non-controlling interests	15	-	0.00
Total equity		**114052.48**	**94635.21**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16	37349.54	3495.28
ii. Other financial liabilities	17	-	0.10
Provisions	18	4323.69	3969.48
Deferred tax liabilities (net)	23	3238.46	4171.76
Other non-current liabilities	19	2946.77	141.45
Total non-current liabilities		**47858.46**	**11778.07**
Current liabilities			
Financial liabilities			
i. Borrowings	20	123540.95	107647.23
ii. Trade payables	21		
(a) total outstanding dues of micro enterprises and small enterprises		92.00	43.42
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		63672.22	62763.03
iii. Other financial liabilities	17	12608.90	16425.65
Other current liabilities	19	14435.64	7990.36
Provisions	18	3227.16	1932.09
Income tax liabilities (net)	22	1016.13	-
Total current liabilities		**218593.00**	**196801.78**
Total liabilities		**266451.46**	**208579.85**
Total equity and liabilities		**380503.94**	**303215.06**

The accompanying notes 1 to 52 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

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

Yogesh K. Gupta
Partner
Membership No. 093214

Dhruv M. Sawhney
Chairman & Managing Director

Homai A. Daruwalla
Director & Chairperson Audit Committee

Place : Noida (U.P.)
Date : May 21, 2019

Suresh Taneja
Group CFO

Geeta Bhalla
Group Vice President & Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Note No.	Year ended 31-Mar-19	Year ended 31-Mar-18
Revenue from operations	24	315173.69	341186.08
Other income	25	6363.57	1543.04
Total income		**321537.26**	**342729.12**
Expenses			
Cost of materials consumed	26	275190.34	258145.53
Purchases of stock-in-trade	27	1924.82	1674.24
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(53981.66)	(866.12)
Excise duty on sale of products		-	4167.99
Employee benefits expense	29	22386.65	20240.34
Finance costs	30	6798.71	8533.97
Depreciation and amortisation expense	31	5695.14	5535.56
Impairment loss on financial assets (including reversals of impairment losses)	32	14.40	(282.65)
Other expenses	33	38751.01	30518.58
Total expenses		**296779.41**	**327667.44**
Profit before share of net profits of investments accounted for using equity method and tax		**24757.85**	**15061.68**
Share of net profit of associates accounted for using the equity method	43	2022.85	1822.01
Profit before tax		**26780.70**	**16883.69**
Tax expense:			
- Current tax	34	6012.18	3204.63
- Deferred tax	34	(859.53)	1765.05
Total tax expense		**5152.65**	**4969.68**
Profit for the year		**21628.05**	**11914.01**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	37	(211.11)	186.13
- Share of other comprehensive income of associates accounted for using the equity method	43	(6.69)	7.03
		(217.80)	**193.16**
A (ii) Income tax relating to items that will not be reclassified to profit or loss	34	(73.77)	64.41
		(144.03)	**128.75**
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)	43	(3.82)	0.31
- Share of other comprehensive income of associates accounted for using the equity method (pertaining to effective portion of profit/(loss) on designated portion of hedging instruments in a cash flow hedge)	43	106.84	(8.49)
		103.02	**(8.18)**
B (ii) Income tax relating to items that may be reclassified to profit or loss	34	-	-
		103.02	**(8.18)**
Other comprehensive income for the year, net of tax		**(41.01)**	**120.57**
Total comprehensive income for the year		**21587.04**	**12034.58**
Profit/(loss) attributable to:			
Owners of the Company		21628.05	11914.01
Non-controlling interests		(0.00)	(0.00)
		21628.05	**11914.01**
Other comprehensive income attributable to:			
Owners of the Company		(41.01)	120.57
Non-controlling interests		-	-
		(41.01)	**120.57**
Total comprehensive income attributable to:			
Owners of the Company		21587.04	12034.58
Non-controlling interests		(0.00)	(0.00)
		21587.04	**12034.58**
Earnings per equity share (face value ₹ 1 each)			
Basic	35	8.39	4.62
Diluted	35	8.39	4.62

The accompanying notes 1 to 52 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 21, 2019

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, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 1 each issued, subscribed and fully paid up (including paid up value of ₹ 0.02 lakhs pertaining to forfeited shares)

As at 31 March 2017	**2579.47**
Changes during the year	-
As at 31 March 2018	**2579.47**
Changes during the year	-
As at 31 March 2019	**2579.47**

B. OTHER EQUITY

	Attributable to owners of the Company											
	Reserves and surplus							Items of other comprehensive income				
	Capital redemption reserve	Capital reserve	Securities premium	Amalgamation Reserve	General reserve	Molasses storage fund reserve	Retained earnings	Foreign currency translation reserve	Cash flow hedging reserve	Total other equity	Non-controlling interests	Total
Balance as at 31 March 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	0.31	(8.49)	(1.15)	-	(1.15)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**12042.76**	**0.31**	**(8.49)**	**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**	**(27.27)**	**(8.49)**	**92055.74**	**0.00**	**92055.74**
Profit/(loss) for the year	-	-	-	-	-	-	21628.05	-	-	21628.05	(0.00)	21628.05
Other comprehensive income, net of income tax	-	-	-	-	-	-	(137.34)	-	-	(137.34)	-	(137.34)
Share of other comprehensive income of associates	-	-	-	-	-	-	(6.69)	(3.82)	106.84	96.33	-	96.33
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**21484.02**	**(3.82)**	**106.84**	**21587.04**	**(0.00)**	**21587.04**
Share of associates	-	-	7.00	-	-	-	-	-	-	7.00	-	7.00
Share of associates- buyback adjustments during the year	14.64	-	(10.24)	-	(1521.47)	-	1537.69	0.37	(20.99)	-	-	-
Acquisition of non-controlling interests [refer note 43(ii)]	-	-	-	-	-	-	(0.00)	-	-	(0.00)	-	(0.00)
Transferred to molasses storage fund reserve	-	-	-	-	-	35.76	(35.76)	-	-	-	-	-
Withdrawal from molasses storage fund reserve	-	-	-	-	-	(15.68)	15.68	-	-	-	-	-
Transactions with owners in their capacity as owners												
- Dividends paid	-	-	-	-	-	-	(1805.62)	-	-	(1805.62)	-	(1805.62)
- Dividend distribution tax	-	-	-	-	-	-	(371.15)	-	-	(371.15)	-	(371.15)
Balance as at 31 March 2019	**473.14**	**2706.77**	**26585.22**	**926.34**	**49919.43**	**216.36**	**30599.11**	**(30.72)**	**77.36**	**111473.01**	**-**	**111473.01**

The accompanying notes 1 to 52 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 21, 2019

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, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-19	Year ended 31-Mar-18
Cash flows from operating activities		
Profit before tax	**26780.70**	**16883.69**
Adjustments for		
Share of net profit of associate accounted for using the equity method	(2022.85)	(1822.01)
Depreciation and amortisation expense	5695.14	5535.56
Bad debts written off - trade receivables carried at amortised cost	501.56	594.86
Bad debts written off - other financial assets carried at amortised cost	2.98	12.26
Impairment loss allowance on trade receivables and other financial assets (net of reversals)	(490.14)	(889.77)
Bad debts written off - non financial assets	69.59	83.00
Impairment loss allowance on non financial assets (net of reversals)	(39.31)	20.95
Provision for non moving / obsolete inventory	97.79	77.24
Loss on sale /write off of inventory	27.03	33.57
Net fair value (gains)/losses on investments	(17.79)	(23.16)
Mark-to-market losses / (gains) on derivatives	(65.10)	(87.85)
Credit balances written back	(187.05)	(156.99)
Unrealised losses / (gains) from changes in foreign exchange rates	6.37	12.99
Loss on sale / write off / impairment of property, plant and equipment	53.31	32.88
Net (profit)/loss on sale / redemption of investments	0.32	(0.60)
Interest income	(379.63)	(124.66)
Dividend income	(3.03)	(4.66)
Finance costs	6798.71	8533.97
Working capital adjustments :		
Change in inventories	(54072.08)	9452.24
Change in trade receivables	1517.43	(3110.85)
Change in other financial assets	168.95	(70.23)
Change in other assets	(5070.15)	4322.00
Change in trade payables	1059.03	37265.23
Change in other financial liabilities	376.23	(721.46)
Change in other liabilities	5345.82	(8376.92)
Change in provisions	1438.17	892.27
Cash generated from / (used in) operations	**(12408.00)**	**68363.55**
Income tax (paid)/ refund (net)	**(4319.09)**	**(6284.38)**
Net cash inflow / (outflow) from operating activities	**(16727.09)**	**62079.17**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(23888.08)	(5199.90)
Proceeds from sale of property, plant and equipment	66.29	29.16
Proceeds from sale of investments	2107.09	60.00
Loans to associate	(267.06)	-
Decrease / (increase) in deposits with banks	(258.21)	(14.36)
Interest received	367.19	178.06
Dividend received from associates	396.00	864.00
Other dividends received	3.03	4.66
Net cash outflow from investing activities	**(21473.75)**	**(4078.38)**
Cash flows from financing activities		
Proceeds from long term borrowings	45666.79	159.64
Repayment of long term borrowings	(13195.09)	(32447.39)

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-19	Year ended 31-Mar-18
Increase / (decrease) in short term borrowings	15893.72	(16568.91)
Acquisition of non-controlling interests	(0.00)	-
Interest paid	(6891.26)	(8657.00)
Dividend paid to Company's shareholders	(1805.62)	(644.91)
Dividend distribution tax	(371.15)	(131.29)
Payment of unclaimed dividend	(1.49)	(1.52)
Net cash inflow / (outflow) financing activities	**39295.90**	**(58291.38)**
Net increase / (decrease) in cash and cash equivalents	1095.06	(290.59)
Cash and cash equivalents at the beginning of the year (refer note 12 (a))	366.51	657.10
Cash and cash equivalents at the end of the year (refer note 12 (a))	**1461.57**	**366.51**

Reconciliation of liabilities arising from financing activities:

	Non-current borrowings (including current maturities and deferred grant related to borrowings)	Current borrowings	Interest payable on borrowings/ deposits	Non-controlling interests	Unpaid dividends	Dividend paid to Company's shareholders (including DDT)
Balance as at 31 March 2017	**48865.49**	**124209.92**	**218.78**	**0.00**	**5.00**	**-**
Cash flows	(32287.75)	(16568.91)	(8657.00)	-	(1.52)	(776.20)
Foreign exchange movements	-	6.22	0.35	-	-	-
Finance costs accruals (including interest capitalised)	-	-	8533.97	-	-	-
Share of loss for the year	-	-	-	(0.00)	-	-
Dividend distributions (including DDT) accruals	-	-	-	-	-	776.20
Balance as at 31 March 2018	**16577.74**	**107647.23**	**96.10**	**0.00**	**3.48**	**-**
Cash flows	32471.70	15893.72	(6891.26)	(0.00)	(1.49)	(2176.77)
Finance costs accruals (including interest capitalised)	-	-	6821.46	-	-	-
Share of loss for the year	-	-	-	(0.00)	-	-
Excess of consideration paid recognised in retained earnings	-	-	-	0.00	-	-
Dividend distributions (including DDT) accruals	-	-	-	-	-	2176.77
Balance as at 31 March 2019	**49049.44**	**123540.95**	**26.30**	**-**	**1.99**	**-**

The accompanying notes 1 to 52 form an integral part of these consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Yogesh K. Gupta
Partner
Membership No. 093214

Place : Noida (U.P.)
Date : May 21, 2019

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, 2019

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 of power and distillation of alcohol. Engineering business primarily comprises manufacture of high speed gears, gearboxes and providing water/waste-water treatment solutions.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these 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 (as amended)] 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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 from contracts with customers is recongised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Transaction price at which revenue is recognised is net of variable consideration (viz. returns, trade allowances, rebates and other similar allowances), goods & services tax and amounts collected on behalf of third parties, if any. Variable consideration is estimated based on the expected value of outflow.

Recognising revenue from major business activities

(i) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods are transferred to the customer (i.e. satisfaction of performance obligation), generally on dispatch of the goods. The Group, in its engineering business, generally provides warranties to its customers in the nature of assurance, which is considered as an obligation and provided for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note 1(m)).

(ii) Rendering of services

The Group provides engineering services that are either sold separately or bundled together with the sale of goods to a customer.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Contracts for bundled sales of goods and engineering services are comprised of two performance obligations because the promises to transfer goods and provide engineering services are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on relative stand-alone selling prices of such goods and engineering services.

The Group recognises revenue from engineering services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. The progress towards complete satisfaction of the service is determined as follows:

- erection & commissioning / servicing revenue - based on technical estimate of completion of physical proportion of the contract work;
- operation & maintenance revenue - as the proportion of the total period of services contract that has elapsed at the end of the reporting period

(iii) Construction contracts

Construction contracts are analysed to determine combination of contracts and identification of performance obligations and accordingly transaction price is allocated amongst performance obligations based on stand-alone selling prices. Performance obligations, in construction contracts, generally includes construction/ turnkey related activities and operation & maintenance related activities which are satisfied over time with the customer receiving benefits out of the activities being performed by the Group.

When the progress towards complete satisfaction of performance obligations of a construction contract can be estimated reliably, revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, because the customer simultaneously receives and consumes the benefits provided by the Group, 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 performance obligations of a construction contract cannot be estimated reliably, but the Group expects to recover the costs incurred in satisfying the performance obligation, contract revenue is recognised only to the extent of the contract costs incurred until such time that it can reasonably measure the outcome of the performance obligation. Contract costs are recognised as expenses in the period in which they are incurred.

(iv) 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Government grants relating to the purchase of property, plant and equipment are deducted from its gross value and are recognised in profit or loss on a systematic and rational basis over the expected useful lives of the related assets by way of reduced depreciation.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The Government grants by way of a benefit of a Government loan at a below market rate of interest is measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

See note 42 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 the Group's functional and presentation currency unless stated otherwise.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates 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 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 or other expenses, as the case may be.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(i) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price after deducting trade discounts/ rebates, government grants related to assets and including import duties and non-refundable purchase taxes, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and costs of dismantling/ removing the item and restoring the site on which it was located under an obligation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/period of operation, insurance spares and cost of inspection/overhauling are depreciated separately based on their specific

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

useful life provided these are of significant amounts commensurate with the size of the Group and scale of its operations. The carrying amount of any equipment / inspection / overhauling accounted for as separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are available for their intended use. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives as stated in Schedule II along with residual values of 5% except for the following:

- On the basis of technical assessment and past experience:
    - o the useful lives of mill rollers, instrumentation and control devices installed at sugar plants is considered at ten years as against prescribed life of twenty five years in respect of continuous process plant.
    - o mobile phones costing ₹ 5,000/- or more are depreciated over two years.
    - o patterns, tools, Jigs etc. are depreciated over three years.
    - o machinery spares are depreciated over a life ranging from five to ten years.
- Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

Estimated useful lives considered are as follows:

Assets	Estimated useful life
Buildings	3 - 60 years
Roads	3 - 10 years
Plant & equipment	3 - 25 years
Furniture & fixtures	10 years
Vehicles	8 - 10 years
Office equipment	2 - 5 years
Computers	3 - 6 years
Laboratory equipment	10 years
Electrical installations and equipment	10 years

Fixture and fittings and improvements to leasehold buildings not owned by the Group are amortised over the unexpired lease period or estimated useful life of such fixture, fittings and improvements, whichever is lower.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(j) **Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Cost comprises purchase price after deducting trade discounts/rebates, government grants related to assets and including duties and taxes, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling/removing the item and restoring the site on which it was located under an obligation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment property being building is depreciated using the straight-line method over their estimated useful lives as stated in Schedule II at 30 years along with residual values of 5%.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(k) **Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Costs comprises purchase price after deducting trade discounts/rebates, government grants related to assets and including import duties and non-refundable purchase taxes, borrowing costs and any directly attributable cost of preparing the asset for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(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) 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(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 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 plans towards payment of gratuity and employees' provident fund (set-up by the Company and administered through trust); and

- defined contribution plans towards employees' provident fund & employee pension scheme, employees' state insurance, superannuation scheme and national pension scheme.

Defined benefit plan

- **Gratuity**

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.

- **Provident fund (set-up by the Company and administered through trust)**

The Company makes contribution towards provident fund, which was set-up by the Company and administered through trust for the benefit of certain employees, which is administered by the concerned trustees. The interest rate payable by the trust to

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for the year ended March 31, 2019

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.

Defined contribution plans

Defined contribution plans are retirement benefit plans under which the Group pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Group has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- **Provident Fund Plan & Employee Pension Scheme**
  The Group makes monthly contributions at prescribed rates towards Employees' Provident Fund/ Employees' Pension Scheme to a Fund administered and managed by the Government of India.

- **Employee State Insurance**
  The Group makes prescribed monthly contributions towards Employees' State Insurance Scheme.

- **Superannuation Scheme**
  The Group contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policy entered into by such fund with the Life Insurance Corporation of India.

- **National Pension Scheme**
  The Group makes contributions to the National Pension Scheme fund in respect of certain employees of the Group.

(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

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for the year ended March 31, 2019

asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

- Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the 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 115 Revenue from Contracts with Customers, the Group applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-months ECL.

ECL represents expected credit loss resulting from all possible defaults and is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate. While determining cash flows, cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms are also considered.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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 40(i) details how the Group determines expected credit loss.

(iv) Derecognition of financial assets

A financial asset is derecognised only when the Group

- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When 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.

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for the year ended March 31, 2019

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL, other financial liabilities are measured at amortised cost at the end of subsequent accounting periods.

(ii) Measurement

Equity instruments

Equity instruments issued by the Group are recognised at the proceeds received. Transaction cost of equity transactions shall be accounted for as a deduction from equity.

Financial liabilities

At initial recognition, the Group measures a financial liability at its fair value net of, in the case of a financial liability not measured at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of financial liabilities depends on the classification of financial liabilities. There are two measurement categories into which the Group classifies its financial liabilities:

- Fair value through profit or loss (FVTPL): Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.
- Amortised cost: Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

(iii) Derecognition

Equity instruments

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability.

(v) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

(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.

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(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;
- 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 Group 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 36 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) Incentives under the U.P. Sugar Industry Promotion Policy, 2004

In a writ petition filed by the Company against the illegal withdrawal of U.P. Sugar Industry Promotion

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Policy, 2004 ("the Policy") by the State Government of Uttar Pradesh, the Hon'ble Allahabad High Court has recently decided the matter in favour of the Company and directed the State Government to quantify and pay all the incentives that were promised under the said Policy. The State Government has however filed a Special Leave Petition before the Hon'ble Supreme Court challenging the decision of the Hon'ble High Court against it.

While the case was sub-judice, the Company continued to avail the remissions of statutory levies and duties aggregating to ₹ 4158.38 lakhs, which it was entitled to under the Policy, in accordance with the interim directions of the High Court. Based on the aforesaid decision of Hon'ble Allahabad High Court in its favour, the Company shall pursue its claims towards one time capital subsidy and other incentives by way of reimbursements against specified expenses aggregating to ₹ 10470 lakhs and ₹ 13015.88 lakhs respectively, by filing necessary documents for the verification of the State Government authorities. The aforesaid amounts do not include any interest towards delayed settlement.

In view of uncertainties involved on account of the fact that the State Government has challenged the decision rendered against it and since the process of verification and quantification of claims by the State Government for the incentive period of 10 years is yet to commence, the Company has not recognised the above benefits/incentives receivable under the Policy.

(ii) Society commission

In the cane price package offered by the State Government of Uttar Pradesh ("State Government") to sugar mills, the State Government had reduced the rate of commission payable to cane societies for sugar season 2012-13 and 2014-15 by way of notification dated 12 June 2015 and for 2015-16 vide notification dated 5 February 2016, to provide relief to the Sugar Industry in view of disparity in the cane price and the market outlook of the sugar prices. In the writ petitions filed by certain cane societies against such reduction in commission rates, the Hon'ble Allahabad High Court has held that these notifications cannot have retrospective applicability. The reduction in the rate of commission payable being part of the relief package announced by the State Government, the Group believes that the State Government is not likely to pass the cost burden upon the sugar industry and instead, may explore other ways to meet the outcome of the order of the Court. Accordingly, no provision to this effect has been considered necessary.

(iii) Central Government subsidies

As a measure of relief to the sugar industry and for speedy cane payments, the Central Government has announced certain incentives to the sugar industry for the sugar season 2018-19, comprising production subsidy on sugar cane purchased, freight subsidy on exports of sugar and reimbursement of interest and storage cost (including insurance) on buffer stock prescribed to be held in stock by the sugar factories. The respective schemes provide conditions and stipulations, on fulfilment of which the subsidies prescribed thereunder shall be made available. In addition, the Central Government has the power to withdraw/amend the scheme at any time, based upon its monitoring of prevailing sugar prices and consequential assessment of operational viability of the sugar industry.

Upon assessment of the conditions prescribed and present level of uncertainties, these subsidies have not been accounted for in the consolidated financial statements on consideration of prudence. The estimated amount of subsidies involved are ₹ 10206.95 lakhs comprising production subsidy of ₹ 7179.33 lakhs, freight subsidy on export of sugar of ₹ 2327.62 lakhs and buffer stock subsidy (from January 2019 onwards) of ₹ 700 lakhs for the reporting period ended 31 March 2019.

(iv) Provident Fund

The Hon'ble Supreme Court of India has passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on 28 February 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier periods, the Group has made provision for provident fund contribution from the date of order. The Group will evaluate its position and update provision, if required, after receiving further clarity in the regard.

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(v) **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.

(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 41 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 Group. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. See note 37 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 40(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

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for the year ended March 31, 2019

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) Current taxes and deferred taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

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 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	2956.52	12.24	235.84	60.51	168.35	4423.45	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**	**73836.77**	**276.26**	**974.62**	**334.39**	**449.71**	**100306.75**	**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	4482.22	43.15	120.09	35.91	88.18	5484.66	-
Disposals	-	-	(13.72)	(35.21)	(3.98)	(12.09)	(4.82)	(0.62)	(70.44)	-
Closing accumulated depreciation and impairment	**-**	**13.92**	**2060.03**	**14019.58**	**137.91**	**301.33**	**121.53**	**195.46**	**16849.76**	**56.31**
Net carrying amount	**3567.74**	**746.32**	**18046.99**	**59817.19**	**138.35**	**673.29**	**212.86**	**254.25**	**83456.99**	**1004.75**
Year ended 31 March 2019										
Gross carrying amount										
Opening gross carrying amount	3567.74	760.24	20107.02	73836.77	276.26	974.62	334.39	449.71	100306.75	1061.06
Additions	-	23.00	590.28	4142.09	25.09	362.32	55.15	116.70	5314.63	21167.76
Disposals	-	-	(14.58)	(97.25)	(1.17)	(97.86)	(7.86)	(4.88)	(223.60)	-
Transfers *	-	-	-	-	-	-	-	-	-	(1695.24)
Closing gross carrying amount	**3567.74**	**783.24**	**20682.72**	**77881.61**	**300.18**	**1239.08**	**381.68**	**561.53**	**105397.78**	**20533.58**
Accumulated depreciation and impairment										
Opening accumulated depreciation and impairment	-	13.92	2060.03	14019.58	137.91	301.33	121.53	195.46	16849.76	56.31
Depreciation charge during the year	-	4.64	768.90	4580.78	30.59	137.39	37.75	99.95	5660.00	-
Disposals	-	-	(2.36)	(26.80)	(0.85)	(66.40)	(5.79)	(1.78)	(103.98)	-
Closing accumulated depreciation and impairment	**-**	**18.56**	**2826.57**	**18573.56**	**167.65**	**372.32**	**153.49**	**293.63**	**22405.78**	**56.31**
Net carrying amount	**3567.74**	**764.68**	**17856.15**	**59308.05**	**132.53**	**866.76**	**228.19**	**267.90**	**82992.00**	**20477.27**

* 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 new distillery plant being constructed at Sabitgarh and new incineration boiler under process of installation at existing distillery at Muzaffarnagar.

(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 and loss considering no possible future economic benefits flowing from the project.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 4: INVESTMENT PROPERTY

	As at 31-Mar-19	As at 31-Mar-18
Gross carrying amount		
Opening gross carrying amount	1170.12	1,170.12
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 and loss

	As at 31-Mar-19	As at 31-Mar-18
Rental income from office flat at Mumbai	14.16	14.16
Direct operating expenses on property that generated rental income	-	-
Direct operating expenses on property that did not generate rental income	(10.14)	(9.56)
Profit from investment properties before depreciation	**4.02**	**4.60**
Depreciation	-	-
Profit from investment properties	**4.02**	**4.60**

(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-19	As at 31-Mar-18
Investment properties		
- Land at Digrauli, District 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

Notes to the Consolidated Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

(including size) in the vicinity of the subject properties. The land at Village Dhanot, District 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 valuation 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 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**
Year ended 31 March 2019	
Gross carrying amount	
Opening gross carrying amount	240.19
Additions	47.01
Disposals	(0.02)
Closing gross carrying amount	**287.18**
Accumulated amortisation	
Opening accumulated amortisation	204.35
Amortisation charge for the year	35.14
Disposals	(0.02)
Closing accumulated amortisation	**239.47**
Closing net carrying amount	**47.71**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 6: INVESTMENTS

(a) Investments accounted for using the equity method

	As at 31-Mar-19	As at 31-Mar-18
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Associate		
70,627,980 (31 March 2018: 72,000,000) Equity shares of ₹ 1/- each of Triveni Turbine Limited [refer note 43(iii)]	7973.57	8327.93
Total aggregate quoted investments	**7973.57**	**8327.93**
Unquoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Associate		
13,008 (31 March 2018: 13,008) Equity shares of New Israeli Shekel 0.10 each of Aqwise-Wise Water Technologies Limited (Israel) [refer note 43(iii)]	2878.84	2842.88
Total aggregate unquoted investments	**2878.84**	**2842.88**
Total investments accounted for using the equity method	**10852.41**	**11170.81**
Total investments accounted for using the equity method	**10852.41**	**11170.81**
Aggregate amount of quoted investments	7973.57	8327.93
Aggregate amount of market value of quoted investment	76136.96	72360.00
Aggregate amount of unquoted investments	2878.84	2842.88
Aggregate amount of impairment in the value of investments	-	-

(b) Non-current investments

	As at 31-Mar-19	As at 31-Mar-18
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 41)		
Quoted Investments (fully paid-up)		
Investments in Equity Instruments		
13,500 (31 March 2018: 13,500) Equity shares of ₹ 2/- each of Housing Development Finance Corporation Limited	265.71	246.46
2,500 (31 March 2018: 2,500) Equity shares of ₹ 2/- each of HDFC Bank Limited	57.97	47.15
24,175 (31 March 2018: 24,175) Equity shares of ₹ 2/- each of Punjab National Bank	23.09	23.04
76 (31 March 2018: 76) Equity shares of ₹ 10/- each of Central Bank of India	0.03	0.05
3,642 (31 March 2018: 3,642) Equity shares of ₹ 5/- each of NBI Industrial Finance Co. Limited	37.88	49.74
Total aggregate quoted investments	**384.68**	**366.44**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-19	As at 31-Mar-18
Unquoted Investments (fully paid-up)		
Investments in Bonds		
Nil (31 March 2018: 2) 11% bonds of ₹ 10 lakhs each of Power Finance Corporation Limited	-	21.37
Nil (31 March 2018: 1) 9.81% bonds of ₹ 10 lakhs each of Power Finance Corporation Limited	-	10.53
Nil (31 March 2018: 1) 10.60% bonds of ₹ 10 lakhs each of Indian Railway Finance Corporation Limited	-	10.57
Nil (31 March 2018: 1) 8.55% bonds of ₹ 10 lakhs each of Indian Railway Finance Corporation Limited	-	10.41
2 (31 March 2018: 2) 8.90% bonds of ₹ 10 lakhs each of UCO Bank	19.94	20.16
1 (31 March 2018: 1) 8.57% bonds of ₹ 10 lakhs each of Central Bank of India	10.53	10.74
Nil (31 March 2018: 5) 8% bonds of ₹ 1 lakh each of IDBI Bank Limited	-	5.26
Total aggregate unquoted investments	**30.47**	**89.04**
Total non-current investments carried at FVTPL [B]	**415.15**	**455.48**
Total non-current investments ([A]+[B])	**415.18**	**455.51**
Total non-current investments	**415.18**	**455.51**
Aggregate amount of quoted investments	384.68	366.44
Aggregate amount of market value of quoted investment	384.68	366.44
Aggregate amount of unquoted investments	30.50	89.07
Aggregate amount of impairment in the value of investments	-	-

NOTE 7: TRADE RECEIVABLES

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non- current	Current	Non- current
Trade receivables (at amortised cost)				
- Trade receivables - Unsecured	29785.87	1169.95	31674.40	1296.80
Less: Allowance for bad and doubtful debts	(181.49)	(1110.18)	(534.33)	(1246.48)
Total trade receivables	**29604.38**	**59.77**	**31140.07**	**50.32**

(i) Refer note 40(i) for credit risk, impairment of trade receivables under expected credit loss model and other related disclosures.

(ii) Current trade receivable include ₹ 3951.86 lakhs (31 March 2018 : ₹ 3906.99 lakhs) expected to be received after twelve months within the operating cycle.

NOTE 8: LOANS

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non- current	Current	Non- current
At amortised cost				
Loan to related parties (refer note 38)				
- Loans receivables considered good - Unsecured	267.06	-	-	-
Loan to employees				
- Loans receivables considered good - Unsecured	45.59	1.35	53.26	2.98

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non- current	Current	Non- current
Loan to others				
- Loans receivables considered good - Unsecured	0.29	-	0.29	-
- Loans receivables - Credit impaired	-	44.53	-	44.53
Less: Allowance for bad and doubtful loans	-	(44.53)	-	(44.53)
	0.29	**-**	**0.29**	**-**
Total loans	**312.94**	**1.35**	**53.55**	**2.98**

(i) Loan to related parties includes loan of ₹ 267.06 lakhs provided to an Israeli based associate company, Aqwise-Wise Water Technologies Limited, for meeting its working capital requirements.

NOTE 9: OTHER FINANCIAL ASSETS

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non- current	Current	Non- current
At amortised cost				
Security deposits (see (i) below)	44.66	595.49	41.74	455.28
Earnest money deposits	13.90	2.00	162.47	2.00
Less: Allowance for bad and doubtful debts	(0.15)	-	(1.15)	-
	13.75	**2.00**	**161.32**	**2.00**
Bank balances:				
Earmarked balances with banks:				
- Deposit against molasses storage fund (refer note 14(vi))	-	260.52	-	233.72
Balances under lien/margin/kept as security:				
- Post office savings account	-	0.19	-	0.19
- Fixed / margin deposits (original maturity more than one year)	-	100.39	-	36.66
Other balances:				
- Fixed deposits (original maturity more than one year)	-	4.20	-	4.20
	-	**365.30**	**-**	**274.77**
Accrued interest	27.12	1.08	32.33	1.20
Insurance claim recoverable	42.62	-	86.00	-
Miscellaneous other financial assets	7.73	14.90	11.17	14.90
Less: Allowance for bad and doubtful debts	-	(14.90)	-	(14.90)
	7.73	**-**	**11.17**	**-**
Total other financial assets at amortised cost [A]	**135.88**	**963.87**	**332.56**	**733.25**
At fair value through Profit or Loss (FVTPL) (refer note 41)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps	71.72	-	91.82	-
Total other financial assets at FVTPL [B]	**71.72**	**-**	**91.82**	**-**
Total other financial assets ([A]+[B])	**207.60**	**963.87**	**424.38**	**733.25**

(i) Investment of ₹ 65.48 lakhs in equity shares of Atria Wind Power (Bijapur1) Private Limited, as part of Group Captive arrangement to secure power, has been considered as security deposit in accordance with applicable accounting standards.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 10: OTHER ASSETS

	As at 31-Mar-19		As at 31-Mar-18	
	Current	**Non- current**	**Current**	**Non- current**
Capital advances	-	342.00	-	30.56
Advances to suppliers	782.64	18.06	622.24	19.89
Less: Allowance for bad and doubtful debts	(54.00)	(18.06)	(26.89)	(19.89)
	728.64	**-**	**595.35**	**-**
Advances to related parties (refer note 38)	2.13	-	2.13	-
Indirect tax and duties recoverable	2802.94	339.37	1433.44	357.60
Less: Allowance for bad and doubtful debts	(13.82)	(1.46)	(40.32)	(21.38)
	2789.12	**337.91**	**1393.12**	**336.22**
Deposit with sales tax authorities	131.35	43.55	130.35	43.55
Less: Allowance for bad and doubtful debts	-	(37.00)	-	(37.00)
	131.35	**6.55**	**130.35**	**6.55**
Bank guarantee encashment recoverable	-	200.00	-	200.00
Less: Allowance for bad and doubtful debts	-	(200.00)	-	(200.00)
	-	**-**	**-**	**-**
Export incentives receivable	17.56	-	43.12	-
Less: Allowance for bad and doubtful debts	(4.21)	-	(15.26)	-
	13.35	**-**	**27.86**	**-**
Government grant receivables (refer note 42)	693.07	-	-	-
Advances to employees	22.31	1.45	16.05	1.45
Prepaid expenses	738.27	112.68	549.16	98.81
Due from customers under construction contracts [refer (i) below]	8311.96	-	5702.70	-
Unbilled revenue	174.08	-	191.96	-
Miscellaneous other assets	52.40	137.19	36.40	131.61
Less: Allowance for bad and doubtful debts	-	(21.60)	-	(28.72)
	52.40	**115.59**	**36.40**	**102.89**
Total other assets	**13656.68**	**916.18**	**8645.08**	**576.48**

(i) Contract balances

	As at 31-Mar-19	As at 31-Mar-18
Contract assets		
- Amounts due from customers under construction contracts	8311.96	5702.70
- Unbilled revenue	174.08	191.96
Contract liabilities		
- Amounts due to customers under construction contracts	2612.71	1034.35
- Advance from customers	7998.17	3478.22

(a) Contract assets are initially recognised for revenue earned as receipt of consideration is conditional on successful achievement of milestones. Upon achievement of milestones, billing is done and contract assets are reclassified to trade receivables. Different businesses of the Group have their different credit terms [refer note 40(i)].

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Significant changes in contract assets and liabilities:

Increase in contract assets (Due from customers under construction contracts) mainly pertains to a new sewage treatment project in the municipal segment, where substantial work has been performed by the Group pending billing on the customer upon achievement of contractual milestones.

Increase in contract liabilities (Amount due to customers under construction contracts) mainly pertains to a water treatment project in the municipal segment, where major billing done based on achievement of contractual milestones is in excess of revenue recognised in accordance with Ind AS 115 Revenue from Contracts with Customers.

Increase in contract liabilities (Advances from Customers) mainly pertains to mobilisation advances received under new water/ waste-water treatment projects.

(c) Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	Year ended 31-Mar-19	Year ended 31-Mar-18
Revenue recognised that was included in the contract liability balance at the beginning of the period	3921.98	2153.19
Revenue recognised from performance obligations satisfied in previous periods	-	-

NOTE 11: INVENTORIES

	As at 31-Mar-19	As at 31-Mar-18
Raw materials and components	2144.99	2698.80
Less: Provision for obsolescence/slow moving raw materials and components	(197.24)	(199.22)
Work-in-progress	4247.69	3157.30
Finished goods [including stock in transit ₹ 1379.99 lakhs as at 31 March 2019 (31 March 2018: ₹ Nil)]	201739.45	148847.59
Stock in trade	31.65	31.47
Stores and spares [including stock in transit ₹ 10.93 lakhs as at 31 March 2019 (31 March 2018: ₹ 14.09 lakhs)]	4131.83	3507.80
Less: Provision for obsolescence/slow moving stores and spares	(284.90)	(185.13)
Certified emission reductions/renewable energy certificates	-	0.77
Others - Scrap & low value patterns	52.43	59.26
Total inventories	**211865.90**	**157918.64**

(i) The cost of inventories recognised as an expense during the year was ₹ 261964.60 lakhs (31 March 2018: ₹ 279641.05 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 (i) above, there are write-downs of inventories to net realisable value amounting to ₹ 6983.97 lakhs (31 March 2018: ₹ 21970.87 lakhs) 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 12: CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at 31-Mar-19	As at 31-Mar-18
At amortised cost		
Balances with banks	1219.25	338.62
Cheques / drafts on hand	210.27	3.58
Cash on hand	32.05	24.31
Total cash and cash equivalents	**1461.57**	**366.51**

(b) Bank balances other than cash and cash equivalents

	As at 31-Mar-19	As at 31-Mar-18
At amortised cost		
Earmarked balances with banks:		
- unpaid dividend and preference share redemption accounts	2.00	3.49
Balances under lien/margin/kept as security:		
- in fixed/margin deposits (original maturity upto one year)	428.04	265.35
Other balances:		
- in fixed deposits (original maturity exceeding three months but upto one year)	10.83	5.82
Total bank balances other than cash and cash equivalents	**440.87**	**274.66**

NOTE 13: SHARE CAPITAL

	As at 31-Mar-19		As at 31-Mar-18	
	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
Subscribed and Paid Up				
Equity shares of ₹ 1 each, fully paid up	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
		2579.47		**2579.47**

(i) Movements in equity share capital

	Number of shares	Amount
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**
Movement during the year	-	-
As at 31 March 2019	**25,79,45,110**	**2579.45**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(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-19		As at 31-Mar-18	
	Number of shares	% holding	Number of shares	% holding
Dhruv M. Sawhney	4,01,30,756	15.55	3,83,91,756	14.88
Rati Sawhney	1,86,19,164	7.22	2,03,58,164	7.89
STFL Trading and Finance Private Limited	8,26,96,056	32.06	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-19	As at 31-Mar-18
Capital redemption reserve	473.14	458.50
Capital reserve	2706.77	2706.77
Securities premium	26585.22	26588.46
Amalgamation reserve	926.34	926.34
General reserve	49919.43	51440.90
Molasses storage fund reserve	216.36	196.28
Retained earnings	30599.11	9774.25
Foreign currency translation reserve	(30.72)	(27.27)
Cash flow hedging reserve	77.36	(8.49)
Total other equity	**111473.01**	**92055.74**

(i) Capital redemption reserve

	Year ended 31-Mar-19	Year ended 31-Mar-18
Opening balance	458.50	458.50
Share of associates- buyback adjustments during the year	14.64	-
Closing balance	**473.14**	**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-19	Year ended 31-Mar-18
Opening balance	2706.77	2868.83
Share of associates- addition in capital reserve during the year	-	(162.06)
Closing balance	**2706.77**	**2706.77**

Capital reserve majorly comprises reserve created consequent to business combination in earlier years, in accordance with then applicable accounting standard as on that date.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Securities premium

	Year ended 31-Mar-19	Year ended 31-Mar-18
Opening balance	26588.46	26587.94
Share of associates- addition in securities premium during the year	7.00	0.52
Share of associates- buyback adjustments during the year	(10.24)	-
Closing balance	**26585.22**	**26588.46**

Securities premium is used to record the premium received 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-19	Year ended 31-Mar-18
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 then applicable accounting standard as on that date.

(v) General reserve

	Year ended 31-Mar-19	Year ended 31-Mar-18
Opening balance	51440.90	51440.90
Share of associates- buyback adjustments during the year	(1521.47)	-
Closing balance	**49919.43**	**51440.90**

General reserve represents amount kept by the Group out of its profits for future purposes. It is not earmarked for any specific purpose.

(vi) Molasses storage fund reserve

	Year ended 31-Mar-19	Year ended 31-Mar-18
Opening balance	196.28	202.42
Amount transferred from retained earnings	35.76	32.96
Amount transferred to retained earnings	(15.68)	(39.10)
Closing balance	**216.36**	**196.28**

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 ₹ 260.52 lakhs (31 March 2018: ₹ 233.72 lakhs) is earmarked against molasses storage fund (refer note 9).

Notes to the Consolidated Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

(vii) Retained earnings

	Year ended 31-Mar-19	Year ended 31-Mar-18
Opening balance	9774.25	(1498.45)
Net profit for the year	21628.05	11914.01
Other comprehensive income arising from the remeasurement of defined benefit obligation net of income tax	(137.34)	121.72
Share of other comprehensive income of associates arising from the remeasurement of defined benefit obligation	(6.69)	7.03
Share of associates- buyback adjustments during the year	1537.69	-
Withdrawn from molasses storage fund reserve	15.68	39.10
Transfer to molasses storage fund reserve	(35.76)	(32.96)
Acquisition of non-controlling interests	(0.00)	-
Dividends paid	(1805.62)	(644.91)
Dividend distribution tax	(371.15)	(131.29)
Closing balance	**30599.11**	**9774.25**

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

(b) Details of dividend distributions made:

	Year ended 31-Mar-19	Year ended 31-Mar-18
Cash dividends on equity shares declared and paid:		
Interim dividend for the year ended 31 March 2019: 70% (₹ 0.70 per equity share of ₹ 1/- each) [31 March 2018: 25% (₹ 0.25 per equity share of ₹ 1/- each)]	1805.62	644.91
Dividend distribution tax on interim dividend	371.15	131.29
Total cash dividends on equity shares declared and paid	**2176.77**	**776.20**

(viii) Foreign currency translation reserve

	Year ended 31-Mar-19	Year ended 31-Mar-18*
Opening balance	(27.27)	(27.58)
Share of other comprehensive income of associates arising from the exchange differences on translation of foreign operations	(3.82)	0.31
Share of associates- buyback adjustments during the year	0.37	-
Closing balance	**(30.72)**	**(27.27)**

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, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(ix) Cash flow hedging reserve

	Year ended 31-Mar-19	Year ended 31-Mar-18*
Opening balance	(8.49)	-
Share of other comprehensive income of associates arising from effective portion of profit/(loss) on designated portion of hedging instruments in a cash flow hedge	106.84	(8.49)
Share of associates- buyback adjustments during the year	(20.99)	-
Closing balance	**77.36**	**(8.49)**

The Group uses hedging instruments as a part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedge. To the extent, theses hedge are effective, the changes in fair value of hedging instruments is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified in profit and loss when hedge items effects profit and loss i.e. sales.

* Cash flow hedging reserve included under Foreign currency translation reserve during the year ended 31 March 2018, has now been classified separately.

NOTE 15: NON-CONTROLLING INTERESTS

	Year ended 31-Mar-19	Year ended 31-Mar-18
Opening balance	0.00	0.00
Share of loss for the year	(0.00)	(0.00)
Acquisition of non-controlling interests [refer note 43(ii)]	-	-
Closing balance	**-**	**0.00**

NOTE 16: NON-CURRENT BORROWINGS

	As at 31-Mar-19		As at 31-Mar-18	
	Current maturities	Non-current	Current maturities	Non-current
Secured- at amortised cost				
Term loans				
- from banks	3425.87	9211.82	12607.56	3483.54
- from other parties	4118.38	28137.72	224.03	11.74
	7544.25	**37349.54**	**12831.59**	**3495.28**
Less: Amount disclosed under the head "Other financial liabilities- current" (refer note 17)	(7544.25)	-	(12831.59)	-
Total non-current borrowings	**-**	**37349.54**	**-**	**3495.28**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(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-19	31-Mar-18			31-Mar-19	31-Mar-18		
Secured- at amortised cost								
Term loans from banks (₹ loans)								
1 RBL Bank Limited	4975.00	-	The effective interest rate as on 31.03.2019 range between 10% to 10.25% per annum.	At MCLR plus applicable spread. The interest rate as on 31.03.2019 range between 8.50% to 10.25% per annum.	16	N/A	16 equal quarterly installments from September 2020 to June 2024.	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company and second pari-passu charge on current assets of the Company.
2 Central Bank of India	3990.00	-			16	N/A	16 equal quarterly installments from June 2020 to March 2024	
3 Yes Bank	-	468.57			Nil	1	-	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
4 RBL Bank Limited	-	899.23			Nil	3	-	
5 RBL Bank Limited	527.03	2628.08			1	5	Equal quarterly installments upto June 2019	
6 Central Bank of India	1102.28	2769.95			8	20	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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(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-19	31-Mar-18			31-Mar-19	31-Mar-18		
7 Axis Bank	157.53	989.21			1	5	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.
8 Central Bank of India	249.25	873.75			2	7	Equal quarterly installments upto September 2019	Secured by first pari-passu charge on the fixed assets of the Company
9 Punjab National Bank (Excise Duty Loan)	-	2556.08		Interest free loan (see note 42)	Nil	11	-	Secured by second charge on fixed assets of all business units except Khatauli and Ramkola units.
10 Central Bank of India (Excise Duty Loan)	-	1161.59			Nil	4	-	Secured by second charge on fixed assets of all business units except Khatauli and Ramkola units.
11 Axis Bank (Vehicle loan)	305.09	138.59	Ranging from 9.37 % to 11% p.a.	At fixed rates ranging from 8.45% to 10.75% p.a.	3 to 50 months	4 to 62 months	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
12 ICICI Bank (Vehicle loan)	-	2.88						
13 PNB Bank (Vehicle loan)	23.75	28.93						
14 Yes Bank (Vehicle loan)	55.78	48.69						
	11385.71	**12565.55**						
Term loans from banks (US$ loans)								

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(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-19	31-Mar-18			31-Mar-19	31-Mar-18		
1 RBL Bank Limited (FCTL)	1251.98	3525.55	8.50% p.a.	At USD 6M Libor +1.95% p.a.	2	6	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.
	1251.98	**3525.55**						
Total term loans from banks	**12637.69**	**16091.10**						
Term loans from other parties (₹ loans)								
1 Daimler Financial Services Pvt. Ltd. (Vehicle loan)	11.75	19.88	6.86% p.a.	At fixed rate of 6.86% p.a.	16	28	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	12.5% p.a.	2% below the Bank Rate at present 4% (see note 42)	Nil	Yearly - 1 Half yearly - Nil	-	Secured by exclusive second charge created over moveable/ immoveable assets of Ramkola unit.
3 Govt. of Uttar Pradesh through RBL Bank Ltd. under SEFASU 2018	32244.35	-	10% p.a.	5% p.a.	60	N/A	60 monthly installments starting from July 2019 to June 2024	Secured by first pari-passu charge on the fixed assets of the Company
Total term loans from other parties	**32256.10**	**235.77**						
Total loans	**44893.79**	**16326.87**						

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 17: OTHER FINANCIAL LIABILITIES

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non-current	Current	Non-current
At amortised cost				
Current maturities of long-term borrowings (refer note 16)	7544.25	-	12831.59	-
Accrued interest	26.30	-	96.00	0.10
Capital creditors	1979.37	-	744.60	-
Employee benefits & other dues payable	2653.96	-	2371.67	-
Security deposits (see (i) below)	396.42	-	374.35	-
Unpaid dividends (see (ii) below)	1.99	-	3.48	-
Total other financial liabilities at amortised cost [A]	**12602.29**	**-**	**16421.69**	**0.10**
At fair value through Profit or Loss (FVTPL) (refer note 41)				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts/Currency swaps/Interest rate swaps	6.61	-	3.96	-
Total other financial liabilities at FVTPL [B]	**6.61**	**-**	**3.96**	**-**
Total other financial liabilities ([A]+[B])	**12608.90**	**-**	**16425.65**	**0.10**

(i) Security deposits as at 31 March 2019 include ₹ 332 lakhs (31 March 2018 : ₹ 316 lakhs) deposits from sugar selling agents which are interest bearing subject to fulfillment of terms and conditions. These deposits are repayable on cessation of contractual arrangements. Interest payable is normally settled annually.

(ii) There are no amounts as at the end of the year which are due and outstanding to be credited to the Investors Education and Protection Fund.

NOTE 18: PROVISIONS

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Gratuity (refer note 37)	313.88	3432.15	203.63	3078.47
Compensated absences	487.93	891.54	321.49	891.01
Other Provisions				
Warranty	1307.65	-	838.49	-
Cost to completion	1024.47	-	314.29	-
Arbitration/Court case claims	93.23	-	254.19	-
Total provisions	**3227.16**	**4323.69**	**1932.09**	**3969.48**

(i) Information about individual provisions and significant estimates

(a) Warranty

The Group 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

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for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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 Group in legal proceedings which have been challenged by the Group before appropriate authorities. The timing of the outflows is uncertain.

(ii) Movement in provisions

Movement in each class of provision are set out below:

	Year ended 31-Mar-19			Year ended 31-Mar-18		
	Warranty	Cost to completion	Arbitration/ Court case claims	Warranty	Cost to completion	Arbitration/ Court case claims
Balance at the beginning of the year	838.49	314.29	254.19	491.25	20.00	278.79
Additional provisions recognised	507.29	914.47	8.37	376.04	314.29	10.40
Amounts used during the year	(28.94)	-	(169.33)	(13.55)	-	(35.00)
Unused amounts reversed during the year	(9.19)	(204.29)	-	(15.25)	(20.00)	-
Balance at the end of the year	**1307.65**	**1024.47**	**93.23**	**838.49**	**314.29**	**254.19**

NOTE 19: OTHER LIABILITIES

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non-current	Current	Non-current
Advance from customers	7998.17	-	3478.22	-
Deferred revenue arising from government grant related to assets (refer note 42)	-	141.45	-	141.45
Deferred revenue arising from government grant related to income (refer note 42)	1350.33	2805.32	250.87	-
Amount due to customers under construction contracts [refer note 10(i)]	2612.71	-	1034.35	-
Statutory remittances	2402.07	-	3174.90	-
Miscellaneous other payables	72.36	-	52.02	-
Total other liabilities	**14435.64**	**2946.77**	**7990.36**	**141.45**

NOTE 20: CURRENT BORROWINGS

	As at 31-Mar-19	As at 31-Mar-18
Secured- at amortised cost		
Repayable on demand		
- Cash credits/working capital demand loans from banks (see (i) below)	123540.95	105557.23
Unsecured- at amortised cost		
Other loans		
- Foreign currency loans (buyers' credits) from banks	-	2090.00
Total current borrowings	**123540.95**	**107647.23**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(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 includes working capital demand loans of ₹ 5000 lakhs availed during the current year and outstanding as at 31 March 2019 (31 March 2018: ₹ Nil), which are 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 8.35% to 9.95% (weighted average interest rate : 8.46% p.a.).

NOTE 21: TRADE PAYABLES

	As at 31-Mar-19	As at 31-Mar-18
Trade payables (at amortised cost)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 48)	92.00	43.42
- Total outstanding dues of creditors other than micro enterprises and small enterprises	63672.22	62763.03
Total trade payables	**63764.22**	**62806.45**

NOTE 22: INCOME TAX BALANCES

	As at 31-Mar-19		As at 31-Mar-18	
	Current	Non-current	Current	Non-current
Income tax assets				
Tax refund receivable (net)	-	5058.14	-	5735.12
	-	**5058.14**	**-**	**5735.12**
Income tax liabilities				
Provision for income tax (net)	1016.13	-	-	-
	1016.13	**-**	**-**	**-**

NOTE 23: DEFERRED TAX BALANCES

	As at 31-Mar-19	As at 31-Mar-18
Deferred tax assets	13065.17	12357.06
Deferred tax liabilities	(16303.63)	(16528.82)
Net deferred tax assets/(liabilities)	**(3238.46)**	**(4171.76)**

(i) Movement in deferred tax balances

For the year ended 31 March 2019

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Difference in carrying values of property, plant & equipment and intangible assets	(16528.82)	225.19	-	(16303.63)
Difference in carrying values of investment property	265.09	13.43	-	278.52
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	1585.43	296.70	73.77	1955.90
- Statutory taxes and duties	184.70	46.69	-	231.39

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019
(All amounts in ₹ lakhs, unless otherwise stated)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
- Other contractual provisions	437.63	426.24	-	863.87
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	811.77	(150.84)	-	660.93
Other temporary differences	3.16	53.61	-	56.77
Unutilised tax loses	-	0.21	-	0.21
Unutilised tax credits	9069.28	(51.70)	-	9017.58
Net deferred tax assets/(liabilities)	**(4171.76)**	**859.53**	**73.77**	**(3238.46)**

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)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(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-19	As at 31-Mar-18
Tax effect on unused tax losses (long term capital loss) (see table below for expiry)	12.34	569.50
Net deferred tax assets/(liabilities)	**12.34**	**569.50**
Expiry profile of unrecognised unused tax losses		
Unused tax losses (long term capital loss) shall expire on -		
March 31, 2019	-	557.16
March 31, 2020	0.57	0.57
March 31, 2021	11.77	11.77
	12.34	**569.50**

NOTE 24 : REVENUE FROM OPERATIONS

	Year ended 31-Mar-19	Year ended 31-Mar-18
Sale of products [refer note 36(vii) and note 51(i)]		
Finished goods	289621.96	321559.67
Stock-in-trade	1864.51	1627.41
Sale of services		
Erection and commissioning	67.38	22.90
Servicing	226.96	262.65
Operation and maintenance	3346.53	3927.25
Construction contract revenue	19811.70	12324.57
Other operating revenue		
Income from sale of renewable energy certificates	11.50	1311.48
Export incentives (refer note 42)	89.63	78.03
Income from scrap	133.52	72.12
Total revenue from operations	**315173.69**	**341186.08**

(i) Unsatisfied long-term construction contracts:

The transaction price allocated to all contracts (viz. water/wastewater treatment and turnkey projects relating to steam turbine) that are partially or fully unsatisfied as at reporting date alongwith expected period of its revenue recognition, are as follows:

	As at 31-Mar-19#	As at 31-Mar-18
Within one year	43296.66	*
More than one year	52025.69	*
Total	**95322.35**	*****

* As permitted under the transitional provisions in Ind AS 115, the transaction price allocated to unsatisfied performance obligations as of 31 March 2018 is not disclosed.

As permitted under Ind AS 115, all contracts having original expected duration of one year or less or which are billed based on time incurred are not disclosed.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Reconciliation of revenue recognised with contract price:

	As at 31-Mar-19	As at 31-Mar-18
Contract price	315244.53	341238.37
Adjustments for Discounts/ Commissions to Customers	(70.84)	(52.29)
Total revenue from operations	**315173.69**	**341186.08**

NOTE 25: OTHER INCOME

	Year ended 31-Mar-19	Year ended 31-Mar-18
Interest income		
Interest income from bank deposits (at amortised cost)	100.10	61.16
Interest income from customers (at amortised cost)	20.83	31.03
Interest income from loans (at amortised cost)	4.47	-
Interest income from financial assets carried at amortised cost	17.06	15.12
Interest income from investments carried at FVTPL	5.45	12.28
Interest income from others	231.72	5.07
	379.63	**124.66**
Dividend income		
Dividend income from equity investments	3.03	4.66
	3.03	**4.66**
Other non-operating income (net of expenses directly attributable to such income)		
Rental income [refer note 4(ii)]	38.11	52.50
Subsidy from U.P. Government (refer note 42)	3088.25	-
Subsidy from Central Government (refer note 42)	1326.25	-
Miscellaneous income	1009.21	1063.89
	5461.82	**1116.39**
Other gains/(losses)		
Net fair value gains/(losses) on investments	17.79	23.16
Net gains/(losses) on derivatives	262.08	19.85
Credit balances written back	187.05	156.99
Net profit/(loss) on sale / redemption of investments	(0.32)	0.60
Excess provision of expenses reversed	52.49	96.73
	519.09	**297.33**
Total other income	**6363.57**	**1543.04**

NOTE 26: COST OF MATERIALS CONSUMED

	Year ended 31-Mar-19	Year ended 31-Mar-18
Stock at the beginning of the year	2698.80	3065.44
Add: Purchases	274636.53	257798.52
Less : Amount capitalised (included in the cost of property, plant and equipment)	-	(19.63)
Less: Stock at the end of the year	(2144.99)	(2698.80)
Total cost of materials consumed (refer note 42)	**275190.34**	**258145.53**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 27: PURCHASES OF STOCK-IN-TRADE

	Year ended 31-Mar-19	Year ended 31-Mar-18
Petroleum goods	1897.17	1635.88
Other consumer goods	27.65	38.36
Total purchases of stock-in-trade	**1924.82**	**1674.24**

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

	Year ended 31-Mar-19	Year ended 31-Mar-18
Inventories at the beginning 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 beginning of the year	**152037.13**	**161360.02**
Inventories at the end of the year:		
Finished goods	201739.45	148847.59
Stock in trade	31.65	31.47
Work-in-progress	4247.69	3157.30
Certified emission reduction	-	0.77
Total inventories at the end of the year	**206018.79**	**152037.13**
Add/(Less): Impact of excise duty on finished goods	-	(10189.01)
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(53981.66)**	**(866.12)**

NOTE 29: EMPLOYEE BENEFITS EXPENSE

	Year ended 31-Mar-19	Year ended 31-Mar-18
Salaries and wages	19822.30	17844.68
Contribution to provident and other funds (refer note 37)	1976.77	1874.96
Staff welfare expenses	638.37	528.89
	22437.44	**20248.53**
Less: Amount capitalised (included in the cost of property, plant and equipment)	(50.79)	(8.19)
Total employee benefit expense	**22386.65**	**20240.34**

NOTE 30: FINANCE COSTS

	Year ended 31-Mar-19	Year ended 31-Mar-18
Interest costs		
- Interest on loans with interest subvention (refer note 42)	6.46	216.52
- Interest on loans with below-market rate of interest (refer note 42)	627.72	12.74
- Interest on other borrowings	5875.29	8131.15
- Other interest expense	171.60	88.81
Total interest expense on financial liabilities not classified as at FVTPL	**6681.07**	**8449.22**
Less : Amount capitalised (included in the cost of property, plant and equipment)	(22.75)	-
	6658.32	**8449.22**
Exchange differences regarded as an adjustment to borrowing costs	119.16	76.36
Other borrowing costs		
- Loan monitoring and administration charges	21.23	8.39
Total finance costs	**6798.71**	**8533.97**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31-Mar-19	Year ended 31-Mar-18
Depreciation of property, plant and equipment (refer note 3)		
Amortisation of intangible assets (refer note 5)	5660.00	5484.66
	35.14	56.00
	5695.14	**5540.66**
Less: Amount capitalised (included in the cost of property, plant and equipment)	-	(5.10)
Total depreciation and amortisation expense	**5695.14**	**5535.56**

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

	Year ended 31-Mar-19	Year ended 31-Mar-18
Bad debts written off - trade receivables carried at amortised cost	501.56	594.86
Bad debts written off - other financial assets carried at amortised cost	2.98	12.26
Impairment loss allowance on trade receivables (net of reversals) (refer note 7)	(489.14)	(887.88)
Impairment loss allowance on other financial assets carried at amortised cost (net of reversals) (refer note 8 & 9)	(1.00)	(1.89)
Total impairment loss on financial assets (including reversal of impairment losses)	**14.40**	**(282.65)**

NOTE 33: OTHER EXPENSES

	Year ended 31-Mar-19	Year ended 31-Mar-18
Stores and spares consumed	3296.07	2869.21
Power and fuel	1754.03	1831.37
Design and engineering charges	64.17	122.07
Cane development expenses	132.06	280.59
Machining/fabrication expenses	108.15	79.26
Erection and commissioning expenses	380.01	426.21
Civil construction charges	6076.17	4176.06
Packing and stacking expenses	4539.00	3942.22
Repairs and maintenance		
- Machinery	4346.47	4039.99
- Building	412.72	380.32
- Others	321.59	346.49
Factory/operational expenses	2509.51	1903.80
Travelling and conveyance	1334.86	1334.70
Rent (refer note 45 (ii))	711.07	591.09
Rates and taxes	442.14	654.86
Insurance	340.65	269.41
Directors' fee	56.10	30.45
Directors' Commission	45.00	-
Legal and professional expenses	1045.90	932.52
Security service expenses	1275.24	1247.40
Net impairment loss allowance on non financial assets [includes amounts written off ₹ 69.59 lakhs (31 March 2018: ₹ 83.00 lakhs)] (refer note 10)	30.28	103.95
Net foreign exchange rate fluctuation losses	241.72	231.42

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(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31-Mar-19	Year ended 31-Mar-18
Warranty expenses [includes provision for warranty (net) ₹ 498.10 lakhs (31 March 2018: ₹ 360.79 lakhs) (refer note 18)]	500.16	368.49
Liquidated damages charges	16.33	310.56
Provision for Arbitration/Court case claims (refer note 18)	8.37	10.40
Provision for cost to completion on construction contracts (net) (refer note 18)	710.18	294.29
Payment to Auditors (see (i) below)	64.68	70.77
Provision for non moving / obsolete inventory	97.79	77.24
Loss on sale /write off of inventory	27.03	33.57
Loss on sale / write off / impairment of property, plant and equipment	53.31	32.88
Loss under MIEQ obligation (third party exports)	3760.87	-
Selling commission	793.28	826.79
Royalty	296.52	236.99
Advertisement and sales promotion	32.05	30.78
Outward freight and forwarding	1175.52	638.41
Other selling expenses	253.49	302.26
Miscellaneous expenses	1590.45	1512.34
Less : Amount capitalised (included in the cost of property, plant and equipment)	(91.93)	(20.58)
Total other expenses	**38751.01**	**30518.58**

(i) Detail of payment to auditors

	Statutory Auditors		Branch Auditors		Cost Auditors	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
Audit fee	42.24	41.74	-	-	3.82	3.75
Limited review fee	15.00	17.01	-	0.91	-	-
Other services (Certification)	0.50	0.30	-	0.10	0.46	0.50
Reimbursement of expenses	2.56	4.36	-	1.71	0.10	0.39
Total payment to auditors	**60.30**	**63.41**	**-**	**2.72**	**4.38**	**4.64**

NOTE 34: INCOME TAX EXPENSE

(i) Income tax recognised in profit or loss

	Year ended 31-Mar-19	Year ended 31-Mar-18
Current tax		
In respect of the current year	6004.62	3065.82
In respect of earlier years	7.56	138.81
Total current tax expense	**6012.18**	**3204.63**
Deferred tax		
In respect of current year origination and reversal of temporary differences *	(859.53)	1765.05
Total deferred tax expense	**(859.53)**	**1765.05**
Total income tax expense recognised in profit or loss	**5152.65**	**4969.68**

* includes utilisation of MAT credit of ₹ 51.70 lakhs (31 March 2018: MAT credit entitlement ₹ 3203.98 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-19	Year ended 31-Mar-18
Profit before tax	26780.70	16883.69
Income tax expense calculated at 34.944% (including surcharge and education cess) (2017-18: 34.608%)	9358.24	5843.11
Effect of changes in tax rate	-	145.75
Effect of income that is exempt from taxation	(143.50)	(12.92)
Effect of income that is taxable at lower rates	(713.00)	(3.11)
Effect of expenses that is non-deductible in determining taxable profit	125.23	90.26
Effect of tax incentives and concessions	(3239.76)	(1262.93)
Effect of changes in tax base of assets not considered in profit or loss	(13.42)	(46.03)
Effect of recognition of deferred tax assets/liabilities due to changes in estimates	(371.27)	706.95
Changes in estimates related to prior years	7.56	138.81
Effect of different tax rates for subsidiaries	(0.00)	0.35
Effect of tax on share of profit of associates	142.57	(630.56)
Total income tax expense recognised in profit or loss	**5152.65**	**4969.68**

(ii) Income tax recognised in other comprehensive income

	Year ended 31-Mar-19	Year ended 31-Mar-18
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	(73.77)	64.41
Total income tax expense recognised in other comprehensive income	**(73.77)**	**64.41**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(73.77)	64.41
Items that may be reclassified to profit or loss	-	-
Total income tax expense recognised in other comprehensive income	**(73.77)**	**64.41**

NOTE 35: EARNINGS PER SHARE

	Year ended 31-Mar-19	Year ended 31-Mar-18
Profit for the year attributable to owners of the Company [A]	21628.05	11914.01
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]	8.39	4.62
Diluted earnings per share (face value of ₹ 1 per share) [A/B]	8.39	4.62

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 36: 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 state 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. The Company, during the current year, has undertaken to expand its distillery operations by way of setting up a new 160 kilo-litres per day capacity distillery at Sabitgarh, Uttar Pradesh, which is under progress as at 31 March 2019.

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. During the current year, the Company has incorporated a wholly owned subsidiary “Mathura Wastewater Management Pvt. Ltd.” as a special purpose vehicle to execute a project awarded under Namami Gange Programme for which operations has started during the current year.

The ‘Other Operations’ mainly include 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.

Notes to the Consolidated Financial Statements

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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-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
REVENUE																				
From external customers	240910.84	285263.40	8600.61	9721.04	21366.53	11534.06	270877.98	306518.50	13282.02	11112.49	24928.45	17566.96	38210.47	28679.45	6085.24	5988.13	-	-	315173.69	341186.08
From inter-segments sales	12189.04	14659.82	11678.29	11783.27	31.40	55.12	23898.73	26498.21	26.45	64.31	3.40	-	29.85	64.31	114.71	99.41	(24043.29)	(26661.93)	-	-
Total revenue from operations	**253099.88**	**299923.22**	**20278.90**	**21504.31**	**21397.93**	**11589.18**	**294776.71**	**333016.71**	**13308.47**	**11176.80**	**24931.85**	**17566.96**	**38240.32**	**28743.76**	**6199.95**	**6087.54**	**(24043.29)**	**(26661.93)**	**315173.69**	**341186.08**
RESULT																				
Segment Profit/(loss)	7920.66	11559.15	9111.49	9889.76	13271.11	2674.06	30303.26	24122.97	3814.28	3142.49	719.23	(1394.68)	4533.51	1747.81	6.30	20.05			34843.07	25890.83
Unallocated expenses (Net)																			(3669.17)	(2424.50)
Finance cost																			(6798.71)	(8533.97)
Interest income																			379.63	124.66
Dividend income																			3.03	4.66
Share of profit of associates																			2022.85	1822.01
Profit before tax																			26780.70	16883.69
Current tax																			(6012.18)	(3204.63)
Deferred tax																			859.53	(1765.05)
Profit for the year																			21628.05	11914.01

- 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-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
ASSETS																				
Segment assets	275499.22	216818.05	13564.45	15914.66	29303.58	12356.93	318367.25	245089.64	14353.03	14340.02	29013.79	24229.55	43366.82	38569.57	1928.51	1708.98	-	-	363662.58	285368.19
Unallocated assets																			16841.36	17846.87
Total assets	**275499.22**	**216818.05**	**13564.45**	**15914.66**	**29303.58**	**12356.93**	**318367.25**	**245089.64**	**14353.03**	**14340.02**	**29013.79**	**24229.55**	**43366.82**	**38569.57**	**1928.51**	**1708.98**	**-**	**-**	**380503.94**	**303215.06**
LIABILITIES																				
Segment liabilities	63351.86	59545.65	430.52	420.90	2261.06	835.71	66043.44	60802.26	3159.88	3346.40	20464.89	12921.71	23624.77	16268.11	1444.75	1358.86	-	-	91112.96	78429.23
Unallocated liabilities																			175338.50	130150.62
Total liabilities	**63351.86**	**59545.65**	**430.52**	**420.90**	**2261.06**	**835.71**	**66043.44**	**60802.26**	**3159.88**	**3346.40**	**20464.89**	**12921.71**	**23624.77**	**16268.11**	**1444.75**	**1358.86**	**-**	**-**	**266451.46**	**208579.85**

- 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-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
Amount considered in segment results																				
Depreciation and amortisation	3364.47	3230.29	696.87	686.09	510.41	509.30	4571.75	4425.68	832.35	822.47	177.43	186.50	1009.78	1008.97	4.78	6.66	-	-	5586.31	5441.31
Unallocated or depreciation and amortisation																			108.83	94.25
Total depreciation and amortisation	**3364.47**	**3230.29**	**696.87**	**686.09**	**510.41**	**509.30**	**4571.75**	**4425.68**	**832.35**	**822.47**	**177.43**	**186.50**	**1009.78**	**1008.97**	**4.78**	**6.66**	**-**	**-**	**5695.14**	**5535.56**
Non cash items (other than depreciation and amortisation)	56.47	24.20	295.02	103.82	0.95	(26.09)	352.44	101.93	8.56	119.59	(64.68)	(453.78)	(56.12)	(334.19)	0.91	10.43	-	-	297.23	(221.83)
Unallocated non cash items (other than depreciation and amortisation)																			(109.74)	(114.06)
Total non cash items (other than depreciation and amortisation)	**56.47**	**24.20**	**295.02**	**103.82**	**0.95**	**(26.09)**	**352.44**	**101.93**	**8.56**	**119.59**	**(64.68)**	**(453.78)**	**(56.12)**	**(334.19)**	**0.91**	**10.43**	**-**	**-**	**187.49**	**(335.89)**
Amounts not considered in segment results																				
Interest expense	6263.60	7840.43	25.40	28.24	40.97	180.34	6329.97	8049.01	112.51	125.79	232.96	464.67	345.47	590.46	0.02	-	-	-	6675.46	8639.47
Unallocated interest expense																			123.25	(105.50)
Total interest expense	**6263.60**	**7840.43**	**25.40**	**28.24**	**40.97**	**180.34**	**6329.97**	**8049.01**	**112.51**	**125.79**	**232.96**	**464.67**	**345.47**	**590.46**	**0.02**	**-**	**-**	**-**	**6798.71**	**8533.97**
Interest income	40.38	47.88	3.89	3.61	2.40	1.72	46.67	53.21	3.18	4.47	34.95	20.92	38.13	25.39	-	-	-	-	84.80	78.60
Unallocated interest income																			294.83	46.06
Total interest income	**40.38**	**47.88**	**3.89**	**3.61**	**2.40**	**1.72**	**46.67**	**53.21**	**3.18**	**4.47**	**34.95**	**20.92**	**38.13**	**25.39**	**-**	**-**	**-**	**-**	**379.63**	**124.66**
Capital expenditure	5249.11	2932.52	28.49	189.39	18889.71	902.48	24167.31	4024.39	202.33	836.82	186.44	188.83	388.77	1025.65	108.72	1.35	-	-	24664.80	5051.39
Unallocated capital expenditure																			169.36	175.04
Total Capital expenditure	**5249.11**	**2932.52**	**28.49**	**189.39**	**18889.71**	**902.48**	**24167.31**	**4024.39**	**202.33**	**836.82**	**186.44**	**188.83**	**388.77**	**1025.65**	**108.72**	**1.35**	**-**	**-**	**24834.16**	**5226.43**

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(All amounts in ₹ lakhs, unless otherwise stated)

(v) Break-up of revenue by geographical area

	Year ended 31-Mar-19	Year ended 31-Mar-18
India (country of domicile)	314026.63	339873.28
Foreign countries	1147.06	1312.80
	315173.69	**341186.08**

(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 ₹ 2878.84 lakhs as at 31 March 2019 (31 March 2018: ₹ 2842.88 lakhs).

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

	Timing of revenue recognition	Year ended 31-Mar-19	Year ended 31-Mar-18
Sale of products			
Finished goods			
- Sugar	At a point in time	238497.07	279886.27
- Molasses	At a point in time	167.53	2217.95
- Bagasse	At a point in time	3816.77	4612.53
- Power	At a point in time	10930.79	10771.62
- Alcohol	At a point in time	21288.41	11446.52
- Mechanical equipment - Water/Waste-water	At a point in time	1667.81	1483.67
- Gears/Gear Boxes	At a point in time	10336.68	9292.12
- Bought outs and Spares	At a point in time	2589.77	1442.30
- Others	At a point in time	327.13	406.69
		289621.96	**321559.67**
Stock in trade			
- Petroleum goods (Diesel/Petrol/Lubricants)	At a point in time	1835.57	1575.22
- Other consumer goods	At a point in time	28.94	52.19
		1864.51	**1627.41**
		291486.47	**323187.08**
Sale of services			
Erection and commissioning	Over time	67.38	22.90
Servicing	Over time	226.96	262.65
Operation and maintenance	Over time	3346.53	3927.25
		3640.87	**4212.80**
Construction contract revenue			
Water, Waste-water and Sewage treatment	Over time	19806.06	12098.41
Power generation and evacuation system	Over time	5.64	226.16
		19811.70	**12324.57**
Other operating revenue			
Income from sale of renewable energy certificates	At a point in time	11.50	1311.48
Export incentives	At a point in time	89.63	78.03
Income from scrap	At a point in time	133.52	72.12
		234.65	**1461.63**

(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 2019 and 31 March 2018.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 37: 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 administered and managed by the Government of India.

Employee State Insurance: The Group makes prescribed monthly contributions towards Employees State Insurance Scheme.

Superannuation Scheme: The Group contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund with the Life Insurance Corporation of India.

National Pension Scheme: The Group makes contributions to the National Pension Scheme fund in respect of certain employees of the Group.

(b) The expense recognised during the period towards defined contribution plans are as follows:

	Year ended 31-Mar-19	Year ended 31-Mar-18
Employers' Contribution to Employees' Provident Fund	774.86	732.39
Administration and other expenses relating to above	15.42	19.53
Employers' Contribution to Employees' State Insurance Scheme	13.60	16.01
Employers' Contribution to Superannuation Scheme	120.86	114.75
Employers' Contribution to National Pension Scheme	29.59	20.80

(ii) Defined benefit plan (Gratuity)

(a) The Group operates a defined benefit retirement plan under which the Group pays certain defined benefit by way of gratuity to its employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/termination of employment or upon death of an employee, based on the respective employees' salary and years of employment with the Group.

(b) **Risk exposure**

The plan typically exposes the Group to number of actuarial risks, the most significant of which are detailed below:

Investment risk: The plan liabilities are calculated using a discount rate set with references to government bond yields as at end of reporting period; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The investments in plan assets are made in accordance with pattern of investment prescribed by central government and ensures that the funds are invested in a balanced mix of investments comprising central government securities, state government securities, other debt instruments as well as equity instruments. Most of the plan investments is in fixed income securities with high grades and in government securities. The Group has a risk management strategy which defines exposure limits and acceptable credit risk rating.

Interest risk: A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's debt instruments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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-19	**31-Mar-18**
Discounting rate	7.55%	7.69%
Future salary growth rate	8.00%	8.00%
Mortality Table *	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
Attrition rate	6.00% for Permanent employees 2.00% for Seasonal employees	6.00% for Permanent employees 2.00% for Seasonal employees
Method used	Projected unit credit method	Projected unit credit method

* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2006-08 Ultimate). These assumptions translate into an average life expectancy in years at retirement age.

(d) Amounts recognised in consolidated statement of profit and loss in respect of the defined benefit plan (gratuity) are as follows:

	Year ended 31-Mar-19	**Year ended 31-Mar-18**
Current service cost	363.18	333.64
Net interest expense	232.48	220.47
Components of defined benefit costs recognised in profit or loss	**595.66**	**554.11**
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	15.50	(43.30)
- Actuarial gains and loss arising form changes in financial assumptions	44.80	36.60
- Actuarial gains and loss arising form experience adjustments	150.81	(179.43)
Components of defined benefit costs recognised in other comprehensive income	**211.11**	**(186.13)**
Total	**806.77**	**367.98**

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 and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

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(All amounts in ₹ lakhs, unless otherwise stated)

(e) Amounts included in the consolidated balance sheet arising from the entity's obligation in respect of the defined benefit plan (gratuity) is as follows:

	As at 31-Mar-19	As at 31-Mar-18
Present value of defined benefit obligation as at the end of the year	5294.33	4734.30
Fair value of plan assets	1548.30	1452.20
Funded status	**(3746.03)**	**(3282.10)**
Net asset/(liability) arising from defined benefit obligation recognised in the consolidated balance sheet	**(3746.03)**	**(3282.10)**

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

	Year ended 31-Mar-19	Year ended 31-Mar-18
Present value of defined benefit obligation at the beginning of the year	4734.30	4558.14
Expenses recognised in profit or loss		
- Current Service Cost	363.18	333.64
- Interest Expense (Income)	344.08	321.08
Remeasurement (gains)/losses recognised in other comprehensive income		
- Actuarial (gain)/loss arising from:		
i. Financial Assumptions	44.80	36.60
ii. Experience Adjustments	150.81	(179.43)
Benefit payments	(342.84)	(335.73)
Present value of defined benefit obligation at the end of the year	**5294.33**	**4734.30**

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

	Year ended 31-Mar-19	Year ended 31-Mar-18
Fair value of plan assets at the beginning of the year	1452.20	1308.30
Recognised in profit or loss		
- Expected return on plan assets	111.60	100.61
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actual return on plan assets in excess of the expected return	(15.50)	43.29
Contributions by employer	342.84	335.73
Benefit payments	(342.84)	(335.73)
Fair value of plan assets at the end of the year	**1548.30**	**1452.20**

The fair value of the plan assets (gratuity) at the end of the reporting period for each category, are as follows:

	As at 31-Mar-19			As at 31-Mar-18		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	-	11.95	11.95	-	12.45	12.45
Debt instruments						
- Government securities	-	259.21	259.21	-	264.26	264.26
- State development loans	-	494.04	494.04	-	452.07	452.07
- Private sector bonds	-	116.29	116.29	-	123.24	123.24
- Public sector bonds	-	122.42	122.42	-	112.33	112.33
- Fixed deposits with banks	-	166.00	166.00	-	166.00	166.00

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	As at 31-Mar-19			As at 31-Mar-18		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
- Special Deposit Scheme balance with RBI	-	102.13	102.13	-	102.13	102.13
- Debt mutual funds	-	70.01	70.01	-	64.95	64.95
Equity instruments						
- Index mutual funds	-	36.12	36.12	-	10.06	10.06
- Arbitrage mutual funds	-	13.42	13.42	-	12.58	12.58
Accrued interest and other recoverables	-	156.71	156.71	-	132.13	132.13
Total plan assets	**-**	**1548.30**	**1548.30**	**-**	**1452.20**	**1452.20**

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.

(h) Sensitivity analysis

The sensitivity of the defined benefit obligation (gratuity) to changes in the weighted principal assumptions is:

	Change in assumption by	Increase/ decrease	Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Discounting rate	0.50%	in ₹ lakhs	(156.33)	(177.37)	(165.89)	190.36
		in %	-2.95%	-3.75%	3.13%	4.02%
Future salary growth rate	0.50%	in ₹ lakhs	164.39	187.87	(156.40)	(176.71)
		in %	3.11%	3.97%	-2.95%	-3.73%
Attrition rate	0.50%	in ₹ lakhs	(4.83)	(46.12)	5.04	48.81
		in %	-0.09%	-0.97%	0.10%	1.03%
Mortality rate	10.00%	in ₹ lakhs	(0.30)	(39.85)	0.30	42.54
		in %	-0.01%	-0.84%	0.01%	0.90%

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.

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(i) Defined benefit liability (gratuity) and employer contributions

The Group remains committed to fund all gratuity payments falling due and shall strive to gradually reduce the deficit in funding of its obligation in the coming years.

The Group expects to contribute ₹ 826.18 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 2019 is 7 years (31 March 2018: 9.2 years).

The expected maturity analysis of undiscounted defined benefit obligation (gratuity) as at 31 March 2019 is as follows:

	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
Defined benefit obligation (Gratuity)	1140.36	621.49	1549.82	6137.12	**9448.79**

(iii) Defined benefit plan (Provident Fund)

(a) Apart from the contributions made by the Group to defined contribution provident fund plan referred in (i) above, the Group has also set up a provident fund trust, to secure the provident fund dues in respect of certain employees of the Group, which is administered by the concerned trustees. The rules of the Group's provident fund 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.

(b) The details of fund and plan assets position are given below:

	Year ended 31-Mar-19	Year ended 31-Mar-18
Fair value of plan assets as at the end of the year	11878.88	10615.90
Present value of defined benefit obligation as at the end of the year	(11878.88)	(10615.90)
Excess of (obligations over plan assets) / plan assets over obligation	-	-

(c) The significant actuarial assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows

	Year ended 31-Mar-19	Year ended 31-Mar-18
Discount rate	7.77%	7.66%
Average remaining tenure of investment portfolio	5.61 years	5.63 years
Guaranteed rate of return	8.65%	8.55%

(d) For the year ended 31 March 2019, the Group contributed ₹ 350.67 lakhs (31 March 2018: ₹ 336.59 lakhs) to the defined benefit provident fund plan.

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for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 38: 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-19	Year ended 31-Mar-18
Purchases and receiving services			
Triveni Turbine Limited	Associate	1923.53	382.52
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	1.39	0.47
Interest income			
Aqwise-Wise Water Technologies Limited (Israel)	Associate	4.47	-
Rent paid			
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	51.40	48.76
Rati Sawhney	Relative of key managerial personnel	36.87	34.60
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	80.83	76.69
Rent & other charges received			
Triveni Turbine Limited	Associate	20.53	20.40
Dividend received from Investment in Equity shares			
Triveni Turbine Limited	Associate	396.00	864.00
Dividend paid on Equity shares			
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	268.74	95.98
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	102.87	36.74
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	106.94	38.19
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.10	0.04
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	0.07	0.03
Manmohan Sawhney HUF	Relative of key managerial personnel	31.59	11.28
Rati Sawhney	Relative of key managerial personnel	142.51	50.90
Tarana Sawhney	Relative of key managerial personnel	0.18	0.06
Mira Hazari	Relative of key managerial personnel	0.01	-

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Name of related party and nature of transactions	Relationship	Year ended 31-Mar-19	Year ended 31-Mar-18
Subhadra Trade & Finance Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	-	206.74
STFL Trading and Finance Private Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	578.87	-
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	(19.53)	(18.76)
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	2.70	2.22
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	0.05	-
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	0.00	-
Triveni Engineering Works Limited Employees' Provident Fund	Post employment benefit plan	0.00	-
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	0.04	0.03
Remuneration			
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	363.06	239.73
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	206.11	192.39
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	75.26	68.61
Directors fee paid			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	7.95	3.70
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	11.80	5.50
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	0.75	1.25
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	10.75	6.00
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	9.25	6.00

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for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-19	Year ended 31-Mar-18
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	7.35	4.00
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	8.25	4.00
Directors Commission			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	7.00	-
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	5.00	-
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	5.00	-
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Contribution to Post employment benefit plans			
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	342.85	335.73
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	120.32	114.75
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	1064.00	1033.20
Disposal of investment in equity shares under buyback scheme			
Triveni Turbine Limited	Associate	2058.03	-
Advance paid against order			
Triveni Turbine Limited	Associate	-	35.00
Loans given			
Aqwise-Wise Water Technologies Limited (Israel)	Associate	267.06	-

Outstanding balances

	Relationship	As at 31-Mar-19	As at 31-Mar-18
Receivable			
Triveni Turbine Limited	Associate	895.39	1082.03
Aqwise-Wise Water Technologies Limited (Israel)	Associate	271.53	-
Payable			
Triveni Turbine Limited	Associate	1737.67	1310.51
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	4.54	4.92

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	Relationship	As at 31-Mar-19	As at 31-Mar-18
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	53.65	3.65
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	0.09	0.61
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	-	0.15
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	7.00	-
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	5.00	-
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	5.00	-
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	7.00	-
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	0.22	-
Triveni Engineering and Industries Limited Officers Pension Scheme	Post employment benefit plan	120.32	113.29
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	101.17	90.32

(ii) Remuneration of key managerial personnel:

	Year ended 31-Mar-19	Year ended 31-Mar-18
Short-term employee benefits	593.87	460.69
Post-employment benefits	50.56	40.05
Total	**644.43**	**500.74**

The remuneration of key managerial personnel is determined by the remuneration committee having regard to the performance of individuals, market trends and applicable provisions of Companies Act, 2013.

(iii) Remuneration and outstanding balances of 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 Group.

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(iv) Terms & conditions:

(a) Transactions relating dividends, buyback of shares were on same terms and conditions that applied to other shareholders.

(b) Loans to associate are given at normal commercial terms & conditions at prevailing market rate of interest.

(c) Sales to and purchases from related parties, including rendering/availment of service, are made on terms equivalent to those that prevail in arm's length transactions. All other transactions were made on normal commercial terms and conditions and at market rates.

(d) The outstanding balances at the year-end are unsecured and settlement occurs in cash. The Group has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31 March 2019 and 31 March 2018.

(e) There have been no guarantees provided to or received for any related party receivable or payables.

NOTE 39: 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 to six 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-19	As at 31-Mar-18
Non-current borrowings (note 16)	37349.54	3495.28
Current borrowings (note 20)	123540.95	107647.23
Current maturities of long-term borrowings (note 17)	7544.25	12831.59
Total debt	**168434.74**	**123974.10**
Less: Cash and cash equivalents [note 12(a)]	(1461.57)	(366.51)
Net debt	**166973.17**	**123607.59**
Total equity (note 13, 14 & 15)	**114052.48**	**94635.21**
Net debt to equity ratio	1.46	1.31
Long term debt equity ratio	0.39	0.17

In addition to the above gearing ratio, the Group also looks at operating profit to total debt ratio (EBITDA/Total Debts) which gives an indication of adequacy of earnings to service the debts. The Group carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. With a view to arrive at the desired capital structure based on the financial condition of the Group, the Group normally incorporates a clause in loan agreements for prepayment of loans without any premium. During the year, majority of the long term debts have been contracted by the Group at concessional interest rates under various soft loan schemes of the Government.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2019 and 31 March 2018.

The Group is not subject to any externally imposed capital requirements.

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NOTE 40: FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of the financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and bank balances that derive directly from its operations. The Group also holds investments measured at fair value through profit or loss and enters into derivative transactions, which are not extensive.

The Group's activities expose it mainly to market risk, liquidity risk and credit risk. The monitoring and management of such risks is undertaken by the senior management of the Group and there are appropriate policies and procedures in place through which such financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group has specialised teams to undertake derivative activities for risk management purposes and such team has appropriate skills, experience and expertise. It is the Group policy not to carry out any trading in derivative for speculative purposes. The Audit Committee and the Board are regularly apprised of these risks every quarter and each such risk and mitigation measures are extensively discussed.

(i) Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Group. The Group is exposed to credit risks from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are nominal.

(a) Credit risk management

The customer credit risk is managed by each business subject to the Group's established policy, procedure and controls relating to customer credit risk management. Various businesses require different processes and policies to be followed based on the business risks, industry practice and customer profiles.

In the case of Sugar business, majority of the sales are made either against advance payments or on very short credit period upto 7-10 days to established sugar agents whereas in Cogeneration and Distillery, most of the sales are made to Government customers, such as, State Electricity Board (UPPCL) and Oil Marketing Companies (OMCs). There may be delays, generally not exceeding one year, in receiving payments from UPPCL but the risk in respect of realisation of dues is minimal. In Gear business, it is the policy of the Group to receive payment prior to delivery of the material except in the case of some well established OEMs, including public sector undertakings, where the credit up to 90 days is extended. Water business is engaged in Engineering, Procurement and Construction (EPC) business in the municipal and industrial sectors where it is customary to have prescribed retentions which are payable upon completion of the project and after satisfactory performance of the plant.

In order to contain the business risk, creditworthiness of the customer is ensured through scrutiny of its financials, status of financial closure of the project, if required, market reports and reference checks. The Group remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of its diversified business profile and considering the size of the Group, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customers. In addition, a large number of receivables are grouped and assessed for impairment collectively. The calculation of impairment loss is based on historical data of losses, current conditions and forecasts and future economic conditions. The Group's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset as detailed in note 6, 7, 8 and 9.

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The business wise receivable position as at the end of the year is provided here below:

	As at 31-Mar-19	As at 31-Mar-18
Sugar business	4125.88	4551.36
Cogeneration business	3337.56	4427.14
Distillery business	1537.74	2060.60
Water business	14631.01	13858.94
Gear business	4501.43	4837.04
Others	1530.53	1455.31
Total Receivables (note 7)	**29664.15**	**31190.39**
Receivables individually in excess of 10% of the business receivables	16879.72	16665.33
Percentage of above receivables to the total receivables of the Group	56.90%	53.43%

Receivables in excess of 10% of individual business receivables majorly comprise receivables from UPPCL which forms 15.21% of total receivables of the Group as on 31 March 2019, 16.85% as on 31 March 2018. 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.

(b) Provision for expected credit losses

Basis as explained above, life time expected credit loss ("ECL") is determined on trade receivables except in cases where advance payment terms are prescribed or payment is due from Central / State Government or Government Authorities / entities where there is no track record of short receipts. ECL arising from delays in receiving payments from the Government customers pursuant to sale of goods or under construction contracts are not considered if such delays are commonly prevalent in the industry and / or the delays are not exceeding one year. All other short receipts, other than arising from expense claims, are duly considered in determining ECL. In view of the business model of the Group's engineered-to-order products and the profile of trade receivables, the determination of provision based on age analysis may not be realistic and hence, the provision of expected credit loss is determined for the total trade receivables outstanding as on the reporting date. This provision for ECL is made in addition to the specific credit losses, if any, provided on specific financial assets.

Provision matrix (%, amounts) of ECL for trade receivables, other than specific credit losses separately recognised is as under:

Business	% ECL	ECL amount as at 31-Mar-19	ECL amount as at 31-Mar-18
Sugar	Nil	Nil	Nil
Co-generation	Nil	Nil	Nil
Distillery	Nil	Nil	Nil
Water	0.80%	115.99	115.99
Gear	0.74%	33.44	57.91

(c) Reconciliation of loss allowance provision

Trade receivables:

	Year ended 31-Mar-19	Year ended 31-Mar-18
Balance at beginning of the year	1780.81	2668.69
Additional provisions recognised during the year	16.67	377.16
Provision reversed/utilised during the year	(505.81)	(1265.04)
Balance at the end of the year	1291.67	1780.81

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Loans and other financial assets:

	Loans		Other financial assets	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
Balance at beginning of the year	44.53	44.53	16.05	17.94
Movement in expected credit loss allowance	-	-	(1.00)	(1.89)
Balance at the end of the year	44.53	44.53	15.05	16.05

(ii) Liquidity risk

The Group uses liquidity forecast tools to manage its liquidity. The Group operates capital intensive sugar business and has obligation to timely make cane price payments within the statutory time period. The Group is able to organise liquidity through own funds and through working capital loans. The Group has good relationship with its lenders and has not defaulted at any point of time in the past, as a result of which it does not experience any difficulty in arranging funds from its lenders. However, when the sugar fundamentals are unfavourable, either due to market forces or due to excessive cane pricing by the Government, the payment of cane price gets delayed. However, it is the endeavour of the Group to make cane payment on a priority basis. It is the objective and focus of the Group to reduce debts to be able to meet the cyclicalities of the sugar business.

Apart from cyclical sugar business, the Group has alternate revenue streams in the form of cogeneration, distillery and engineering business, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Group as at the year end:

	As at 31-Mar-19	As at 31-Mar-18
Total current assets	257549.94	198822.89
Total current liabilities	218593.00	196801.78
Current ratio	1.18	1.01

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 2019							
Borrowings	123540.95	8810.46	18972.60	19084.00	2133.42	172541.43	168434.74
Trade payables	-	63394.09	370.13	-	-	63764.22	63764.22
Other financial liabilities	-	5058.04	-	-	-	5058.04	5058.04
	123540.95	**77262.59**	**19342.73**	**19084.00**	**2133.42**	**241363.69**	**237257.00**

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(All amounts in ₹ lakhs, unless otherwise stated)

	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**

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 ₹ 65.11 lakhs as at 31 March 2019, which shall mature within one year from reporting date (31 March 2018 : derivative asset (net) ₹ 87.86 lakhs 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).

(iii) Market risk

The Group is exposed to following key market risks:

(a) Interest rate risk on loans and borrowings

(b) Sugar price risk

(c) Other market risks

(a) Interest rate risk

Most of the borrowings availed by the Group are subject to interest on floating rate basis linked to the MCLR (marginal cost of funds based lending rate) or LIBOR. In view of the fact that the total borrowings of the Group are quite substantial, the Group is exposed to interest rate risk.

The strategy of the Group to opt for floating interest rates is helpful in maintaining market related realistic rates, 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. The interest rate risk is largely mitigated as 72% of the long term debts as at 31 March 2019 (31 March 2018 : 24% of long term debts), comprises loans carrying concessional interest rates.

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-19	Year ended 31-Mar-18
Total debt as at the end of the year	168434.74	123974.10
Debt at floating rate of interest as at the end of the year	134542.04	116276.02
Average annual utilisation of debts at floating rate of interest (%)	59%	73%
Average availment of borrowings at floating rate of interest	79427.21	85179.94
Impact of 1% interest rate variation	794.27	851.80

The above sensitivity has been computed after excluding the impact of change in interest rates of the floating interest rate foreign currency borrowing balance of USD 17,92,114.69 @ 4.833% p.a. (i.e. 6 months LIBOR plus 1.95%) [31 March 2018: USD 53,76,344.09 @ 4.1955% p.a. (i.e. 6 months LIBOR plus 1.95%)] since same has been hedged through interest rate swap @ fixed interest rate 8.5% p.a.

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(b) Sugar price risk

In the Sugar business being carried out by the Group, sugar is produced during the season commencing from October/ November till April/May. Sugar so produced during the season of around 150 to 170 days, is sold throughout the year. The sugar inventories are at the highest level around the end of the financial year and these are 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. Further, the Group is required to sell sugar only to the extent of monthly sales quota as prescribed by the Government. The sugar price risk is greatly mitigated as the Government has prescribed Minimum Selling Price for the sugar below which sugar cannot be sold. To increase overall realisation price, the Group produces refined sugar, to the extent of around 40% of its production and pharmaceutical grade sugar, which fetch premium over normal sulphitation sugar.

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

	Year ended 31-Mar-19	Year ended 31-Mar-18
Sugar inventory held (MT)	6,685.04	5,310.99
Impact of sugar price variation by ₹ 1000/MT	6,685.04	5,310.99

(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.

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	AUD
As at 31 March 2019					
Financial assets					
- Trade receivables	in foreign currency lakhs	0.06	0.95	-	-
	in equivalent ₹ lakhs	3.90	72.67	-	-
- Loans receivables	in foreign currency lakhs	3.97	-	-	-
	in equivalent ₹ lakhs	271.53	-	-	-
Derivatives (in respect of underlying financial assets)					
- Foreign exchange forward contracts/ Swaps sell foreign currency	in foreign currency lakhs	3.97	-	-	-
	in equivalent ₹ lakhs	271.53	-	-	-

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(All amounts in ₹ lakhs, unless otherwise stated)

		US$	EURO	GBP	AUD
Net exposure to foreign currency risk (assets)	in foreign currency lakhs	**0.06**	**0.95**	**-**	**-**
	in equivalent ₹ lakhs	**3.90**	**72.67**	**-**	**-**
Financial liabilities					
- Trade payables	in foreign currency lakhs	10.94	3.21	0.53	-
	in equivalent ₹ lakhs	765.38	253.66	49.20	-
- Borrowings (including interest)	in foreign currency lakhs	18.00	-	-	-
	in equivalent ₹ lakhs	1258.44	-	-	-
Derivatives (in respect of underlying financial liabilities)					
- Foreign exchange forward contracts/ Swaps buy foreign currency	in foreign currency lakhs	27.55	2.11	-	-
	in equivalent ₹ lakhs	1926.66	166.36	-	-
Net exposure to foreign currency risk (liabilities)	in foreign currency lakhs	**1.39**	**1.10**	**0.53**	**-**
	in equivalent ₹ lakhs	**97.16**	**87.30**	**49.20**	**-**

		US$	EURO	GBP	AUD
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 buy foreign currency	in foreign currency lakhs	203.47	-	-	-
	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**	**-**

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The Group's foreign currency derivatives outstanding (including for firm commitments) at the end of the reporting period are as follows:

		US$	EURO	GBP	AUD
As at 31 March 2019					
Foreign exchange forward contracts to sell foreign currency	in foreign currency lakhs	4.02	-	-	-
	in equivalent ₹ lakhs	275.10	-	-	-
Foreign exchange forward contracts/ Swaps to buy foreign currency	in foreign currency lakhs	29.49	2.11	-	5.63
	in equivalent ₹ lakhs	2062.31	166.36	-	282.21
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	-	-

All the above contracts as at 31 March 2019 are maturing within one year from the reporting date (31 March 2018 : all above contracts are maturing within one year from the reporting date 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-19	31-Mar-18	31-Mar-19	31-Mar-18
US$ sensitivity	5%	(4.66)	7.21	4.66	(7.21)
EURO sensitivity	5%	(0.73)	6.85	0.73	(6.85)
GBP sensitivity	5%	(2.46)	(2.54)	2.46	2.54
AUD sensitivity	5%	-	-	-	-

Further, the impact of change in foreign currency rates (assuming forward premium to remain unchanged) on the fair valuation of derivatives (excluding derivatives which have hedged the foreign currency denominated receivables and payables) as at the end of the year, is demonstrated in the table below. However, apart from the impact on the profit or loss due to fair value changes of the derivatives, the derivatives will help the Group in capturing the hedged rates including forward premium and the budgeted profitability will remain unaffected.

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
US$ sensitivity	5%	6.60	(0.80)	(6.60)	0.80
EURO sensitivity	5%	-	10.12	-	(10.12)
GBP sensitivity	5%	-	-	-	-
AUD sensitivity	5%	14.11	-	(14.11)	-

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

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NOTE 41: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	As at 31-Mar-19		As at 31-Mar-18	
	FVTPL*	Amortised cost	FVTPL*	Amortised cost
Financial assets				
Investments				
- Equity instruments	384.68	-	366.44	-
- Bonds	30.47	-	89.04	-
- National Saving Certificates	-	0.03	-	0.03
Trade receivables	-	29664.15	-	31190.39
Loans	-	314.29	-	56.53
Cash and bank balances	-	2295.94	-	949.47
Security deposits	-	640.15	-	497.02
Earnest money deposits	-	15.75	-	163.32
Derivative financial assets	71.72	-	91.82	-
Other receivables	-	50.35	-	97.17
Total financial assets	**486.87**	**32980.66**	**547.30**	**32953.93**
Financial liabilities				
Borrowings	-	168434.74	-	123974.10
Trade payables	-	63764.22	-	62,806.45
Capital creditors	-	1979.37	-	744.60
Security deposits	-	396.42	-	374.35
Derivative financial liabilities	6.61	-	3.96	-
Other payables	-	2682.25	-	2471.25
Total financial liabilities	**6.61**	**237257.00**	**3.96**	**190370.75**

*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 2019					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	384.68	-	-	**384.68**
- Investments in bonds at FVTPL	6	-	30.47	-	**30.47**
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	9	-	71.72	-	**71.72**
		384.68	**102.19**	**-**	**486.87**
Financial liabilities					
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	17	-	6.61	-	**6.61**
		-	**6.61**	**-**	**6.61**

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	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**
Financial liabilities					
- Foreign-exchange forward contracts/ Currency swaps/Interest rate swaps at FVTPL	17	-	3.96	-	**3.96**
		-	**3.96**	**-**	**3.96**

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.

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(All amounts in ₹ lakhs, unless otherwise stated)

(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.

	As at 31-Mar-19		As at 31-Mar-18	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Trade receivables	29664.15	28939.43	31190.39	30495.00
	29664.15	**28939.43**	**31190.39**	**30495.00**
Financial liabilities				
Trade payables	63764.22	63718.50	62806.45	62754.11
	63764.22	**63718.50**	**62806.45**	**62754.11**

Fair value hierarchy

	Level 1	**Level 2**	**Level 3**	**Total**
As at 31 March 2019				
Financial assets				
Trade receivables	-	-	28939.43	28939.43
	-	**-**	**28939.43**	**28939.43**
Financial liabilities				
Trade payables	-	-	63718.50	63718.50
	-	**-**	**63718.50**	**63718.50**
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**

(a) The fair values for trade receivables and trade payables which are expected to be settled after twelve months (including those which are within the operating cycle) are computed based on discounted cash flows. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The carrying amounts of the remaining trade receivables and trade payables are considered to be the same as their fair values, due to their short-term nature.

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NOTE 42: GOVERNMENT GRANTS

(i) Government grants recognised in the consolidated financial statements

	Grants recognised in profit or loss			Grant recoverable	
	Year ended 31-Mar-19	**Year ended 31-Mar-18**	**Treatment in financial statements**	**As at 31-Mar-19**	**As at 31-Mar-18**
A Deferred government grants related to income					
a) Loans at below market interest rate aggregating to ₹ 36400 lakhs availed during financial year 2018-19 under the "Scheme for Extending Financial Assistance to Sugar Undertakings 2018" notified by the State Government of Uttar Pradesh.	441.97	-	Reduced from finance cost (note 30)	-	-
b) Interest subvention @ 12% per annum on loans aggregating to ₹ 12626 lakhs availed during financial year 2012-13 under the "Scheme of Extending Financial Assistance to Sugar Undertakings, 2013" notified by the Government of India.	242.33	683.45	Reduced from finance cost (note 30)	-	-
c) Loans at below market interest rate from Sugar Development Fund, Government of India	8.53	27.88	Reduced from finance cost (note 30)	-	-
Total deferred government grants	**692.83**	**711.33**		-	-
B Other revenue government grants					
a) Financial assistance of ₹ 4.50 per quintal of cane purchased during season 2017-18 by the State Government of Uttar Pradesh	3088.25	-	Depicted under "Other income" (note 25)		
	679.42	-	Reduced from Raw material consumed (note 26)	-	-
b) Financial assistance of ₹ 5.50 per quintal of cane purchased during season 2017-18 by the Government of India under the "Scheme for Assistance to Sugar Mills".	1116.00	-	Depicted under "Other income" (note 25)		
	276.55	-	Reduced from Raw material consumed (note 26)	-	-

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	Grants recognised in profit or loss			Grant recoverable	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Treatment in financial statements	As at 31-Mar-19	As at 31-Mar-18
c) Financial assistance by Government of India under the Scheme for Creation and Maintenance of Buffer Stock of 30 lakh MT of sugar.	210.25	-	Depicted under "Other income" (note 25)	693.07	-
	1112.83	-	Reduced from finance cost (note 30)		
d) Export incentives under Duty Draw back Scheme, Incremental Export Incentive Scheme and Merchandise Export Incentive Scheme.	89.63	78.03	Presented under "Other operating revenue" (note 24)	13.35	27.86
Total other revenue government grants	**6572.93**	**78.03**		**706.42**	**27.86**
Total government grants recognised in profit or loss	**7265.76**	**789.36**		**706.42**	**27.86**

	Grants received			Grant recoverable	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Treatment in financial statements	As at 31-Mar-19	As at 31-Mar-18
C Government grants related to assets					
a) Grant in respect of Moist Hot Air Treatment Plants (MHAT) and Soil treatment plant received from the State Government of Uttar Pradesh under Rashtriya Krishi Vikas Yojna.	17.00	10.00	Reduced from gross value of PPE upon receipt. Recognised in profit or loss by way of reduced depreciation (refer note 3 and 31)	-	-
b) Grant of ₹ 141.45 lakhs in the form of duties saved upon import of machinery under Export Promotion Capital Goods (EPCG) scheme.	-	141.45	Reduced from gross value of PPE upon fulfilment of export obligation(s). Recognised in profit or loss by way of reduced depreciation (refer note 3 and 31)	-	-
Total government grants related to assets	**17.00**	**151.45**		**-**	**-**

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

	Year ended 31-Mar-19	Year ended 31-Mar-18
As at the beginning of the year	392.32	962.20
Recognised during the year	4597.61	141.45
Released to the consolidated statement of profit and loss	(692.83)	(711.33)
As at the end of the year	**4297.10**	**392.32**
Current (refer note 19)	1350.33	250.87
Non-current (refer note 19)	2946.77	141.45
Total	**4297.10**	**392.32**

NOTE 43: 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-19	As at 31-Mar-18
Triveni Engineering Limited	see (a) below	India	100%	100%
Triveni Energy Systems Limited	see (a) below	India	100%	100%
Svastida Projects Limited	see (a) below	India	100%	100%
Triveni Entertainment Limited	see (a) below	India	100%	100%
Triveni Industries Limited	see (a) below	India	100%	100%
Triveni Sugar Limited	see (a) below	India	100%	99.99%
Mathura Wastewater Management Private Limited	Water and wastewater treatment solutions	India	100%	-

(a) These companies are relatively much smaller and there have been no significant business activities in these companies.

(ii) Non-controlling interests

The Group, on 28 February 2019, acquired an additional 50 equity shares (0.01%) in Triveni Sugar Limited (TSL), consequently TSL became wholly owned subsidiary company of the Company. The effect on the equity attributable to the owners of the Company during the year is summarised as follows:

	Year ended 31-Mar-19	Year ended 31-Mar-18
Carrying amount of non-controlling interests acquired as on the date of acquisition	0.00	-
Consideration paid to the non-controlling interests	0.00	-
Excess of consideration paid over carrying amount recognised in retained earnings within equity	0.00	-

There were no transactions with non-controlling interest during year ended 31 March 2018.

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(iii) Interest in Associates

Details of the Group's associates at the end of the reporting period are as follows:

Name of Associates	Principal activities	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31-Mar-19	As at 31-Mar-18
Triveni Turbine Limited	Power generating equipment and solutions	India	21.85%	21.82%
Aqwise-Wise Water Technologies Limited	Water and wastewater treatment solutions	Israel	25.04%	25.04%

The above associates are accounted for using the equity method in these 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 Limited	
	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19*	As at 31-Mar-18
Current assets				
Cash and cash equivalents	2701.57	1153.59	829.00	1822.27
Other assets	43533.31	46169.49	15308.64	10275.39
Total current assets	**46234.88**	**47323.08**	**16137.64**	**12097.66**
Total non-current assets	**27854.77**	**27949.18**	**1624.77**	**1913.56**
Current liabilities				
Financial liabilities (excluding trade payables and provisions)	1354.54	955.72	4144.47	2038.07
Other liabilities	27307.00	27888.87	10216.47	8403.40
Total current liabilities	**28661.54**	**28844.59**	**14360.94**	**10441.47**
Non-current liabilities				
Financial liabilities (excluding trade payables and provisions)	0.21	5.06	992.98	979.18
Other liabilities	2089.32	1209.50	-	-
Total non-current liabilities	**2089.53**	**1214.56**	**992.98**	**979.18**
Balance	**43338.58**	**45213.11**	**2408.49**	**2590.57**
Contributions of non-controlling interest towards share in losses	-	-	285.59	86.17
Net assets	**43338.58**	**45213.11**	**2694.08**	**2676.74**

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Summarised statement of profit and loss of Associates

	Triveni Turbine Limited		Aqwise-Wise Water Technologies Limited	
	Year ended 31-Mar-19	**Year ended 31-Mar-18**	**Year ended 31-Mar-19***	**Year ended 31-Mar-18**
Revenue	83998.73	75331.61	13790.15	13726.28
Interest income	13.90	17.14	-	-
Depreciation and amortisation	2012.48	1912.40	46.25	79.09
Interest expense	112.23	53.34	452.82	91.90
Profit from continuing operations	10022.46	9596.95	110.95	347.08
Profit from discontinued operations	-	-	-	-
Profit for the year	10022.46	9596.95	110.95	347.08
Other comprehensive income	419.22	35.93	-	-
Total comprehensive income	10441.68	9632.88	110.95	347.08
Dividend received from the Associate	396.00	864.00	-	-

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 Limited	
	As at 31-Mar-19	**As at 31-Mar-18**	**As at 31-Mar-19***	**As at 31-Mar-18**
Net assets of the Associates	43338.58	45213.11	2694.08	2676.74
Group's share in %	21.85%	21.82%	25.04%	25.04%
Group's share in ₹	9467.57	9865.51	674.60	670.26
Adjustments:				
Group's share in adjustment for unrealised profits on inter-company transactions (net of tax)	(6.05)	(4.32)	-	-
Goodwill on acquisition (as restated)	(8.11)	-	2204.24	2172.62
Adjustment for tax on balance undistributed profits	(1479.91)	(1533.33)	-	-
Other adjustments	0.07	0.07	-	-
Carrying amount	7973.57	8327.93	2878.84	2842.88

* The consolidation of accounts of Aqwise-Wise Water Technologies Limited., under equity accounting method, is done using its most recent available audited financial statements for the year ended 31 December 2018 adjusted for the effects of significant transactions / events for the quarter ended 31 March 2019, if any.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 44: ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Triveni Engineering & Industries Limited								
31 March 2019	94.30%	107541.34	90.71%	19619.76	334.88%	(137.34)	90.25%	19482.42
31 March 2018	90.86%	85972.44	84.75%	10096.62	100.95%	121.72	84.91%	10218.34
Subsidiaries (Group's share)								
Indian								
Triveni Engineering Limited								
31 March 2019	0.39%	440.66	0.00%	(0.13)	0.00%	-	0.00%	(0.13)
31 March 2018	0.47%	441.49	-0.01%	(1.38)	0.00%	-	-0.01%	(1.38)
Triveni Energy Systems Limited								
31 March 2019	0.33%	374.46	0.00%	(0.17)	0.00%	-	0.00%	(0.17)
31 March 2018	0.40%	375.35	-0.01%	(1.24)	0.00%	-	-0.01%	(1.24)
Triveni Sugar Limited								
31 March 2019	0.00%	(0.05)	0.00%	(0.34)	0.00%	-	0.00%	(0.34)
31 March 2018	0.00%	1.00	-0.01%	(0.84)	0.00%	-	-0.01%	(0.84)
Svastida Projects Limited								
31 March 2019	0.00%	5.03	0.00%	(0.25)	0.00%	-	0.00%	(0.25)
31 March 2018	0.01%	5.99	-0.01%	(1.19)	0.00%	-	-0.01%	(1.19)
Triveni Entertainment Limited								
31 March 2019	0.34%	390.62	-0.01%	(1.62)	0.00%	-	-0.01%	(1.62)
31 March 2018	0.42%	393.92	0.01%	1.12	0.00%	-	0.01%	1.12
Triveni Industries Limited								
31 March 2019	0.00%	0.36	0.00%	(0.38)	0.00%	-	0.00%	(0.38)
31 March 2018	0.00%	0.47	-0.01%	(1.09)	0.00%	-	-0.01%	(1.09)
Mathura Wastewater Management Private Limited								
31 March 2019	-1.61%	(1839.81)	-0.05%	(11.67)	0.00%	-	-0.05%	(11.67)
31 March 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interests in all subsidiaries								
31 March 2019	0.00%	-	0.00%	0.00	0.00%	-	0.00%	0.00
31 March 2018	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 2019	6.37%	7267.22	9.22%	1995.07	-232.00%	95.14	9.68%	2090.21
31 March 2018	8.04%	7607.86	14.56%	1735.10	5.87%	7.08	14.48%	1742.18
Foreign								
Aqwise-Wise Water Technologies Limited								
31 March 2019	-0.11%	(127.35)	0.13%	27.78	-2.89%	1.19	0.13%	28.97
31 March 2018	-0.17%	(163.31)	0.73%	86.91	-6.82%	(8.23)	0.65%	78.68
Total								
31 March 2019	100.00%	114052.48	100.00%	21628.05	100.00%	(41.01)	100.00%	21587.04
31 March 2018	100.00%	94635.21	100.00%	11914.01	100.00%	120.57	100.00%	12034.58

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 45: 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 seven 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-19	Year ended 31-Mar-18
Lease payments (refer note 33)	711.07	591.09
	711.07	**591.09**

Non-cancellable operating lease commitments

	As at 31-Mar-19	As at 31-Mar-18
Not later than one year	21.63	259.55
Later than one year and not later than five years	-	21.63
Later than five years	-	-
	21.63	**281.18**

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 46: COMMITMENTS

		As at 31-Mar-19	As at 31-Mar-18
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3279.00	50.30
(ii)	Operating lease commitments	Refer note 45(ii)	
(ii)	Group's share of associates' commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	133.32	147.75

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 47: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

	As at 31-Mar-19	As at 31-Mar-18
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 ₹ 443.09 lakhs (31 March 2018: ₹ 414.94 lakhs), excluding interest, under protest pending final adjudication of the cases:	7840.17	1732.64

Sl. No.	Particulars	Amount of contingent liability		Amount paid	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Sales tax	301.82	245.59	77.05	86.38
2	Excise duty	465.74	773.95	291.83	294.55
3	GST	1.68	0.57	1.68	0.57
4	Others*	7070.93	712.53	72.53	33.44

* Amount of contingent liability includes ₹ 5973.50 lakhs as at 31 March 2019 (31 March 2018: ₹ Nil) in respect of interest on delayed payment of cane price for the sugar seasons 2012-13, 2013-14 and 2014-15 in respect of which the Hon'ble Allahabad High Court had passed an order directing the Cane Commissioner of the State to decide the matter afresh, taking into consideration certain additional factors. The Cane Commissioner is understood to have filed an affidavit recently in a contempt proceeding, specifying interest rates on delayed cane price payments but no such order of the Cane Commissioner has been served on the Company or industry association and such order, which if served may be legally challenged.

	As at 31-Mar-19	As at 31-Mar-18
(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 2018: ₹ 3174.34 lakhs) against which ₹ 2063.71 lakhs (31 March 2018: ₹ 2844.62 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	3174.34
(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 2(a)(i)]	-	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	173.76	147.05
The amount shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties, possible payments and reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants, as the case may be, and therefore cannot be predicted accurately. The Group engages reputed professional advisors to protect its interests and has been advised that it has strong legal position against such disputes.		

Contingent assets

Based on management analysis, there are no material contingent assets as at 31 March 2019 (31 March 2018: ₹ Nil).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 48: DISCLOSURES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

Based on the intimation received by the Group from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the relevant information is provided here below:

	31-Mar-19	31-Mar-18
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	92.00	43.42
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

NOTE 49: CHANGES IN ACCOUNTING POLICIES

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, vide notification dated 28 March 2018, which had 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*. The Group has applied Ind AS 115 for the first time by using the modified retrospective method of adoption to all open contracts at the date of initial application of 1 April 2018. The application of Ind AS 115 has no material impact on the consolidated financial statements.

The MCA has also issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2018, vide notification dated 20 September 2018, which has amended Ind AS 20 *Accounting for Government Grants and Disclosure of Government Assistance* to provide an alternative option to deduct the grant related to assets from the gross value of assets. The Group has applied such alternative option for the first time and accordingly previous year figures has also been restated. The application of such alternative option has no material impact on the consolidated financial statements.

NOTE 50: STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards when they become effective.

Ind AS 116 *Leases* was notified by Ministry of Corporate Affairs (MCA) on 30 March 2019 and it replaced Ind AS 17 *Leases*, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019
(All amounts in ₹ lakhs, unless otherwise stated)

The Group will adopt the aforesaid standard effective from 1 April 2019. As at the date of issuance of the Group's financial statements, the Group is in the process of evaluating the requirements of the aforesaid standard and the impact on its financial statements in the period of initial application.

NOTE 51: COMPARATIVES

(i) Goods and Services Tax ("GST") has been implemented with effect from 1 July 2017 and therefore, revenue from operations for the period thereafter are net of GST. Revenue from operations and expenses for and year ended 31 March 2018, being inclusive of excise duty till 30 June 2017, are not comparable with corresponding figures for the year ended 31 March 2019.

(ii) The Group has reclassified certain items of financials of comparative year to conform to this year's classification, however, impact of these reclassification are not material.

NOTE 52: APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved for issue by the Board of Directors of the Company on 21 May 2019 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 21, 2019

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

Information on Company's Business Locations

Registered Office
Deoband, District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222185, 222866
Fax: 222220
CIN- L15421UP1932PLC022174

Corporate Office
'Express Trade Towers', 8th Floor
15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11

Share Department/Investors' Grievances
'Express Trade Towers', 8th Floor
15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11
Email: shares@trivenigroup.com

Registrar and Share Transfer Agents
For Equity shares held in physical and electronic mode
(Correspondence Address)
M/s Karvy Fintech Pvt. Ltd.,
Unit: Triveni Engineering & Industries Limited
Karvy Selenium Tower B,
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Financial District, Nanakramguda,
Hyderabad-500 032.
Tel. 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-274 305
STD Code: 05567
Phone: 9936300473
Fax: 2562483

Sabitgarh Sugar Unit
P.O. Karora, Tehsil Khurja
District-Bulandshahar,
Uttar Pradesh-203 129
STD Code: 05733
Phone: 9557794246
Fax: 228894/95

Rani Nangal Sugar Unit
Rani Nangal, Tehsil Thakurdwara
District- Moradabad
Uttar Pradesh-244 401
STD Code: 0591
Phone: 09690003373

Milak Narayanpur Sugar Unit
Milak Narayanpur, P.O. Dadiyal
District-Rampur
Uttar Pradesh- 244 925
STD Code: 0595
Phone: 9758400190-191
Fax: 2565002

Chandanpur Sugar Unit
P.O. Chapna, Tehsil-Hasanpur,
District- Amroha
Uttar Pradesh-244 255
STD Code: 05924
Phone: 267004/05, 7830220828
Fax: 267001

Co-generation Khatauli
Khatauli, District- Muzaffarnagar,
Uttar Pradesh-251 201
STD Code: 01396
Phone: 9897133335, 9897544464

Co-generation Deoband
Deoband, District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222185, 222866
Fax: 222220

Alco-Chemical Unit - Muzaffarnagar
Village Bhikki Bilaspur,
Jolly Road, District-Muzaffarnagar,
Uttar Pradesh-251 001
STD Code: 0131
Phone: 7895900631-36
Fax: 2600569

Distillery Unit – Sabitgarh
P.O. Karora, Tehsil Khurja
District-Bulandshahar,
Uttar Pradesh-203 129

Branded Division
'Express Trade Towers', 8th Floor
15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11

Gears Business
1,2,3 Belagola Industrial Area,
Metagalli Post, K.R.S. Road,
Mysore-570 016
STD Code: 0821
Phone: 4286501, 4286502
Fax: 4286531

Water Business
Plot No.44, Block-A,
Phase II Extension,
Hosiery Complex, Noida-201 305,
District Gautam Budh Nagar, U.P.
STD Code: 0120
Phone: 4748000
Fax: 4243049

Subsidiary Companies

Triveni Industries Limited

Triveni Engineering Limited

Triveni Energy Systems Limited

Triveni Entertainment Limited

Triveni Sugar Limited

Svastida Projects Limited

Mathura Wastewater Management Pvt. Limited

Corporate Information

Chairman and Managing Director
Mr. Dhruv M. Sawhney
(DIN-00102999)

Vice Chairman & Managing Director
Mr. Tarun Sawhney
(DIN-00382878)

Directors
Mr. Nikhil Sawhney
(DIN-00029028)

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)

Mr. Jitendra Kumar Dadoo
(DIN-02481702)

Group Chief Financial Officer
Mr. Suresh Taneja

Group Vice President & Company Secretary
Ms. Geeta Bhalla

Bankers
Axis Bank Ltd.
Canara Bank
Central Bank of India
IDBI Bank Ltd.
IndusInd Bank Ltd.
Oriental Bank of Commerce
Punjab National Bank
RBL Bank Ltd.
State Bank of India
Yes Bank Ltd.

Auditors
M/s S.S. Kothari Mehta & Company

Triveni Group website
www.trivenigroup.com

Triveni
ENGINEERING & INDUSTRIES LTD.

CIN-L15421UP1932PLC022174
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